



Ministry of Energy and Resources

Annual Report Highlights 2010-11

Message from the Minister



*The Honourable Bill Boyd
Minister of Energy and Resources*

I am pleased to present the 2010-11 highlights for the Ministry of Energy and Resources.

The 2010-11 fiscal year was one of achievement for the ministry in the continuing development of Saskatchewan's diverse energy, mineral and forestry resources. This document provides an executive summary of the ministry's more detailed annual report and profiles the ministry's more notable accomplishments in 2010-11 in support of the government's overall direction, vision and goals.

For more information on the ministry's results, please see the ministry's 2010-11 annual report or visit its website.

Ministry Overview

The Ministry of Energy and Resources helps deliver on government commitments to economic growth through realization of the potential of Saskatchewan's rich resources.

The ministry works to achieve sustainable development of the province's diverse energy, mineral and forestry resources, including oil and gas, potash and uranium.

It has a regulatory role with industry and develops and administers various tax and royalty structures related to resources.

As well, the ministry has a major development and promotional thrust, with programs and policies that encourage exploration, research and value-added investment in resources and resource projects. Such work involves considerable liaison and relationship-building with national and international investors, in forums here at home and beyond our borders.

VISION

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Our 2010-11 Significant Achievements

Sustaining Economic Growth....

- Continued advancing the PRIME (Process Renewal and Infrastructure Management Enhancements) project, which will replace the ministry's aging well information, production and disposition, and billing systems with one integrated oil and gas business system. Major design and software testing work was done through the year on PRIME, and amendments were passed to existing legislation to enable electronic service delivery.
- Helped facilitate a new company, Sâkaw Askiy Forest Management Inc., to assume responsibility for the 3.3 million hectare Prince Albert Forest Management Agreement. The new company will help deliver more value-added wood products to global markets and provide new opportunities for, and greater engagement of, First Nations in the forest industry.
- Extended the Saskatchewan Mineral Exploration Tax Credit through the fiscal year.
- Continued to support ongoing research into carbon capture and storage and into enhanced oil recovery, including funding the Petroleum Technology Research Centre.

Securing Saskatchewan...

- Promoted Saskatchewan's mineral and oil and gas resources through several investment attraction missions to Asia, and through continued participation in major national and international industry conferences and trade shows.

- Reclaimed three orphan wells and sites under the province's Orphan Well Program.
- Introduced a new incentive to encourage the application of horizontal well drilling technology to Saskatchewan's natural gas pools.
- Announced a new royalty system for future diamond production in Saskatchewan.

Keeping Promises...

- Under the auspices of the New West Partnership, signed an Energy Memorandum of Understanding with Alberta and British Columbia, committing the three provinces to explore cooperation initiatives around regulatory streamlining, energy technology development, energy infrastructure, marketing strategies for international market development, and energy efficiency.
- Undertook further legislative and design work to bring in the new e-tenure system for mineral dispositions known as MARS (Mineral Administration Registry Saskatchewan).
- Reviewed the efficiency of the ministry's business processes by completing three Lean "value stream mapping" events and one "Kaizen" event during the fiscal year (value stream mapping and Kaizen are management and process improvement techniques championed in manufacturing circles).

The Ministry of Energy and Resources: Providing Excellent Services to Stakeholders

Saskatchewan's oil industry enjoyed a resurgence during 2010, recovering from the global economic slowdown that had affected resource industries worldwide in 2009 and the latter part of 2008. The province set a new record in 2010 for horizontal oil wells drilled (1,531) and also had its second-best fiscal year for sale of Crown petroleum and natural gas rights. Saskatchewan was a pioneer in the use of horizontal well drilling technology – technology that in large part has contributed to the heightened activity in recent years in the province's portion of the Bakken oil formation.

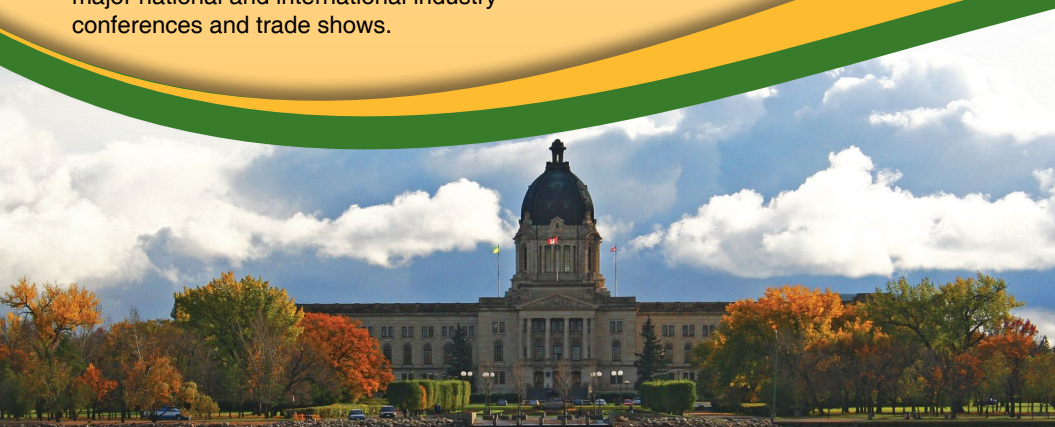
Demand was also strong for Saskatchewan's potash during the reporting period, and the province's status as the world's leading producer of the mineral garnered considerable international attention during the year. Saskatchewan's potash producers have committed to more than \$12.8 billion worth of expansions to existing mines, and other international mining companies have Saskatchewan potash projects in the planning stages.

During the fiscal year the ministry received an additional \$37 million to its budget to assist in the clean-up of the abandoned Gunnar uranium mine site in northern Saskatchewan. The Gunnar site is one of a number of "Cold War legacy mine" sites from the 1950s and 1960s that the provincial and federal governments are cleaning up.

Financial Summary

2010-11 Budget (000s)	2010-11 Actual (000s)	Variance (000s)
\$37,720	\$77,621	\$39,901

Actual FTEs: 258.6



For more detailed information, please see the ministry's 2010-11 Annual Report.
For more information on the ministry, see www.er.gov.sk.ca or call (306)787-1691.