

Canadian tar sands Canada

Sectors: Oil and Gas Extraction

● On record

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Sector	Oil and Gas Extraction
Location	 A satellite-style map of Canada with a red location pin in the province of Alberta. The map labels the provinces of British Columbia, Alberta, Saskatchewan, and Manitoba. The word 'Canada' is written in the center. The Google logo is in the bottom left, and 'Map data ©2022 Google' is in the bottom right.

About Canadian tar sands

In the Canadian Boreal forest just downstream of the eastern foothills of the Rocky Mountains are the Canadian tar sands. The region contains some 2 trillion barrels of oil, but getting to it will mean destroying an area larger than the state of Florida.

Tar sands consist of heavy crude oil mixed with sand, clay and bitumen. Extraction entails burning natural gas to generate enough heat and steam to liquify the oil in order to extract it. As many as five barrels of water are needed to produce a single barrel of oil.

Tar sands oil is the worst type of oil for the climate. The production of a barrel of tar sands oil produces about three times as much CO₂ compared to the production of conventional oil, because of the energy required to extract and process tar sands oil. Communities downstream from the tar sands mines report elevated levels of cancer that they blame on toxic contamination of the Athabasca River.

Latest developments

Jan 31 2010

What must happen

1. Require clients to provide evidence of Free Prior Informed Consent (FPIC) from First Nations on projects and activities affecting their communities. FPIC reflects international law, minimizes conflict, and was adopted by TD Bank Financial Group as part of its Environmental Management Framework in 2007.
2. Phase out financing and advisory to projects related to oil sands, which adversely impact, in a non-reversible manner, critical natural habitats or freshwater resources used for drinking water. French bank Dexia adopted this global best practice as a part of its Energy Sector Guidelines for project finance, in 2008.
3. Develop an action plan to reduce financed emissions of climate change pollution related to lending activities.

Impacts

Social and human rights impacts

In Canada, the toxic burden on communities near the tar sands is already enormous. In addition to direct human exposure, oil contamination in the local watershed has led to arsenic in moose meat — a dietary staple for First Nations peoples — up to 33 times acceptable levels. Deformed fish have been found in nearby Lake Athabasca; drinking water has been contaminated; and a huge swath of the vibrant Boreal forest is being transformed into a toxic moonscape. One of the largest dams in the world is restraining a giant reservoir filled with toxic sludge from processing tar sands into oil.

Processing tar sands oil means more asthma and respiratory diseases, more cancer, and more cardiovascular problems. Contaminated wastewater, containing arsenic, mercury and various carcinogens, has already been linked to elevated rates of cancer in downstream First Nations communities.

Communities including the Athabasca Chipewyan, Mikisew Cree, Chipewyan Prairie Dene, Woodland Cree, Beaver Lake Cree, and Fort Mackay First Nations have all filed lawsuits over runaway tar sands developments. Failure to obtain free, prior and informed consent of these communities creates substantial material risks to continued development in the tar sands.

Environmental and climate impacts

Greenhouse gas emissions

It takes around 3 times as much energy to produce a barrel of oil from tar sands as it does for typical oil extraction (85.5kg CO₂ per barrel compared to 28.6kg CO₂). The expansion of oil sands is the fastest growing contributor to Canada's greenhouse gas emissions, yet the Canadian government is failing to regulate its carbon emissions effectively with absolute targets. Canada is set to miss its Kyoto targets.

Technological solutions such as carbon capture and storage are still years away, yet the companies are seeking licenses to increase carbon emissions at a time when the scientific community agrees the developed world needs to cut emissions.

Forests & Water

The oil sands reserves cover an area of 140,000km² of the boreal forest - equivalent to 25% of Alberta (approximately the size of France). The extraction of oil sands requires huge impacts above the ground with survey lines, mines, processing plants, pipelines and drilling sites. Oil sands mining has left swathes of forest removed, fragmenting the habitat of the native caribou. Companies have promised to restore the habitat, but only 104 ha of land has been certified as reclaimed.

Tar sands require from 2 to 4.5 barrels of water to produce a barrel of oil. The Athabasca river cannot supply the quantities of water required for the proposed expansion, and the ecological viability of the river is already threatened.

The waste water is so toxic it has to be stored in tailings ponds that threaten leaks into the river. Concerns have been raised by the First Nations indigenous communities that live downstream about serious health problems they fear are linked to contaminated water and fish.

Governance

Other applicable regulations

The Equator Principles are generally not applicable to financing in the tar sands!

Updates

Jan 31 2010

- Analysts expect **USD \$200 billion** to flow toward trebling tar sands production by 2020.
- **Increased greenhouse gas emissions** associated with tar sands development is the main reason Canada will not meet its Kyoto reduction commitments.
- In 2010, Canada's greenhouse gas emissions are projected be nearly **35 percent higher** than 1990 levels.

Financiers

Banks		
ANZ Australia profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 43.9 million	2009
BNP Paribas France profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 6,054 million	2009
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Bank of Montreal (BMO) Canada profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 5,995.3 million	2009
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Uncategorised Owning or managing shares or bonds		2007
Barclays United Kingdom profile Details ▼		
Uncategorised £8 billion to various companies involved in tar sands source: link	GBP 8 billion	2007 - 2009
Uncategorised Total Tar Sands Financing source: link	USD 13,780 million	2009
Uncategorised Owning or managing shares or bonds		2007
Canadian Imperial Bank of Commerce (CIBC) Canada profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 15,588.5 million	2009

Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Citi United States profile Details ▼		
Uncategorised	USD 25,680.2 million	2009
Total Tar Sands Financing source: link		
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Credit Suisse Group Switzerland profile Details ▼		
Uncategorised	USD 4,818.4 million	2009
Total Tar Sands Financing source: link		
Crédit Agricole France profile Details ▼		
Uncategorised Total Tar Sands Financing: \$ 998,1 million (2009) source: link		
Deutsche Bank Germany profile Details ▼		
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Uncategorised		2007
Owning or managing shares or bonds		
HSBC United Kingdom profile Details ▼		
Uncategorised	USD 9,152.3 million	2009
Total Tar Sands Financing source: link		
Uncategorised	GBP 5 billion	2007 - 2009
financing of companies involved in tar sands source: link		
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
ING Netherlands profile Details ▼		
Uncategorised	USD 192 million	2009
Total Tar Sands Financing source: link		

Intesa Sanpaolo Italy profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 250 million	2009
JPMorgan Chase United States profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 23,621 million	2009
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Uncategorised Owning or managing shares or bonds		2007
KBC Belgium profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 118.9 million	2009
Mizuho Japan profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 184.5 million	2009
NatWest United Kingdom profile Details ▼		
Uncategorised Provided financing to nine different companies source: link	GBP 7 billion	2007 - 2009
Uncategorised Total Tar Sands Financing source: link	USD 13,991.4 million	2009
Rabobank Netherlands profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 43.9 million	2009
Royal Bank of Canada (RBC) Canada profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 22,895.2 million	2009
Scotiabank Canada profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	5,590.9 million	2009

Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Société Générale France profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 4,579.6 million	2009
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Standard Chartered United Kingdom profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 293.9 million	2009
Sumitomo Mitsui Banking Corporation (SMBC) Japan profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 509.5 million	2009
TD Canada profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 16,027.2 million	2009
Bond issue – underwriter		2007
Debt – corporate loan		2007
Share issue – underwriter		2007
Uncategorised Owning or managing shares or bonds		2007
Wells Fargo United States profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 5,349.1 million	2009
WestLB AG Germany profile Details ▼		
Uncategorised Total Tar Sands Financing source: link	USD 43.9 million	2009

All data above are derived from Bloomberg in 2009. They have not been updated since then and therefore only provide a snapshot of the situation in 2009.

Related companies