

FUNDING TAR SANDS:
PRIVATE BANKS VS. THE PARIS AGREEMENT
November 2017

Companies Analyzed and Methodology Notes

Tar Sands Producers:

This report analyzes bank financing to the following companies holding tar sands reserves, adjusted down by the percentage of a given company's reserves in tar sands out of its total reserves.

Data sourced from Rystad Energy AS, as of September 2017, via Oil Change International.

| Company | Proven and probable tar sands reserves (millions of barrels) | Tar sands reserves as a proportion of total oil and gas reserves |
|----------------------------|---|---|
| Suncor Energy | 11,153.15 | 90% |
| Canadian Natural Resources | 10,761.03 | 57% |
| Cenovus Energy | 9,548.62 | 72% |
| ExxonMobil | 4,659.01 | 8% |
| PetroChina | 3,206.28 | 5% |
| Athabasca Oil Corporation | 3,121.35 | 98% |
| MEG Energy | 2,925.04 | 100% |
| OSUM | 2,709.89 | 100% |
| Total | 2,377.12 | 7% |
| Laricina Energy | 2,236.16 | 100% |
| Sunshine Oilsands | 2,036.18 | 100% |
| Imperial Oil | 1,624.65 | 92% |
| CNOOC | 1,609.54 | 10% |
| ConocoPhillips | 1,449.12 | 9% |

| | | |
|------------------------------|----------|------|
| BP | 1,266.64 | 3% |
| Devon Energy | 1,168.92 | 9% |
| Husky Energy | 1,100.93 | 24% |
| Chevron | 1,079.58 | 3% |
| PTTEP | 1,019.88 | 25% |
| Value Creation | 648.49 | 100% |
| Black Pearl Resources | 636.30 | 84% |
| Paramount Resources | 603.60 | 45% |
| Teck Resources Limited | 598.47 | 100% |
| Connacher Oil and Gas | 547.70 | 100% |
| Shell | 539.79 | 1% |
| Southern Pacific Resource | 503.21 | 97% |
| Sinopec Group | 367.13 | 5% |
| Grizzly Oil Sands | 283.69 | 100% |
| KNOC | 259.27 | 19% |
| Pengrowth Energy Corporation | 230.85 | 67% |
| JX Nippon Oil and Gas | 203.28 | 17% |
| Japex | 198.22 | 27% |
| Marathon Oil | 141.09 | 2% |
| Gulfport Energy | 94.52 | 2% |
| Touchstone Exploration Inc. | 72.57 | 65% |
| Bounty Developments | 44.89 | 100% |
| Baytex Energy | 30.33 | 7% |
| Oxy | 21.27 | 1% |
| Pan Orient Energy | 20.80 | <1% |
| Deep Well Oil & Gas | 14.48 | 100% |

| | | |
|--------------------|-------|------|
| Inpex | 14.18 | <1% |
| Pertamina | 10.52 | <1% |
| Andora Energy | 8.17 | 100% |
| Maurel and Prom | 3.96 | 4% |
| Plunkett Resources | 1.13 | 100% |
| Pan Pacific Oils | 0.91 | 2% |
| Whitecap Resources | 0.91 | <1% |
| Scott Land & Lease | 0.25 | 100% |
| Perpetual Energy | 0.23 | 1% |

Tar Sands Transporters:

This report analyzes bank financing to the following companies that own pipelines bringing tar sands out of Alberta, adjusted down by an estimation of the proportion of each company's current assets that are tar sands infrastructure. Note that this adjuster does not account for projects that are not yet built. Calculations are based off of corporate annual reports (for segmented asset information) and company websites.

| Company | Tar sands infrastructure assets as a proportion of total current assets, 2016 |
|------------------------------|--|
| Enbridge | 29% |
| Inter Pipeline | 63% |
| Kinder Morgan | 4% |
| Pembina | 12% |
| Plains All American Pipeline | 7% |
| TransCanada | 19% |

Adjusting transaction amounts:

For the companies included in this analysis, we assess each bank's involvement in corporate lending and underwriting transactions (debt and equity issuance) from 2014 through the first three quarters of 2017. All finance data is sourced from Bloomberg Professional Services. Financial research was done using the terminal's league table function, which aggregates "creditable" transactions and assigns each leading bank a credit of the deal based on their role, according to the Bloomberg L.P. League Table Standards and Guidelines.

Each transaction is weighted based on the proportion of the borrower or issuer's operations devoted to tar sands production or transportation in a given year.

- For the tar sands producers, the adjuster is based on a company's tar sands reserves out of total oil and gas reserves. In the case where a company is involved in sectors besides oil and gas, this percentage was multiplied by the percentage that the group's oil and gas segment represents out of total assets, to get the final adjuster. Profundo assessed the segment proportion of some of these companies as part of [Banking on Climate Change: Fossil Fuel Finance Report Card 2017](#).
- For tar sands pipeline companies, the adjuster is an estimation of the proportion of a company's current assets that are tar sands infrastructure.

Group-level segment adjusters were applied to both parent companies and subsidiaries that were found to have activity in tar sands extraction or transport. In applying the adjusters to financing data, if a bank is credited for loaning \$1,000,000 to a diversified oil and gas company, and 20 percent of that company's reserves are in tar sands, then the bank will be credited with a \$200,000 loan to tar sands. But if a bank is credited for loaning \$1,000,000 to that company's tar-sands-only subsidiary, the full \$1,000,000 will be counted. The full amount is also credited for corporate loans that are known to the authors to be designated specifically for a tar sands project.