

## Canada and US Unconventional Play Trends

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### **Summary**

Exploitation of unconventional plays is driving production growth in both Canada and the US. Revenue generated from North America unconventional plays is expected to grow from US\$223bn in 2019 to over US\$400bn by 2024. At the same time, investor focus has shifted away from pure growth metrics towards return on capital and profitability metrics. We will use Wood Mackenzie's granular cash flow projections for the Montney, Duvernay, Eagle Ford, Permian and Marcellus to assess how profitable these investment decisions are today and where economic shifts are occurring the fastest. Key trends that will be analyzed across these plays include productivity, capital allocation, production and economic factors including commodity prices.

### **Analysis**

North America is home to prolific unconventional plays but not all are created equal. In this presentation we will go through an overview of historical drilling activity and capital allocation as well as Wood Mackenzie's forecast for future activity. Play and sub-play profitability will be examined using IRR% to benchmark play economics. We will also dive into the broader theme of companies transitioning from growth at all cost to growth while living within cashflow.