Reaching Canada's 100 MMtpa Federal Ambition for LNG Exports Would Support C$1 Trillion of Investment and 250,000 Jobs Annually Through 2050, New S&P Global Energy Study Finds

Pathway exists for Canada to become 3rd largest LNG exporter, though window of opportunity is limited, study says

NEW YORK, Nov. 12, 2026 /PRNewswire/ -- Meeting the Canadian government's goal of 100 MMtpa of liquefied natural gas (LNG) exports by 2050 would support nearly a quarter million jobs annually, stimulate nearly C$1 trillion total investment across the LNG value chain and contribute C$888 billion to the country's gross domestic product to 2050, equal to C$50,000 per household, a new comprehensive S&P Global Energy study finds.

S&P Global Energy

The government's ambition for scaling-up of Canada's LNG sector would make it the world's third largest exporter while also contributing significant reductions to global carbon emissions – avoiding the emissions equivalent to 10 million gasoline-powered cars per year (more than 1/3 of all cars in Canada), the study says.

Reaching 100MMtpa would also generate C$1.6 trillion in total Canadian business revenues, C$151 billion in tax revenues and C$405 total labor income. Economic impacts would extend across the nation, with approximately 20% of jobs and GDP contributions occurring outside the Western Canadian producing provinces, the study finds.

The study, *Nation Building through LNG and NGLs: Powering Canada's Economic Growth, Trade and Global Energy Security* says that Canada's inherent advantages make the rise to a global LNG export leader quite achievable. However, challenges do remain and, with insufficient pre-final investment decision (FID) projects currently in development to reach this target, time is a factor.

"Canada's current position in world energy falls well short of its competitive strengths in terms of natural resources and geography," said Daniel Yergin, Vice Chairman, S&P Global. "The country will need to move at speed to improve its position to meet its ambitions and potential."

Abundant low-cost resource, low-emissions and advantageous shipping:

Among the advantages, Canada holds some of the most prolific and low-cost gas plays in North America, with 375 Tcf identified to date that is economic below US$3/MMBtu. The country's dual coast position provides secure and accessible routes to key demand centers that are free of geopolitical chokepoints.

Based on currently identified commercial resources, at US$3/MMBtu, the resource base is more than sufficient to meet more than a half century of domestic demand and LNG exports – greater on a proportional basis than the United States and Australia. Canada's prolific Montney basin alone could largely supply the incremental 9 bcf/d of LNG feedgas demand required to reach the 100 MMtpa target, the study says.

Canadian LNG is particularly advantaged, with 55% lower greenhouse gas intensity than similar pre-FID projects in other countries (supported in part by electric-driven compression powered by a clean energy grid). High pressure delivery, coupled

with minimal flaring and lower methane emissions means that Canadian LNG and NGLs could provide lower emissions gas, the study finds.

Accelerated Canadian LNG development would primarily displace higher GHG-intensity projects, as well as additional coal and oil substitution in Asian power generation and industry. Displacing these fuels with lower emissions intensive Canadian LNG would potentially avoid 44 $MtCO_2e$ per year, equivalent to the energy use of 10 million gasoline-powered cars or 13 million Canadian homes per year.

"In a world with a renewed importance of diversity and security of supply, Canada is well-endowed with a truly immense, low-cost, low-emissions-intensive natural gas and natural gas liquids resource base," said Eric Eyberg, Global Head of Gas and LNG Consulting, S&P Global Energy. "Canada is already among the top global energy producers. Accelerating LNG exports would carry substantial economic benefits for the country as well as being a major contribution to global energy security."

NGLs boost well economics and support additional end markets:

Additionally, the liquids rich profile of Canadian gas wells provides a powerful economic advantage, the study says. Natural gas liquids (NGLs) – ethane, propane, butane and condensate – represent 24% of a typical gas well's production, but account for up to half economic value.

Ethane, propane and butane are used for home heating, chemicals production and exports. Condensate is the primary source of diluent which is a key enabler of Canadian oil sands production. Under the study's Accelerated Development Case, expanded domestic condensate supply at its 2040 peak could support 1.2 MMbpd of oil sands supply. Overall, NGL production would nearly triple through 2050, providing C$300 billion of total incremental value.

Challenges remain and time is a factor:

While reaching the 100MMtpa target is achievable, there are challenges to overcome, the study says. Canada is currently on track to reach 36 MMtpa by 2050. Reaching 100MMtpa would require a 2.5x increase in upstream and critical infrastructure investment and a tripling of upstream drilling activity, the study says.

Competition is high. The study finds that, globally, there are more than 600 million tons of projects in various stages of development competing for 176 million tons of market opportunity by 2050.

Time is also a factor. Historically, capital investment in LNG export facilities has been cyclical. Periods of significant investment drive large increases in supply capacity, followed by periods of reduced investment as the global market absorbs the newly created supply. The past two years have seen an unprecedented wave of investment, and global LNG supply is expected to grow 50% over the next five years. S&P Global Energy expects that the market opportunity will be greatly reduced after 2027 until the early 2030s, increasing the urgency for project development.

Among the key challenges are value chain cost uncertainty, permitting, policy stability and associated infrastructure constraints, such as power capacity and transmission.

Canada's pipeline permitting takes 27 months longer compared to Texas and pipelines cost 160% more to build. Permitting alone exceeds 50% of total pipeline project development in Canada.

Over the past two decades, Canada has had 9 instances of significant fiscal policy change impacting the terms for royalty and income tax for ongoing upstream development projects, far more than peer group countries such as the United States (2), Australia (1) or Argentina (4).

Additionally, electrifying all LNG facilities could require 3.1 GW of additional capacity by 2050 – double the pace of net capacity additions in British Columbia versus the last decade. While Quebec has sufficient capacity projected to support LNG, new British Columbia projects could require a major transmission build out, the study says.

Streamlining the permitting process; achieving greater stability in key policy that impacts project economics; value chain integration or government partnerships to share risk; and indigenous partnerships that accelerate development are among key enablers for accelerating Canada's LNG development, the study finds.

"Long-term investment certainty and further cost and timeline reductions are critical to attract capital away from competing countries which have a head start in building the next wave of projects," said Kevin Birn, Chief Canadian Energy Analyst, S&P Global Energy. "Risk sharing and government support, streamlined permitting, indigenous partnerships and durable policy would be difference-makers that put Canada on the path to becoming the world's third largest LNG exporter."

About the Study:

Nation Building through LNG and NGLs: Powering Canada's Economic Growth, Trade and Global Energy Security is available at: https://www.spglobal.com/en/research-insights/special-reports/nation-building-through-lng-and-ngls-powering-canadas-economic-growth-

trade-and-global-energy-security

This study offers an independent and objective assessment of the economic, market and global impact of the Canadian gas, LNG and NGLs industry, built from a detailed bottom-up approach, at the asset and market level and by technology. It represents the collaboration of S&P Global CERA Consulting and S&P Global Market Intelligence, supported by the world's largest expert team of over 1,400 energy and economic research analysts and consultants continuously monitoring, modelling and evaluating markets and assets. The analysis and metrics developed for this research represent the independent analysis and views of S&P Global. The study makes no policy recommendations. This research was supported by the Calgary Chamber of Commerce.

S&P Global is exclusively responsible for all of the analysis, content and conclusions of the study.

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