

The Alberta Capital Market:
A Comparative Overview

**2010
Report**

Alberta
Securities
Commission

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Introduction

Approximately seven years ago, the Alberta Securities Commission (ASC) undertook a review of Alberta's capital market. We published this review to provide the market with better insights into the features of the capital market regulated by the ASC. The information gathered has been used to help identify priorities for the ASC and provide background information for projects and rules, including those relating to continuous disclosure, corporate governance, prospectuses and capital raising in the exempt market. Furthermore, the information has been used to highlight the importance and rapid growth of the Alberta capital market in relation to the other major capital markets in Canada.

The first iteration of this report, "The Alberta Capital Market: A Comparative Overview" was released in March 2004 (the 2004 Report²). The most recent report was published in May 2009 (the 2009 Report³) which compared the December 2008 TMX market statistics to the previous year's data.

The 2010 Report consists of an overview of companies listed on the Toronto Stock Exchange (TSX) - Canada's senior equities market - and the TSX Venture Exchange (TSXV) – the most prominent of Canada's junior equities markets. The report contains a review of the number, size (by market capitalization) and industry classifications of public companies⁴ with publicly-listed securities on these two exchanges⁵. It also contains a review of Alberta's market relative to the markets in British Columbia, Ontario and Québec. The report focuses on these four provinces as public companies based in these jurisdictions represent 92 per cent of all public companies listed on the two exchanges and 90 per cent of the aggregate market capitalization of companies listed on those exchanges.

Methodology

With the exception of information from the World Federation of Exchanges that is referenced for comparative purposes in item one under the heading "Executive Summary" and the first bullet point under the heading "Key Findings" on page 5, all of the data presented in this report has been derived from comprehensive information provided by TSX Group Inc¹. The information includes data respecting every public company listed on either of the two exchanges, including the market capitalization for each company as at December 31, 2009. The TSX Group Inc. calculates market capitalization for each company by multiplying the number of outstanding shares by the closing price, in this case, on December 31, 2009.

The compiled information does not take into account reporting issuers that are not listed on either the TSX or TSXV. In addition, companies that were halted or suspended from trading on either of the exchanges are included in the market capitalization calculations as \$0 unless the relevant stock traded at some time during 2009, in which case the market capitalization calculation is based on the last closing price in 2009.

¹ TSX Group Inc. has not reviewed or endorsed this report.

² The 2004 Report was based on TSX data as at August 31, 2003 and TSXV data as at September 30, 2003.

³ The 2009 Report was based on TSX and TSXV data as at December 31, 2008.

⁴ In this report, the term "company" means company, trust or partnership. The analysis in the report is limited to companies listed on the TSX or TSXV.

⁵ This Report is based on TSX and TSXV data as at December 31, 2009.

27%

Alberta is the second largest market, representing 27 per cent of the Canadian capital market.

Executive Summary

A number of key observations were drawn from the examination of market data (including aggregate market capitalization numbers, industry classifications, analysis of industry by location, etc.) of companies listed on the TSX and TSXV from January 1, 2009 to December 31, 2009.

It should be noted that the Canadian capital markets saw some significant improvements in 2009. The aggregate market capitalization of companies listed on the TSX and TSXV rose almost 55 per cent (from USD \$1.03 trillion to USD \$1.60 trillion) from the end of 2008.

The Alberta capital market continues to play a prominent role in Canada's capital markets, contributing \$486 billion to the Canadian capital markets in 2009. This amount marks a 35 per cent increase in Alberta market capitalization since 2008. Of companies based in the four largest provincial markets, Alberta continues to have the second largest capital market in Canada at 27 per cent and Alberta companies have the highest average market capitalization at \$753 million, up 45 per cent from 2008.

After the economic slowdown, the financial services sector and the oil and gas segment of the Canadian capital markets managed to bounce back in 2009. Both these sectors combined made up 48 per cent of Canada's market capitalization and 23 per cent of the total listings on the TSX and TSXV exchanges in 2009.

Over the past five years, the rapid growth of and increased investment in the oil and gas industry have resulted in that industry representing 19.75 per cent of Canada's aggregate market capitalization. The Canadian mining industry became the second most prominent market segment after the financial services industry, representing 20 per cent of Canada's listed market capitalization in 2009.

The market capitalization of income trusts experienced significant growth in Canada, consistent with the market generally, and saw market capitalization numbers surge by 23 per cent from \$106 billion in the 2009 report to \$130.6 billion presently. However, the number of income trusts listed on the Canadian markets decreased from 206 in 2008 to 163 presently, reflecting continued corporate conversions, as most trusts will be subject to taxation subsequent December 31, 2010.

Key Findings

Market Capitalization Representation in Canada

The aggregate market capitalization of companies listed on the TSX and TSXV has risen by almost 55 per cent (from US\$1.03 trillion to US\$1.60 trillion) in 2009. Comparing the TSX aggregate market capitalization to some other major exchanges outside Canada, the World Federation of Exchanges shows a 28.5 per cent increase in the NYSE, 44 per cent increase in the Nasdaq, 49.7 per cent increase in the London Stock Exchange and 36.5 per cent reduction in Euronext⁶ during the same time period.

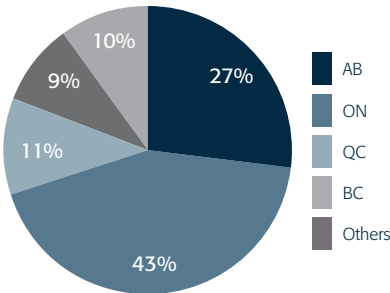
(Note: The analysis and calculations noted above were conducted using total market capitalization numbers listed in US dollars. The remainder of the report relies on information obtained from the TSX that has data based on Canadian dollars).

The aggregate market capitalization of Alberta-based companies listed on the two exchanges has increased 35 per cent (from \$360 billion to \$486 billion) since 2008. This \$126 billion increase associated with Alberta-based companies represents 24 per cent of the \$514 billion increase in aggregate Canadian market capitalization since 2008, while 41 per cent is attributable to Ontario-based companies, 16 per cent is attributable to British Columbia-based companies and eight per cent is attributable to Québec -based companies.

Canadian based companies represent approximately 95 per cent of the companies listed on the two exchanges and 97 per cent of the aggregate market capitalization of public companies. Foreign companies continue to represent a relatively small, but increasing, number of the total TSX or TSXV listings (see discussion of Table A).

The largest provincial markets (based on aggregate market capitalization of companies with head offices in the respective provinces) are Ontario at 43 per cent (unchanged from 2008), Alberta at 27 per cent (down one per cent), Québec at 11 per cent (down one and a half per cent) and British Columbia at nine per cent (up two per cent).

Of companies based in the four largest provincial markets, Alberta-based companies have the highest average market capitalization at \$753 million⁷. Ontario follows at \$657 million, then Québec at \$616 million and British Columbia at \$123 million. These averages are positive improvements as compared to 2008 where the Alberta average market capitalization was \$519 million (a 45 per cent increase). The average market capitalization of British Columbia, Ontario and Québec has also increased since 2008, from \$64 million to \$123 million (a 92 per cent increase), from \$459 million to \$657 million (a 43 per cent increase) and from \$456 million to \$616 million (a 35 per cent increase), respectively.



Size of Provincial Markets

⁶ World Federation of Exchanges 2009 Market Highlights.
⁷ The average market capitalization of Manitoba (41 companies) is \$1.1 billion; Newfoundland (four companies) is \$1.5 billion; Yukon (one company) is \$195 million; New Brunswick (seven companies) is \$141 million; Nova Scotia (39 companies) is \$323 million; and Saskatchewan (24 companies) is \$2.1 billion.

\$753 Million

Alberta-based companies have the highest average market capitalization among the four largest provincial markets.

Characteristics of Canada's Capital Markets

Alberta's market has maintained its significant position within the Canadian capital markets. Specifically:

- Alberta's capital market is second only to Ontario's in terms of aggregate public company market capitalization, and is more than two times greater than that of Québec, which is the next most significant jurisdiction; and
- Alberta has the third largest number of publicly-listed companies on the TSX and TSXV after British Columbia and Ontario. Alberta is second only to Ontario with respect to the number of TSX-listed companies and third after both British Columbia and Ontario with respect to TSXV-listed companies (unchanged from 2008).

Alberta's public equities market is a tiered market with a relatively even distribution of small, medium and large companies. Although roughly 63 per cent of Alberta-based public companies are listed on the TSXV, the aggregate market capitalization of TSX-listed companies represents 98 per cent of the total market capitalization of Alberta-based public companies.

Canada's public equities market is a similarly tiered market with 62 per cent of companies listed on the TSXV (2008 - 58 per cent) and TSX-listed companies representing 98 per cent of the total aggregate Canadian market capitalization.

Alberta's public equities market is quite distinct from other provincial markets. In fact, each of the provincial markets is distinct from the others. For example:

- Although Alberta and British Columbia are both known for having strong junior markets, Alberta has over twice the number of companies with over \$1 billion in market capitalization as British Columbia. Conversely, British Columbia has significantly more smaller companies than Alberta - 90 per cent of British Columbia-based companies have a market capitalization of under \$100 million, while in Alberta, 73 per cent of companies have less than \$100 million of market capitalization.
- Alberta and British Columbia are also quite different with respect to the types of public companies located in the two provinces. The principal industry classifications (based on aggregate market capitalization) of Alberta's public companies are oil and gas, followed by diversified industries and utilities and pipelines. In comparison, British Columbia's principal industries are mining, followed by diversified industries and communication and media. Mining and communications and media combined represent only four per cent of the aggregate market capitalization of Alberta public companies
- With 11 per cent of the aggregate market capitalization of public companies, Québec has less than half (in terms of percentage) of Alberta's aggregate market capitalization. Although public companies based in both Québec and Alberta have a significant representation in the diversified industries category, the oil and gas industry has virtually no representation in Québec. Instead, Québec has a significant number of public companies engaged in the mining sector.

- Ontario and Alberta both have a significant number of junior public companies listed on the TSXV - 471 and 407, respectively; however, Ontario has many more public companies listed on the TSX than does Alberta - 710 and 238, respectively and a larger aggregate market capitalization than Alberta.

Distribution of Industry Market Capitalization

The financial services industry is the most significant industry in Canada with 28 per cent aggregate market capitalization, followed by mining at 20 per cent and oil and gas at 19.75 per cent. Oil and gas continues to be the most significant industry in Alberta (based on market capitalization) by a large margin, almost six and a half times bigger than diversified industries, the next largest category in Alberta. Thirty-eight per cent of Alberta-based public companies are engaged in oil and gas related utilities. Further, oil and gas public companies represent 71 per cent of the aggregate market capitalization in Alberta and 19.75 per cent of the aggregate market capitalization in Canada. In contrast, oil and gas companies represent only 10 per cent of all public companies listed in Canada.

The mining industry continues to be a significant part of Canadian business, still representing 39 per cent of the total number of public companies in Canada accounting for 20 per cent of aggregate market capitalization. In comparison, the mining industry is less significant in Alberta, representing only 14 per cent of Alberta-based public companies and two per cent of the aggregate market capitalization.

Based on aggregate market capitalization, the most significant industries among Ontario public companies are financial services at 52 per cent and mining at 16 per cent. Alberta's primary industry, oil and gas, forms an extremely small part of Ontario's aggregate capital market at only 0.6 per cent.

In terms of aggregate market capitalization in Canada the representation of income trusts has decreased over the past year from eight per cent in 2008 to seven per cent in 2009. The number of total income trust listings on the TSX and TSXV has decreased from five per cent in the 2008 to approximately four per cent in 2009. The aggregate market capitalization associated with income trusts has increased almost 23 per cent and the number of income trusts has fallen by almost 21 per cent since 2008.

In Alberta, the representation of income trusts remained stable at eight per cent in 2009 in terms of aggregate market capitalization of Alberta-based companies and has decreased to nine per cent from 15 per cent (in 2008) of the total number of Alberta-based companies.

71%

Oil and gas public companies are by far the most significant industry in Alberta, representing 71 per cent of the province's aggregate market capitalization.

Charts and Analysis

International Representation in the Canadian Capital Market

Canadian based public companies represent approximately 97 per cent of the aggregate \$1.81 trillion market capitalization and 95 per cent of the head offices of the 3,842 public companies listed on the TSX and TSXV in 2009. Even though the total number of public company listings has declined since the end of 2008 (4018 public companies), the aggregate market capitalization for both the exchanges has increased by almost 39 per cent (from \$1.3 trillion in 2008 to \$1.81 trillion presently). Countries whose aggregate market capitalization gained the most (in terms of percentage increase) on the Canadian markets include:

- (i) United Kingdom – From \$644 million in 2009 report to \$4.9 billion presently;
- (ii) Portugal – From \$368,361 in 2009 report to \$1.7 billion presently;
- (iii) Sweden – From \$861 million in 2009 report to \$3.7 billion presently;
- (iv) Hong Kong – From \$25 million in 2009 report to \$106 million presently; and
- (v) Columbia – From \$570 million in 2009 report to \$1.8 billion presently.

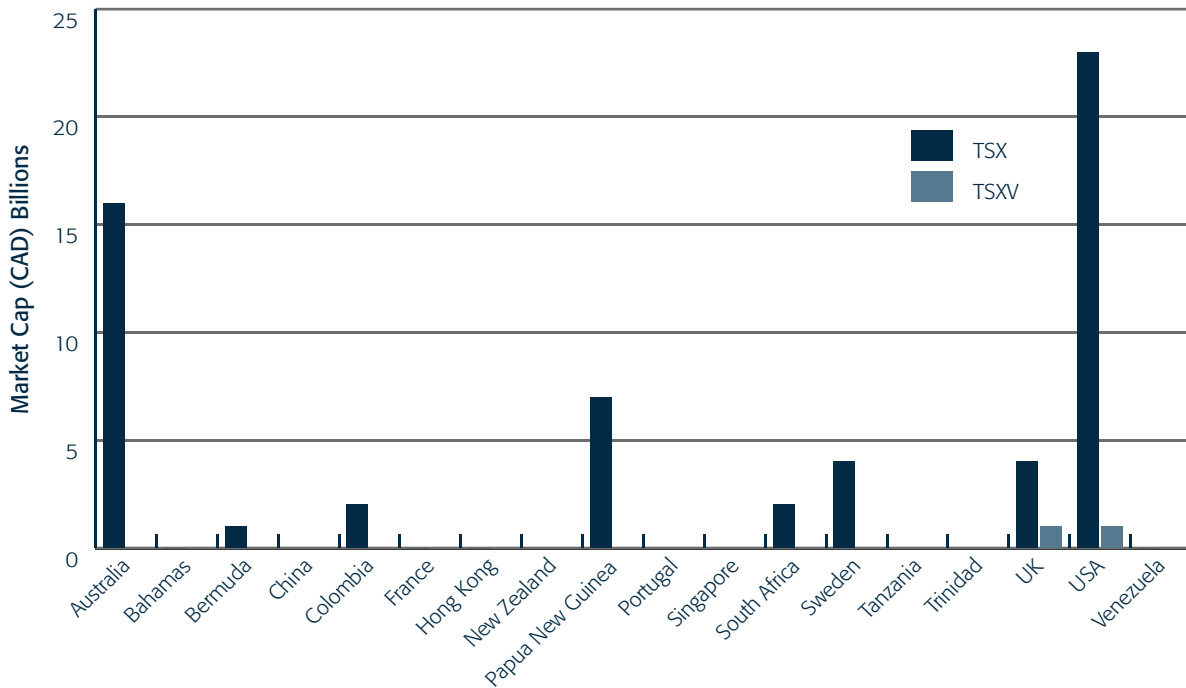
After Canada, the U.S. and Australia represent the highest percentage of aggregate market capitalization at 1.3 per cent and 0.9 per cent respectively.

Table A International Representation in the Canadian Capital Market

Country	Number of Public Companies	Total Market Capital (\$)
Australia	26	15,692,849,033
Bahamas	1	81,489,652
Bermuda	1	1,112,171,525
China	4	67,132,524
Colombia	1	1,849,639,523
France	1	142,188,340
Hong Kong	3	105,523,682
New Zealand	1	4,818,011
Papua New Guinea	1	7,200,939,002
Portugal	1	1,676,035.02
Singapore	1	10,276,826.86
South Africa	3	1,509,192,270
Sweden	1	3,692,400,782
Tanzania	1	10,944,969
Trinidad	1	13,656,198
U.K.	30	4,867,874,147
U.S.A	111	23,582,420,446
Grand Total	188	59,945,192,966

The next chart illustrates the comparative distribution of market capitalization attributed to foreign public companies on the TSX and TSXV. The majority of foreign market capitalization (98 per cent) is found at the TSX level (2008 – 97.5 per cent).

Chart 1 Distribution of Aggregate Market Capitalization by Country and Exchange



Provincial Representation in the Canadian Capital Market

The distribution of market capitalization represented by provincial markets is illustrated in Chart 2. Ontario has the largest aggregate market capitalization at \$776 billion or 43 per cent (2008 - \$565 billion or 43 per cent), followed by Alberta at \$486 billion or 27 per cent (2008 - \$360 billion or 28 per cent), Québec at \$197 billion or 11 per cent (2008 - \$158 billion or 12.5 per cent) and in British Columbia at \$170 billion or nine per cent (2008 - \$90 billion or seven per cent).

Chart 2 Distribution of Aggregate Market Capitalization by Province

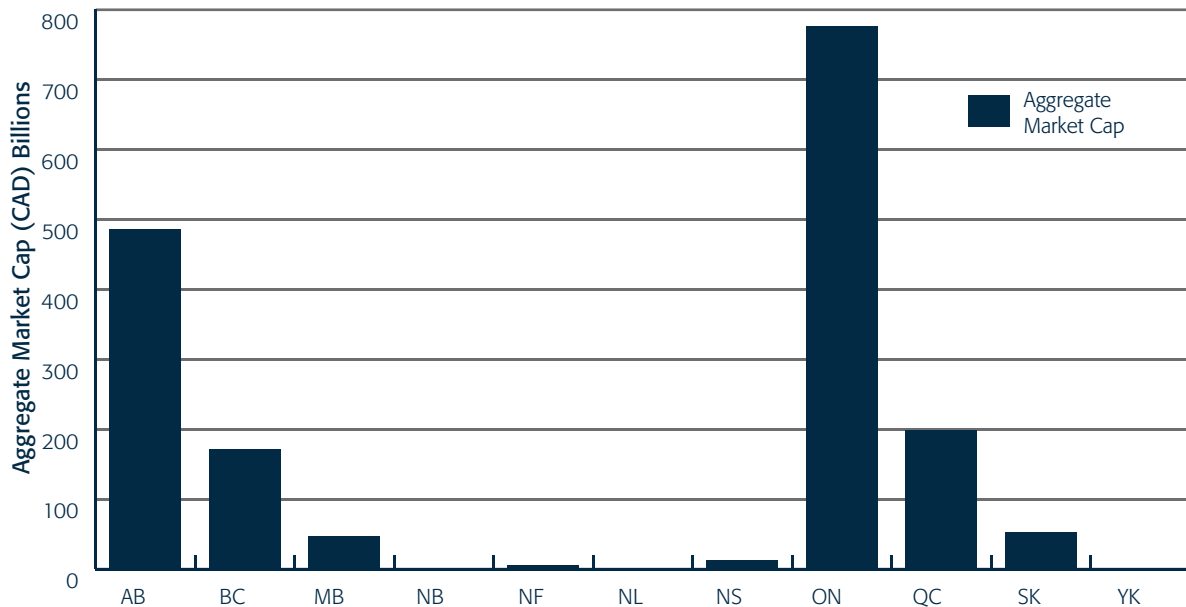
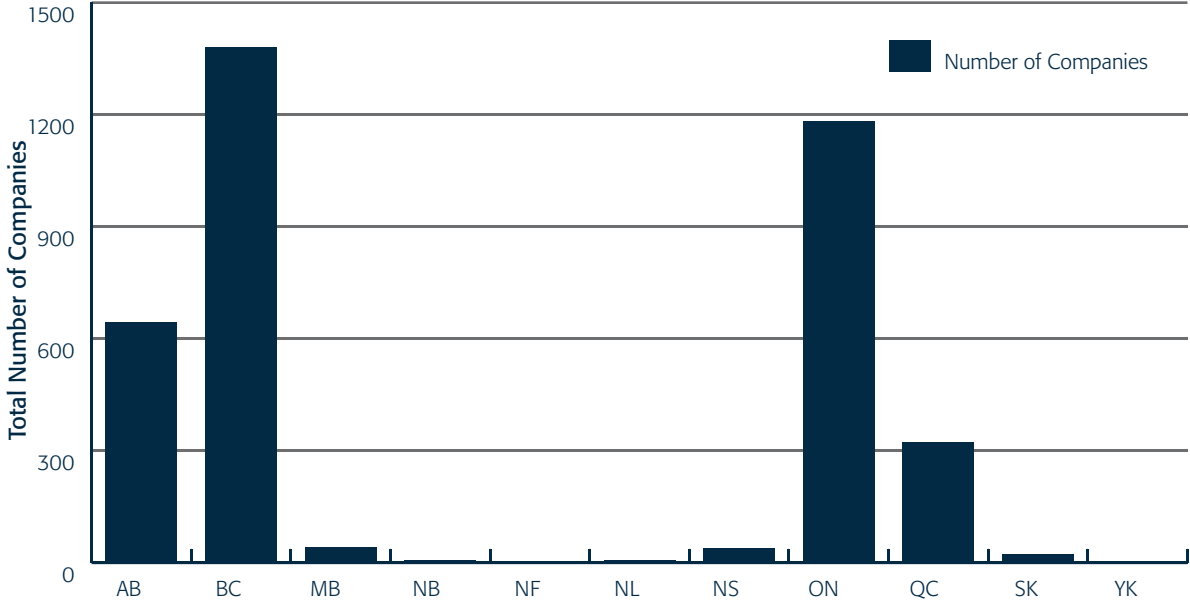


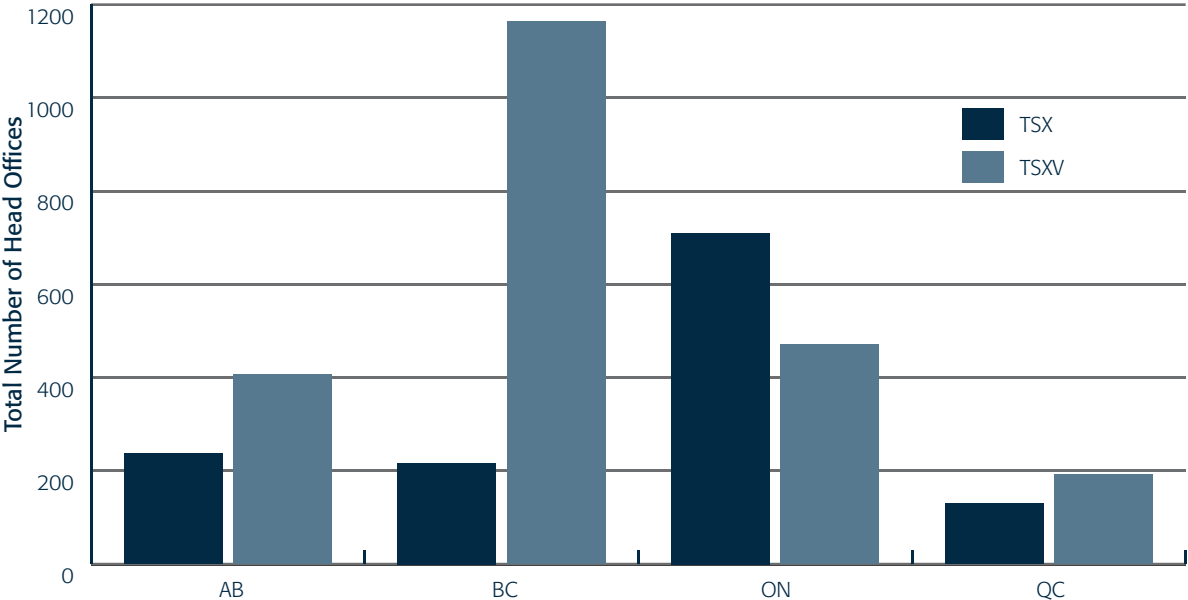
Chart 3 illustrates that these four provinces are home to 92 per cent or 3,529 of the total 3,842 public companies listed on the two exchanges.

Chart 3 Distribution of Head Offices by Province



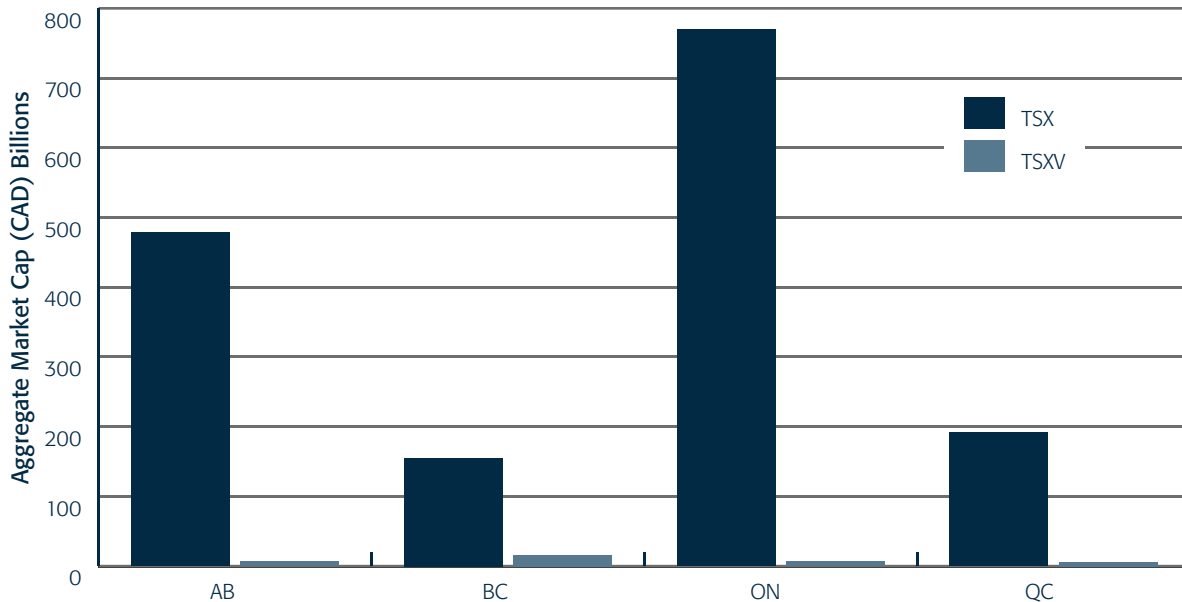
The comparative representation of public companies on the TSX and TSXV in each of Alberta, British Columbia, Ontario and Québec is demonstrated in Chart 4. Alberta has the second largest number of companies (16 per cent) listed on the TSX following Ontario (48 per cent), and the third largest number of companies (17 per cent) listed on the TSXV following British Columbia (49 per cent) and Ontario (20 per cent). In total, Alberta-based companies represent 17 per cent of the listings on the two exchanges, with British Columbia at 36 per cent, Ontario at 31 per cent and Québec at eight per cent.

Chart 4 Distribution of Head Offices by Province and Exchange



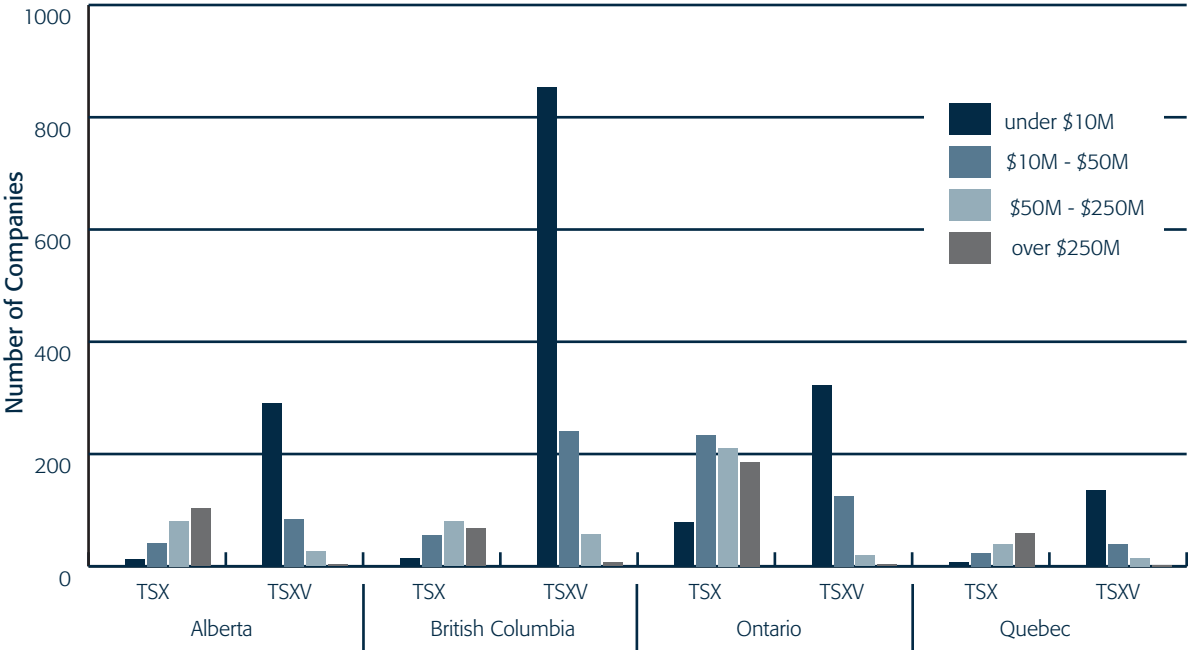
Viewing Chart 4 and Chart 5 together shows that out of the four provinces, British Columbia has the largest number of head offices of public companies but the smallest aggregate market capitalization. Although Alberta has less than half the number of head offices as British Columbia, the aggregate market capitalization of those Alberta public companies is almost three times that of British Columbia companies, placing Alberta second in Canada behind Ontario for aggregate market capitalization.

Chart 5 Aggregate Market Capitalization by Province and Exchange



As per the analysis done in Chart 6, based on market capitalization, Alberta representation on the TSXV is approximately 11 per cent more than Ontario’s total. However, Alberta’s representation on the TSX shows the ratio of companies with over \$50 million in market capitalization to companies having less than \$50 million in market capitalization is smaller (0.5:1) than in Ontario (2:1). Chart 6 also shows that the capital market structure (i.e. the representation of different sizes of public companies) on the two exchanges is quite different between Alberta and British Columbia. British Columbia has 854 companies listed on the TSXV that have market capitalization of less than \$10 million as opposed to Alberta which has 290 companies listed under that category. Companies in this category have declined for both these provinces since the end of 2008 when British Columbia had 945 entities that fell into the below \$10 million market capitalization category and Alberta had 317 companies within this range. Conversely, Alberta has 103 companies listed on the TSX (2008 – 86 companies), with market capitalization of over \$250 million, compared to British Columbia with 67 public companies in that category (2008 – 31 companies).

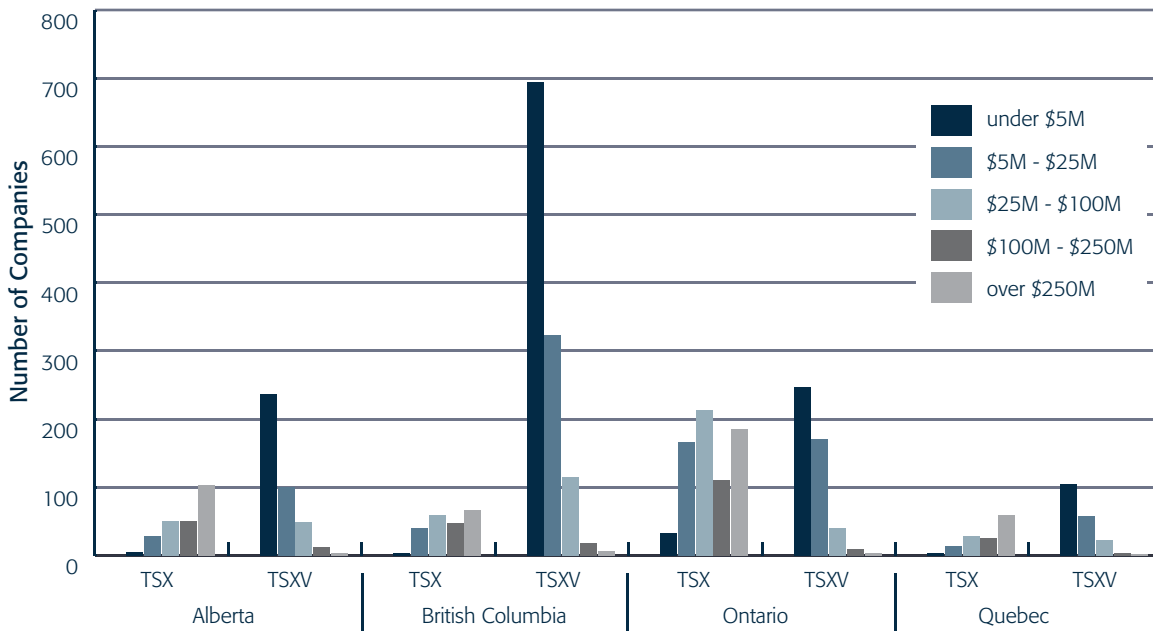
Chart 6 Distribution of Companies by Market Capitalization, Province and Exchange



Due to an increase in market activity over the past year, all four provinces have experienced significant growth within their respective capital markets. Chart 6 and Chart 7 indicate that Alberta is third after Ontario and British Columbia with respect to the number of public companies with market capitalization over \$25 million. Alberta has 269 companies, British Columbia has 315 companies and Ontario has 563 companies in this category (2008 – Alberta: 235, British Columbia: 202 and Ontario: 480, respectively). Approximately 77 per cent of British Columbia’s capital market is made up of companies with less than \$25 million in market capitalization (2008 - 85 per cent). Companies with market capitalization of less than \$25 million represent 58 per cent of Alberta’s capital market, 52 per cent of Ontario’s capital market and 56 per cent of Québec’s capital market (2008 - Alberta: 66 per cent, Ontario: 61 per cent and Québec : 67 per cent).

Companies in the higher ranges of market capitalization have a significant presence in Alberta’s capital market, with public companies in the over \$100 million range having the highest representation at 26 per cent (2008: the \$5 – 25 million range companies had the highest representation at 23 per cent) and the under \$1 million range having the lowest representation at 15 per cent of the market (2008: the \$25 - \$100 million range had the lowest representation at 14 per cent). This can be contrasted with British Columbia where the highest representation is in the \$1 - \$5 million range at 33 per cent (no significant change since 2008).

Chart 7 Distribution of Companies by Province and Market Capitalization

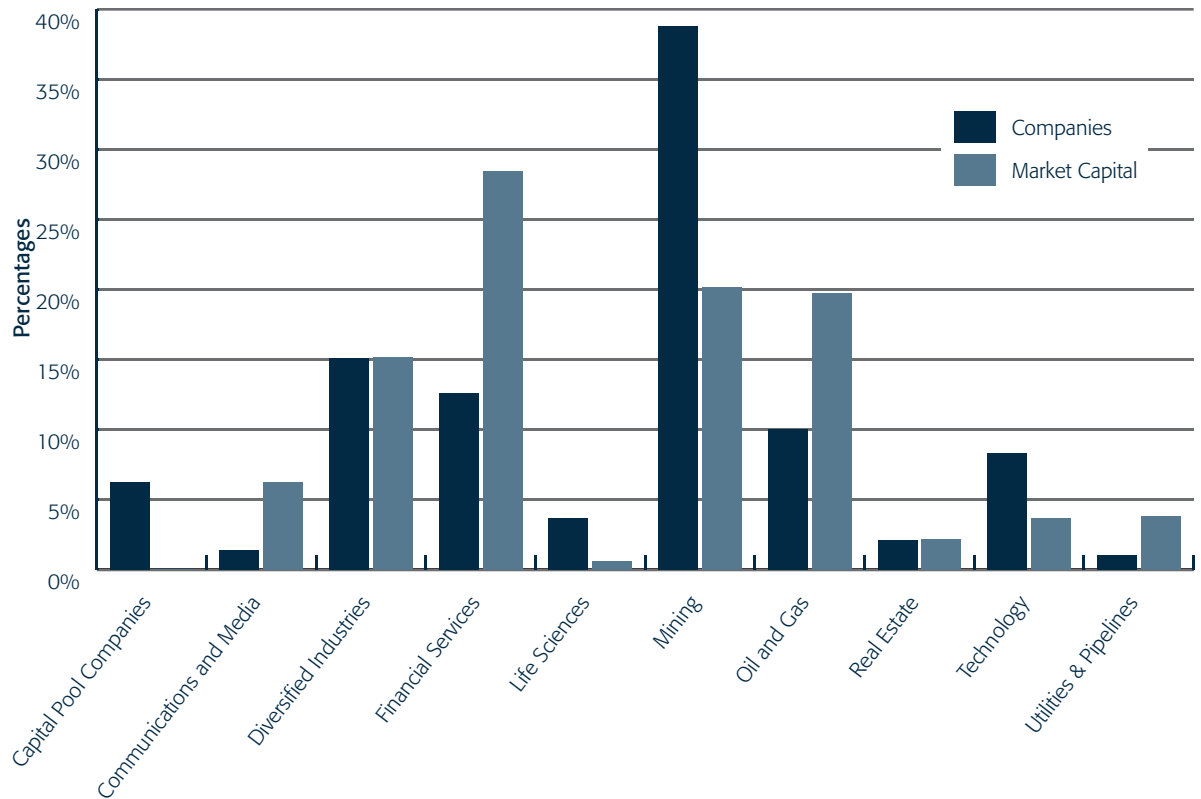


Major Industries in the Canadian Capital Market

Based on aggregate market capitalization, the Canadian capital market is primarily represented by seven major industrial groups (from the largest in market capitalization to smallest): financial services; mining; oil and gas; diversified industries; communications and media; utilities and pipelines; and technology. Chart 8 illustrates the relative percentages of public companies engaged in each industry as compared with the percentage of market capitalization associated with each industry. Based on market capitalization, the financial services category has emerged as the most significant industry, followed by mining and oil and gas. In contrast, the principal industries based on number of public companies (from largest to smallest) are mining, diversified industries and financial services. The oil and gas industry ranks fourth and technology ranks fifth in number of public companies.

2009 was a good year for the Canadian mining industry as it became the second largest segment of the Canadian capital markets after financial services in terms of aggregate market capitalization. Presently, the Canadian mining companies account for 39 per cent of the total listings on the TSX and TSXV and represent 20 per cent of the total market capitalization on the two exchanges. The financial services industry makes up 13 per cent of the total listings and accounts for 28 per cent of the total market capitalization, while the oil and gas industry makes up 10 per cent of the total listings and contributes 19.75 per cent of the aggregate market capitalization on the two exchanges.

Chart 8 Distribution of Industries by Companies and Market Capitalization



Viewing Chart 9 and Chart 10 together provides a closer look at the distribution of the major industries in the four major Canadian capital markets. Based on aggregate market capitalization (Chart 9) the primary industries are: Alberta - oil and gas, diversified industries and utilities and pipelines; British Columbia - mining, diversified industries and communications and media; Ontario - financial services, mining and diversified industries; and Québec - diversified industries, financial services and communications and media.

Chart 9 Distribution of Market Capitalization by Industry and Province

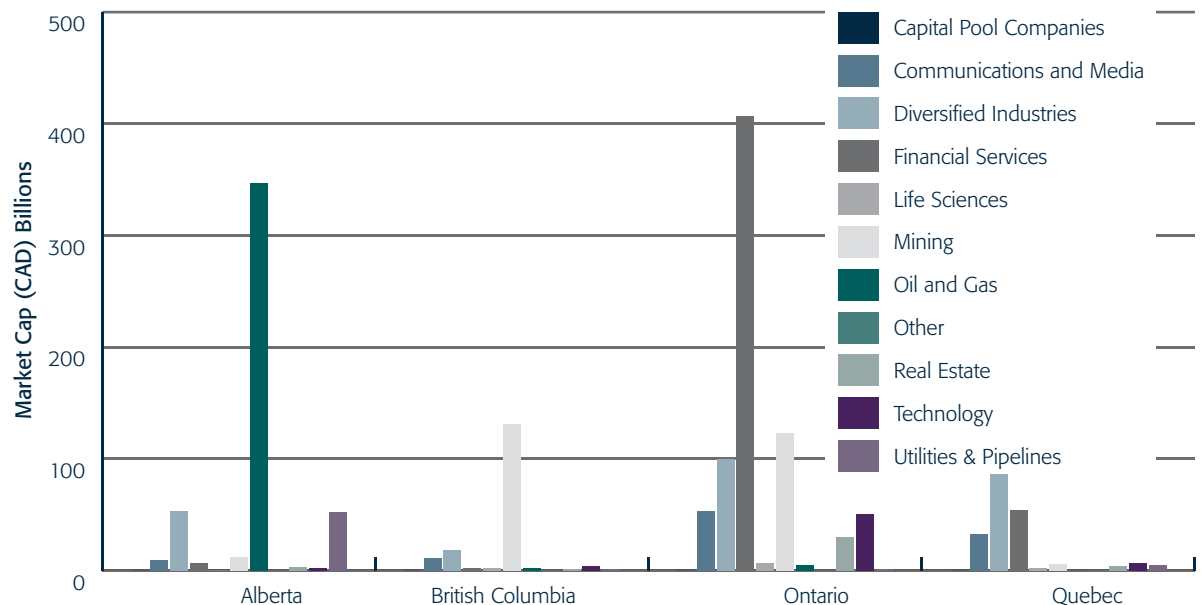
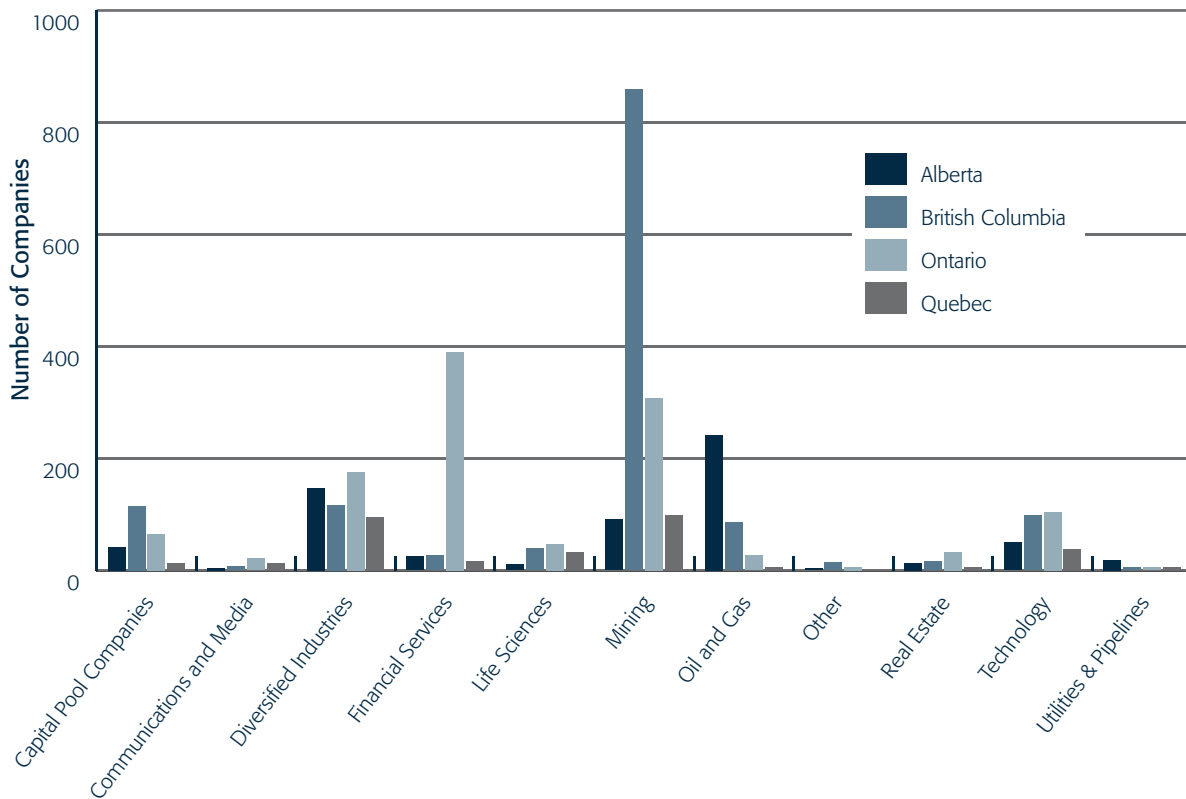


Chart 10 Distribution of Industries by Province



Based on number of companies engaged in each industry (Chart 10) the primary industries are: Alberta - oil and gas, diversified industries and mining; British Columbia - mining, diversified industries and capital pool companies; Ontario - financial services, mining and diversified industries; and Québec – mining, diversified industries and technology.

Income Trusts in the Canadian Capital Market

Income trusts represent roughly seven per cent (\$130 billion) of the aggregate market capitalization in Canada and four per cent (163 trusts) of the total listings on the TSX and TSXV (2008 - eight per cent [\$106 billion] and five per cent [206 trusts], respectively). Chart 11 illustrates that although Ontario and Alberta have the largest percentage of income trusts at 35 per cent and 34 per cent, respectively (2008 – Alberta 35 per cent and Ontario 31 per cent), by market capitalization, the income trusts based in Alberta represent almost 57 per cent of the aggregate income trust market capitalization in Canada, whereas Ontario-based trusts represent 25 per cent (2008 - Alberta 58 per cent and Ontario 22 per cent).

Chart 11 Distribution of Income Trusts by Location of Head Office

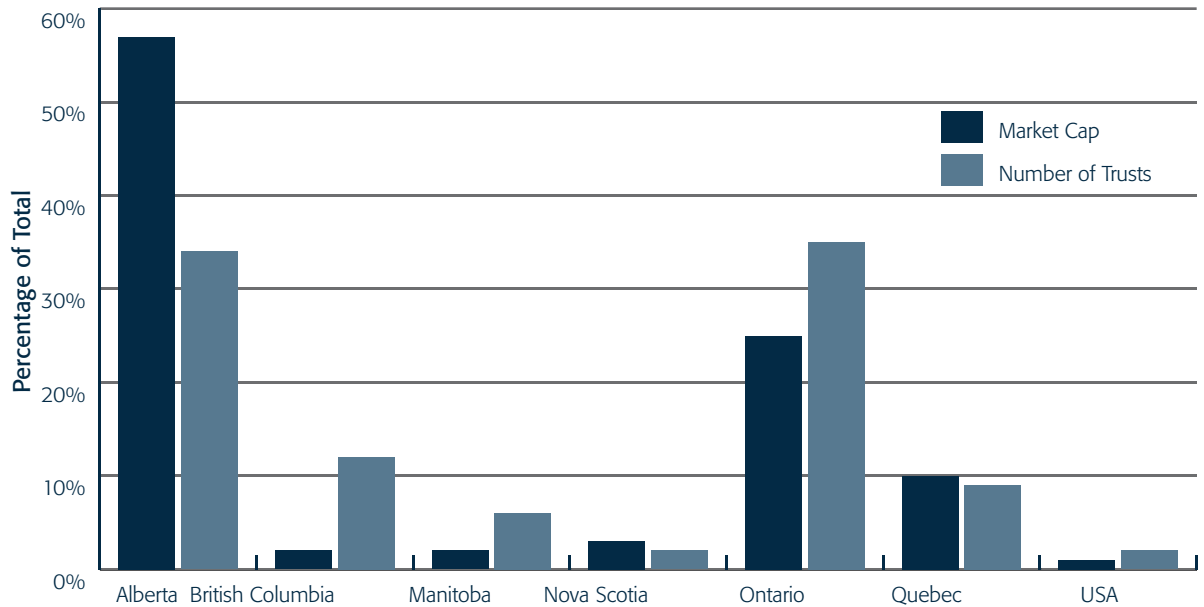
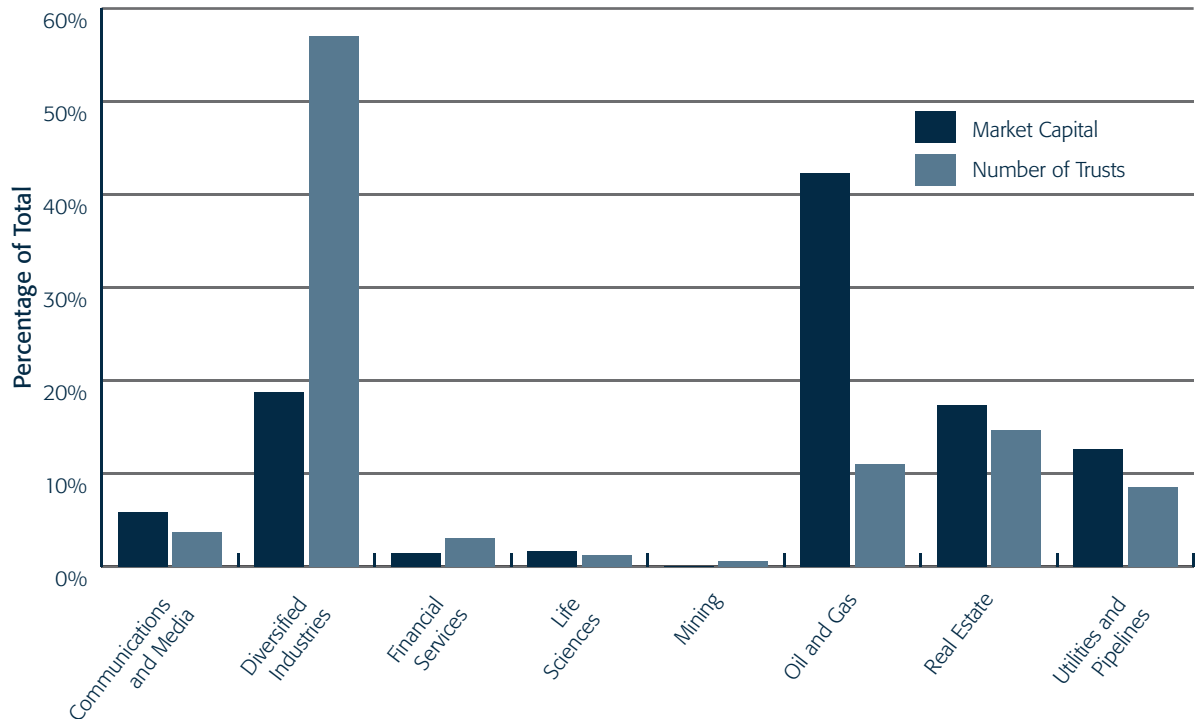


Chart 12 demonstrates the distribution of income trusts among industries both in terms of numbers of trusts and in terms of aggregate market capitalization. Oil and gas and diversified industries trusts are the top two industries in the income trust market in terms of market capitalization. The oil and gas industry represents almost 42 per cent (\$55 billion) of the aggregate market capitalization associated with income trusts and 11 per cent (18 trusts) of the total number of listed income trusts. Income trusts in the diversified industries represent 57 per cent (93 trusts) of the number of listed income trusts and 19 per cent (\$2.5 billion) of the overall income trust aggregate market capitalization.

Oil and gas income trusts represent three per cent of aggregate Canadian market capitalization.

Chart 12 Distribution of Income Trusts by Industry

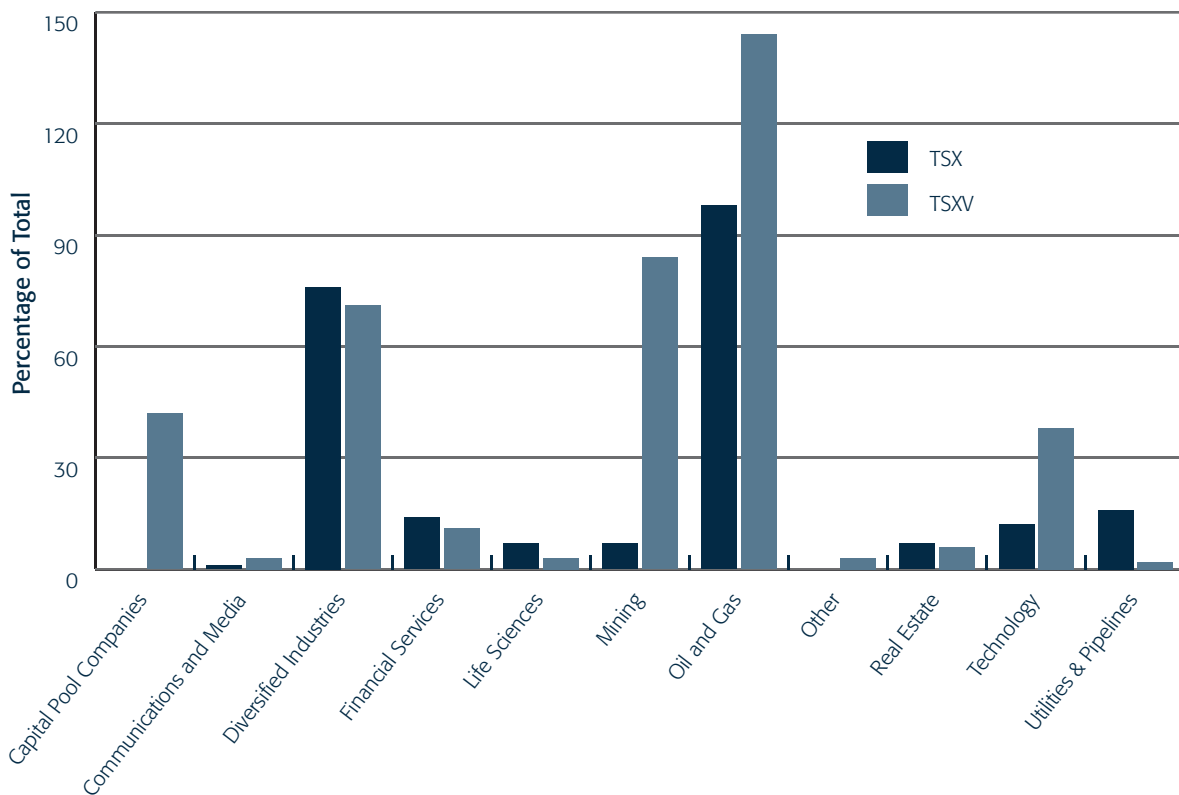


Focus on Alberta's Capital Market

Based on the number of companies, the principal industries in which Alberta-based public companies are engaged are oil and gas (38 per cent), diversified industries (23 per cent), mining (14 per cent) and technology (eight per cent) (2008 - 40 per cent, 16 per cent, 13 per cent and eight per cent, respectively).

If we compare the Alberta-based companies listed on the two exchanges there are some interesting observations. For example, all Alberta capital pool companies, 92 per cent of mining companies and 76 per cent of technology companies are listed on the TSXV. The comparison of the number of oil and gas listings on each of the TSXV and the TSX is not so stark at 59 per cent and 40 per cent, respectively. Alberta diversified industries are spread across the TSX and TSXV fairly equally at 52 per cent and 48 per cent, respectively.

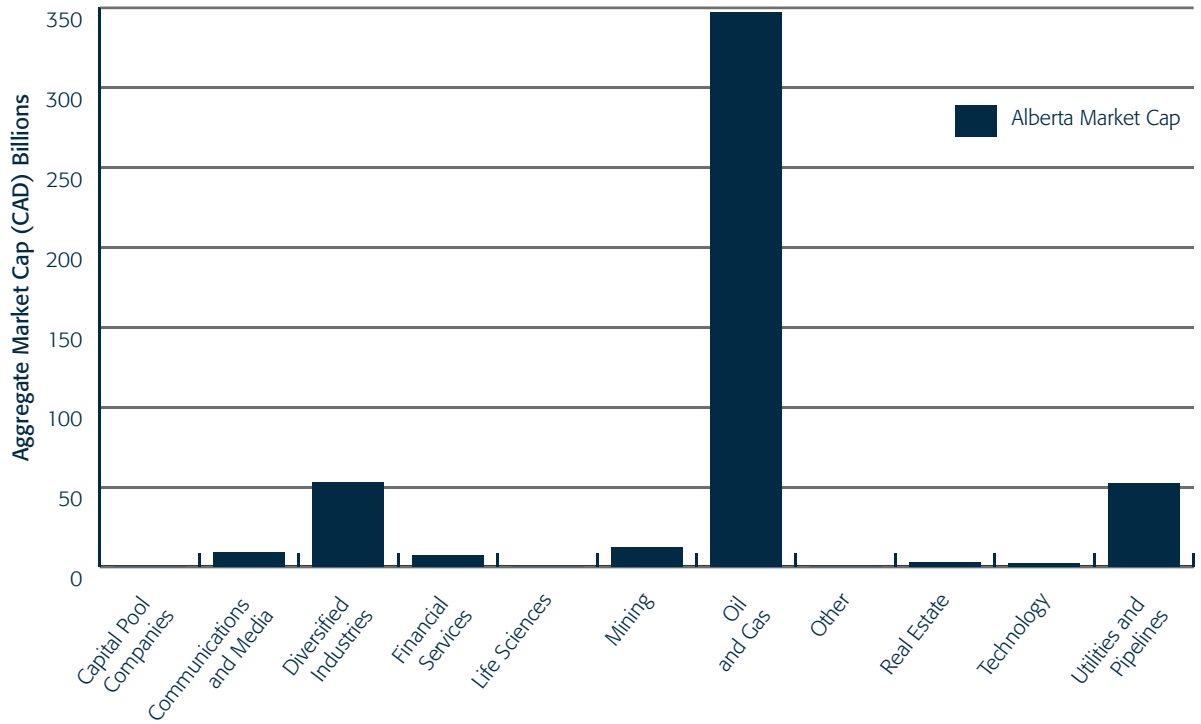
Chart 13 Distributions of Alberta Industries by Exchange



When we contrast numbers of public companies with aggregate market capitalization (see Chart 14), mining and technology companies represent 14 per cent of the number of Alberta-based public companies but only two per cent of Alberta's market capitalization. Oil and gas and diversified industries represent 60 per cent of the number of Alberta public companies and 82 per cent of the aggregate Alberta market capitalization.

The aggregate market capitalization of the oil and gas industry in Alberta is more than six times larger than diversified industries, the second largest industry in Alberta (\$347 billion vs. \$53 billion) as illustrated in Chart 14.

Chart 14 Distribution of Market Capitalization in Alberta by Industry



As would be expected, significantly more public companies with market capitalization under \$25 million are listed on the TSXV than the TSX (Chart 15). The reverse is also true for public companies with over \$25 million market capitalization. The largest proportion (34 per cent) of Alberta-based TSXV-listed companies is in the \$1 million to \$5 million range (2008 - 33 per cent); however, there is also a significant percentage (25 per cent) in the under \$1 million range (2008 - 30 per cent within this range). In comparison, 78 per cent of Alberta-based TSX-listed companies have more than \$25 million in market capitalization (2008 - 74 per cent).

Chart 15 Distribution of Alberta Market Capitalization by Exchange

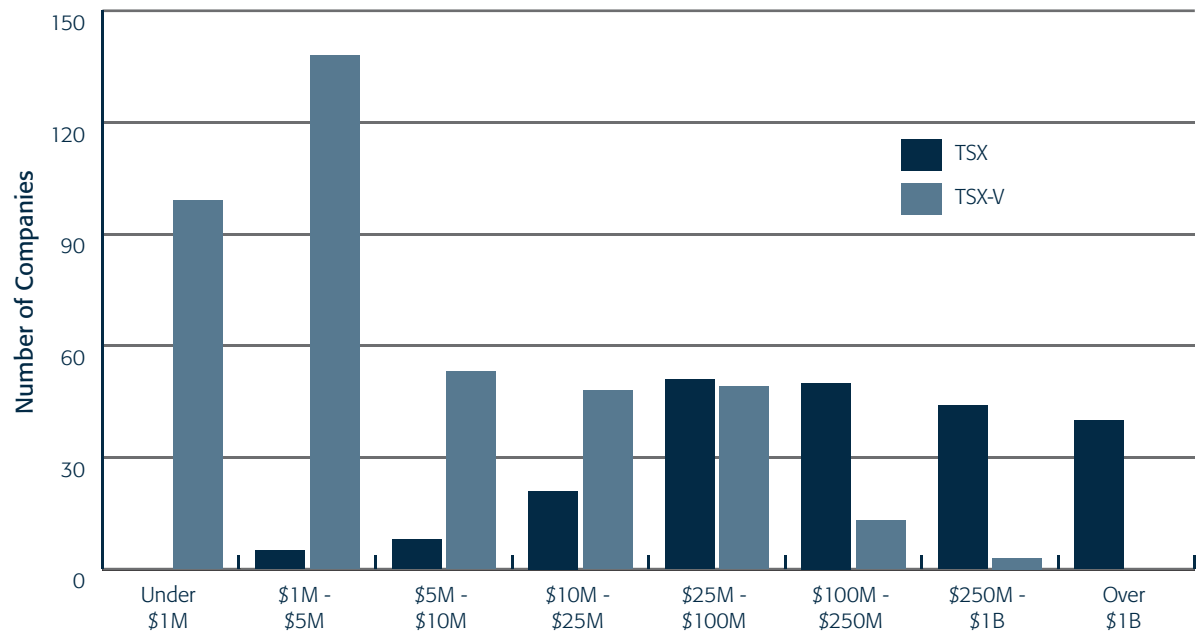


Chart 16 shows the industries in which Alberta-based public companies operate and the market capitalization ranges of companies engaged in each of those industries. Interestingly, the number of oil and gas companies increases in correlation with increases in market capitalization ranges. There are over twice as many public oil and gas companies in Alberta with market capitalization of over \$25 million than there are public oil and gas companies with market capitalization under \$1 million. Thirty-eight per cent of Alberta’s mining companies and 42 per cent of Alberta technology companies have a market capitalization of under \$5 million (2008 - 71 per cent and 36 per cent, respectively).

Eighty-two per cent of utilities and pipelines companies based in Alberta have over \$100 million in market capitalization (2008 – 70 per cent). Approximately 51 per cent of the companies in the diversified industries category have over \$25 million in market capitalization (unchanged since 2008), and both the mining and technology industry sectors are dominated by companies with less than \$25 million in market capitalization with 70 per cent of each of their listings below the \$25 million market capitalization range. (2008 – 94 per cent and 82 per cent, respectively).

Chart 16 Distribution of Alberta Companies by Industry and Market Capitalization

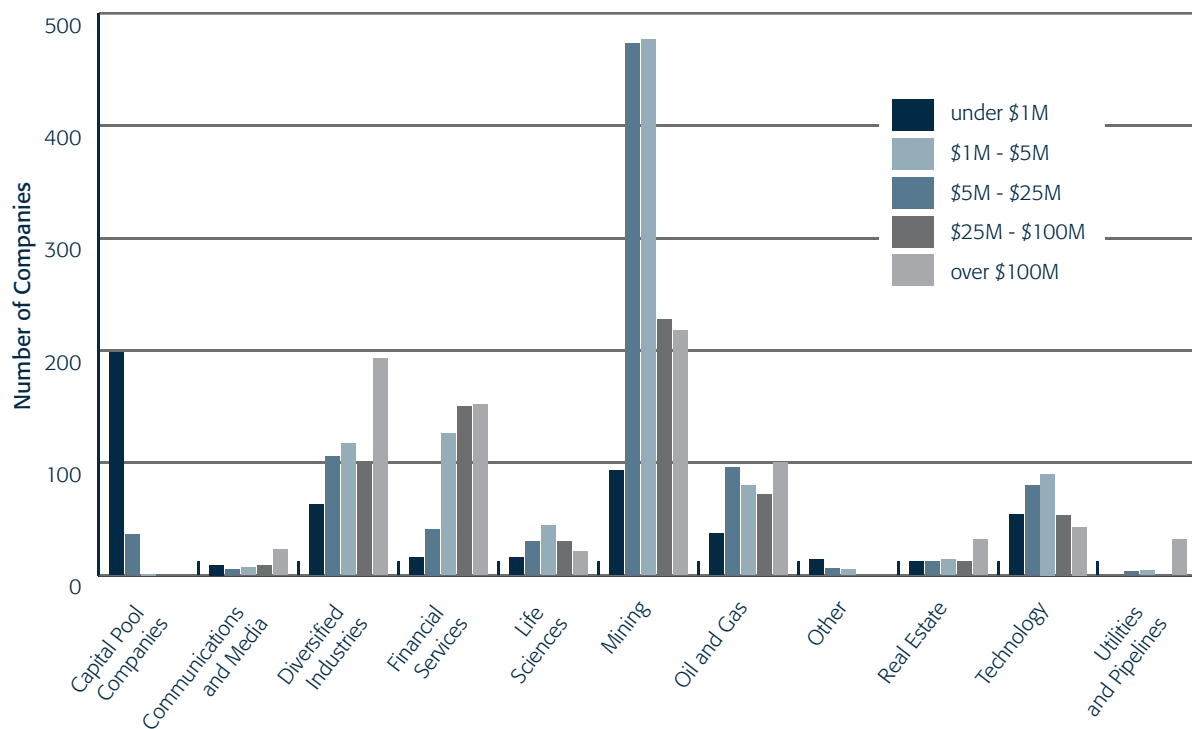
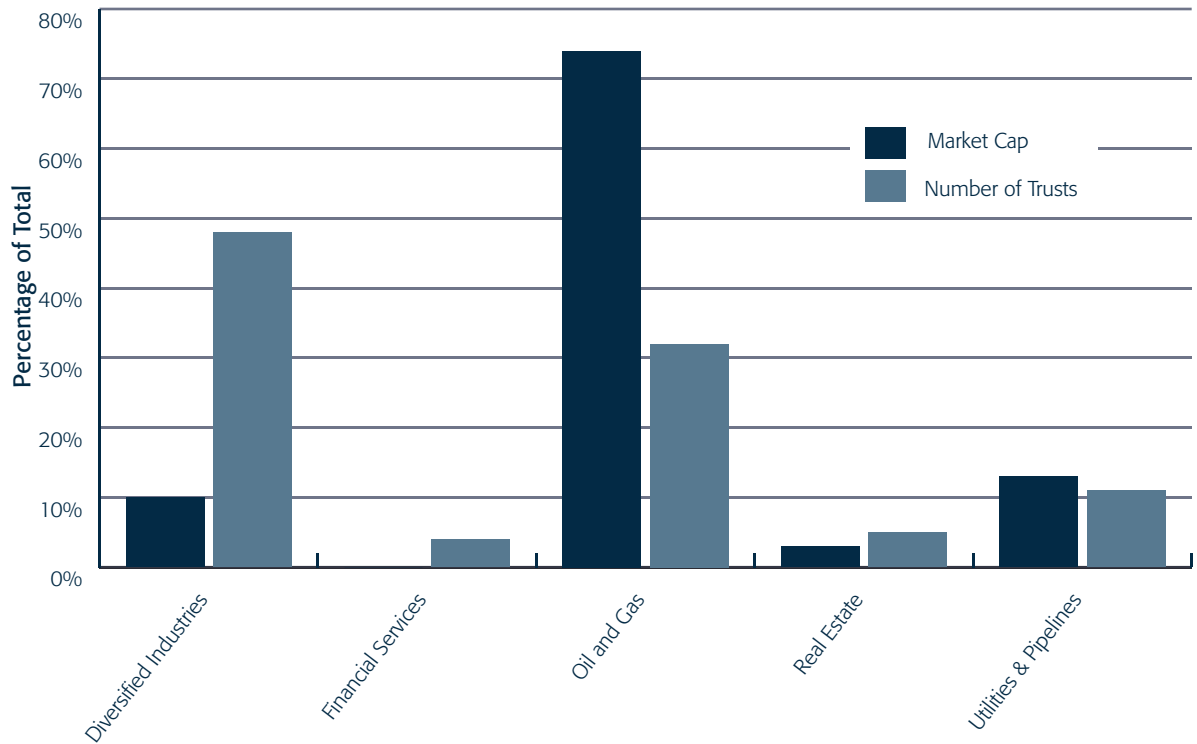


Chart 17 illustrates the distribution of income trusts among Alberta-based companies by industry. The representation of oil and gas trusts in terms of market capitalization has not changed much since 2008 and remains at 74 per cent (\$55 billion) of the total income trust market capitalization, two per cent lower when compared to 76 per cent in 2008. Income trusts represent 15 per cent of Alberta’s aggregate market capitalization, compared to 17 per cent in 2008.

Chart 17 Distribution of Alberta Income Trusts by Industry



NGX Data Summary

In February 1994 the Natural Gas Exchange Inc. (NGX) launched electronic trading and clearing to the North American gas and electricity markets. The NGX experienced three digit percentage growth in the early and mid-1990s and saw this growth slowdown later in the decade.

NGX monthly averages in petajoules (PJ) at the end of 2009 were almost 68 per cent more than levels at the end of 2005 (1,233 PJ in 2009 versus 735 PJ in 2005). The most actively traded index is the Western Canadian Natural Gas index followed by the Eastern Canadian Gas index. By the end of 2009, 9,038 PJs of the Western Canadian Natural Gas index had been traded compared to 2,226 PJs of the Eastern Canadian Natural Gas index. These numbers are significantly greater than the volumes traded at the end of 2005 when 6,936 PJs of Western Canadian Natural Gas index were traded on the NGX (marking a 30 per cent increase in volume in 2009) and 927 PJs of the Eastern Canadian Natural Gas index went through the NGX (marking a 140 per cent increase in volume in 2009).

Over the past two years, the NGX has also seen an increase in Over-the-Counter (OTC) clearing volumes. By the end of 2005 these volumes were at 449 PJs and rose to 2,894 PJs in 2009 (an increase of 545 per cent).⁸

⁸ TMX – NGX: Historical NGX Trading Activity to December 31st 2009.
<http://www.ngx.com/yearlyvolgraph.html>

Chart 18 NGX Trading History

