

organizations - EMR, NEB and DRI - provide the long term outlook for Canadian oil supply and demand. World oil price assumptions used for preparing the Canadian oil supply-demand outlook by these organisations are summarized in Table 2.

The NEB's low price case is included to reflect the potential downside price risk associated with competitive world oil markets. The other three cases, on the other hand, are able to identify the possible price supplies that the Canadian oil industry could bring into production, if world oil prices rise more steadily.

**Table 2**  
**World Oil Prices**  
 (1992 \$US / Barrel)

	1992	2000	2010
EMR	20.8	24.0	25.0
NEB Base	20.9	25.0	28.0
DRI	18.6	23.0	31.0
NEB Low	18.8	20.0	23.0

The projections of Canadian oil supply of light and heavy crude are presented on Charts 6 and 7 (the assumptions of DRI and NEB regarding the development of non-conventional oil supplies are listed on Table A7 of the Appendix).

Production of both conventional light and heavy crude is expected to decline. However, heavy crude production is expected to decline more gradually due mainly to increased production from Alberta. Declining production in the medium term reflects the decline in conventional established reserves and reserve additions. In the long term, as prices increase, the projected commencement of East Coast offshore and other frontier production, and anticipated increases in synthetic crude oil supply from the upgrading of heavy crude oil and bitumen largely offset this decline. *Thus, the long term outlook presented in this section suggests stable domestic light crude oil supply, increasing domestic heavy crude oil availability and moderate growth in domestic demand for petroleum products.*