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New Report Underscores Offshore Oil and Gas Sector's Strong Contribution to Newfoundland and Labrador's Economy

St. John's, NL – Energy Research & Innovation Newfoundland & Labrador (ERI) released a report today highlighting significant economic and social contributions of Newfoundland and Labrador's offshore oil and gas industry to the province.

The report, *Socio-economic Benefits from Oil and Gas Industry Activity in Newfoundland and Labrador, 2018-2024,* demonstrates the offshore sector's continued role as a cornerstone of the provincial economy, supporting thousands of jobs and driving growth in Newfoundland and Labrador. Similar reports were completed in 2003, 2005, 2008, 2012, 2015 and 2018.

ERI commissioned Stantec Consulting Ltd. to research and develop the report. It includes a provincial Department of Finance analysis of the industry's average annual impact on key economic indicators — including gross domestic product (GDP), employment, and labour compensation — over the 2018 to 2024 period. Stantec also used data from benefits reports produced by oil and gas operators and from the Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER).

The report states that from 2018 to 2024, Newfoundland and Labrador's oil and gas sector experienced fluctuations in both production and investment, influenced by global market trends, the COVID-19 pandemic, and project-specific factors. Even with these challenges, the industry remained a key and steady driver of the provincial economy. As a result of offshore oil and gas activity in the province, in the period 2018-2024:

- Oil development and production activities generated an average of more than 23% of the province's nominal GDP. Nominal GDP was, on average, $8.9 billion higher per year over the period, reaching $9.5 billion in 2024.
- The oil and gas industry contributed $7.2 billion in royalties over the seven-year period.
- Labour compensation in the province was 10.8% higher, with yearly increases averaging $1.8 billion. The industry also sustained roughly 19,000 jobs each year accounting for over 8% of total provincial employment.
- The annual average capital expenditure by the industry was approximately $3.1 billion.
- Industry invested on average approximately $30 million annually into education and training and research and development (R&D) in the province.

Ongoing offshore oil and gas activities have spurred significant investments by industry, federal and provincial governments, and academic institutions in infrastructure, education and training, and R&D. This effort has expanded capacity within the industry and grown expertise in the province. Examples include: the Cenovus Centre of Excellence in Sales and Supply Chain Management at Memorial University, the Hebron Project Skilled Trades Apprenticeship Bursary Program for women and Indigenous students, the Marine Institute's Heritage Bridge Simulator, as well as R&D contributions to numerous small businesses in Newfoundland and Labrador.

The report features a series of case studies highlighting companies and organizations that originated in the province or expanded their presence here because of offshore industry activity. These examples illustrate how engagement with the sector has driven innovation, leading to the development of new products and services, job creation, enhanced training, and strengthened quality, health, safety, and environmental standards. The report also explores how these growing capabilities have enabled companies to diversify their offerings, secure new contracts in other jurisdictions, and expand into additional industries—both within the province and beyond.

Quotes:

"The continuous innovation investments by the oil and gas industry have helped many local companies get their start. Many of them have successfully expanded their markets across Canada and around the world, and diversified their service offerings, which is a tremendous innovation success story for Newfoundland and Labrador."

"This report reaffirms that offshore oil and gas remains a vital driver of prosperity for Newfoundlanders and Labradorians. Industry continues to deliver lasting social and economic value across the province."

Dave Finn, CEO, Energy Research & Innovation Newfoundland & Labrador

About Energy Research & Innovation Newfoundland & Labrador

Energy Research & Innovation Newfoundland & Labrador (ERI) advances research, development and demonstration (RD&D) and innovation projects in the offshore oil and gas industry, with a focus on safety and the environment. ERI is a federally incorporated, not-for-profit organization whose members include Cenovus, Chevron Canada Resources, Equinor Canada, ExxonMobil Canada, Oil and Gas Corporation of Newfoundland and Labrador, and Suncor Energy. www.erinl.ca

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