

Perspectives on the Future of Our Industry: Nexen Energy ULC's Liquefied Natural Gas (LNG) Strategy

Ron Bailey

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Summary

Ron Bailey, Senior Vice President, North America Gas and Tight Oil will provide an overview of his 20+ year career at Nexen Energy ULC. Ron will provide his perspective on the oil and gas industry as well as discuss the enormous natural gas resource potential in northeast British Columbia. Finally, Ron will provide insight on many consider the future of the Canadian oil and gas industry—liquefied natural gas (LNG). LNG presents an opportunity for Canadian producers to create value for a commodity currently selling at breakeven pricing. Ron will cover Nexen's multibillion dollar LNG strategy and take questions from those in attendance. This keynote talk should be of interest to students, young professionals and senior geoscientists, especially those that are interested in learning more about LNG.

Biography

Ron was appointed to the position of Senior Vice President, North America Gas and Tight Oil in 2012. In this position he is responsible for building Nexen's shale gas business in northeastern British Columbia, Canada and overseeing the company's conventional production in Western Canada, which includes coalbed methane and conventional natural gas production.

Ron's accountabilities also include overseeing shale gas monetization plans, which focus on cost-effectively managing the pace of development in the context of current commodity prices while maintaining safe and reliable operations. A key component of this includes working with Nexen's marketing team to examine various strategies such as the use of LNG and sales to Asia. From an operational perspective, he led an expansion project in the Horn River that increased production capacity to 175 million cubic feet per day (mmcf/d) from 50 mmcf/d. Under Ron's leadership, this business has become very efficient, realizing a 33% decline costs per frac from 2008 to 2011 – a success that reflects the strategic use and integration of technical, operating supply chain and technology development teams.

Ron has spent his career at Nexen, building his experience in conventional and unconventional resource basins since 1991. Prior to his appointment as Senior Vice President, Canada, Ron served as Vice President Natural Gas, Canada, where he lead Nexen's shale gas business towards commerciality. In 2011, Ron was instrumental in negotiating a deal with two Japanese firms that acquired a 40% interest in Nexen's Canadian shale gas assets for \$700 million – a deal that represents a 60% premium to sunk costs and values 100% of our shale assets at \$1.8 billion, well above analyst valuations. He also has significant experience in light and heavy oil operations.

Ron is a professional engineer with a Bachelor of Theology and a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan. He was born in Zambia and moved to Canada when he was 14.