

"The 2019-20 Budget is the culmination of a three-year plan to balance."

Honourable Donna Harpauer, Minister of Finance

GOVERNMENT OF SASKATCHEWAN

Budget

For the Year Ended March 31

(millions of dollars)

| | Budget 2018-19 | Forecast 2018-19 | Budget 2019-20 |
|---|-------------------|---------------------|-------------------|
| Revenue | | | |
| Taxation | 7,214.9 | 7,169.9 | 7,588.5 |
| Non-renewable resources | 1,482.1 | 1,705.6 | 1,826.8 |
| Net income from government business enterprises | 1,078.0 | 909.4 | 1,080.5 |
| Other own-source revenue | 2,006.5 | 2,042.7 | 2,062.1 |
| Transfers from the federal government | 2,462.0 | 2,502.7 | 2,467.2 |
| Total Revenue | 14,243.5 | 14,330.3 | 15,025.1 |
| Expense | | | |
| Agriculture | 770.9 | 704.6 | 841.5 |
| Community development | 642.6 | 625.0 | 681.2 |
| Debt charges | 654.6 | 634.1 | 694.4 |
| Economic development | 230.2 | 214.5 | 227.3 |
| Education | 3,263.3 | 3,325.8 | 3,282.5 |
| Environment and natural resources | 251.7 | 272.8 | 263.9 |
| Health | 5,765.3 | 5,807.7 | 5,888.2 |
| Other | 439.7 | 482.1 | 445.8 |
| Protection of persons and property | 689.9 | 708.8 | 701.1 |
| Social services and assistance | 1,381.3 | 1,403.4 | 1,432.7 |
| Transportation | 519.3 | 531.4 | 532.1 |
| Total Expense | 14,608.8 | 14,710.2 | 14,990.7 |
| Surplus (Deficit) | (365.3) | (379.9) | 34.4 |

Totals may not add due to rounding.

Saskatchewan's economy is strengthening and is expected to return to a more normal pace of growth by 2020

| | 2019 | 2020 |
|--------------------------|------|------|
| Real GDP Growth (%) | 1.2 | 2.4 |
| Nominal GDP Growth (%) | 2.0 | 3.7 |
| CPI Growth (%) | 2.1 | 2.2 |
| Employment Growth (000s) | 3.5 | 4.3 |
| Unemployment Rate (%) | 6.0 | 6.0 |
| Retail Sales Growth (%) | 1.6 | 2.9 |

Source: Ministry of Finance

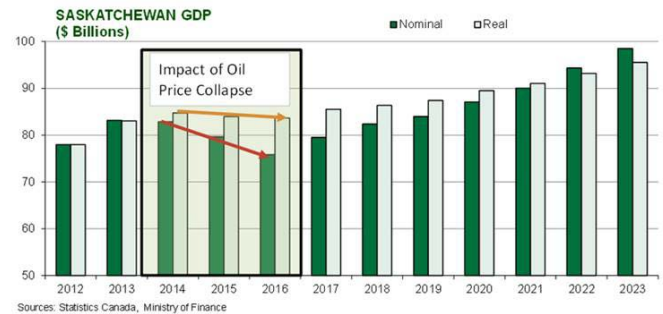
Saskatchewan's economy in 2018 performed well in a number of areas:

- Crop production went up by 1.5 per cent, resulting in the third-largest crop in history.
- Wholesale trade grew by 4.2 per cent.
- Manufacturing sales increased by 11.1 per cent, the second-strongest growth among provinces.
- International goods exports grew by 11.3 per cent.
- Volume of potash sales is estimated to have increased by 13.3 per cent.
- Saskatchewan's population increased by 10,869 persons between October 1, 2017 to October 1, 2018.
- Employment grew by 2,400.

Medium-Term Financial Outlook

(millions of dollars)

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|----------------|-----------|-----------|-----------|-----------|
| Revenue | 15,025 | 15,339 | 15,668 | 15,992 |
| Expense | 14,991 | 15,290 | 15,596 | 15,908 |
| Surplus | 34 | 49 | 72 | 84 |



2019-20 Budget assumes moderate increases in revenue from non-renewable resources

| | 2019-20 Budget | 2020-21 Forecast | 2021-22 Forecast | 2022-23 Forecast |
|--|-------------------|---------------------|---------------------|---------------------|
| WTI Oil Price (US\$/barrel) | 59.75 | 61.50 | 64.75 | 70.75 |
| Light-Heavy Differential (% of WTI) | 24.8 | 22.9 | 19.9 | 17.0 |
| Well-head Oil Price (C\$/barrel) ¹ | 55.46 | 56.73 | 60.88 | 68.49 |
| Oil Production (million barrels) | 173.1 | 175.6 | 177.2 | 179.7 |
| Potash Price (US\$/KCI tonne) ² | 221 | 225 | 230 | 234 |
| Potash Price (C\$/K2O tonne) ² | 470 | 469 | 473 | 479 |
| Potash Sales (million K2O tonnes) ² | 14.1 | 14.4 | 14.6 | 15.0 |
| Canadian Dollar (US cents) | 77.19 | 78.79 | 79.60 | 80.05 |

¹ The average price per barrel of Saskatchewan light, medium and heavy oil.

² Ministry of Finance calculations derived from calendar-year forecasts. (mine netback)

Sensitivities to Budget Assumptions

| | Change | Net Impact (\$M) |
|-------------------------------|--------|---------------------|
| Oil Price (WTI US\$/barrel) | \$1 | 15 |
| Potash Price (US\$/KCI tonne) | \$10 | 54 |
| Exchange Rate (USD/CAD) | 1 cent | 28 |

Schedule of Public Debt

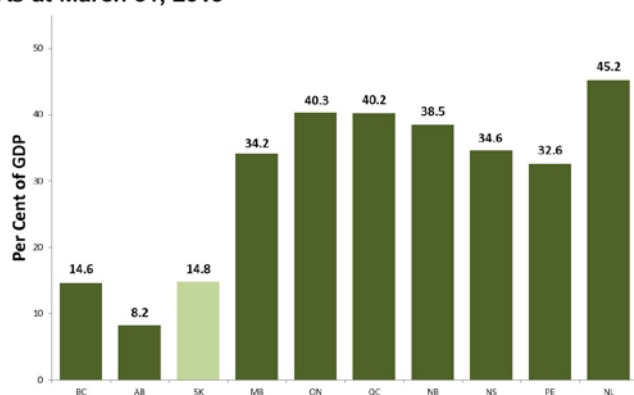
Schedule of Public Debt

As at March 31

| (millions) | Budget 2018-19 | Forecast 2018-19 | Budget 2019-20 |
|--|-------------------|---------------------|-------------------|
| General Revenue Fund (GRF) | | | |
| - Operating | 6,150.0 | 6,150.0 | 6,150.0 |
| - Saskatchewan Builds Capital Plan | 4,193.8 | 4,193.8 | 5,404.0 |
| Other Government Service Organizations | 431.3 | 432.6 | 380.1 |
| Government Service Organization Debt | 10,775.1 | 10,776.4 | 11,934.1 |
| Government Business Enterprise Debt | 9,259.8 | 9,107.4 | 9,757.8 |
| Public Debt | 20,034.9 | 19,883.8 | 21,691.9 |

Net debt to GDP compares favourably to other provinces

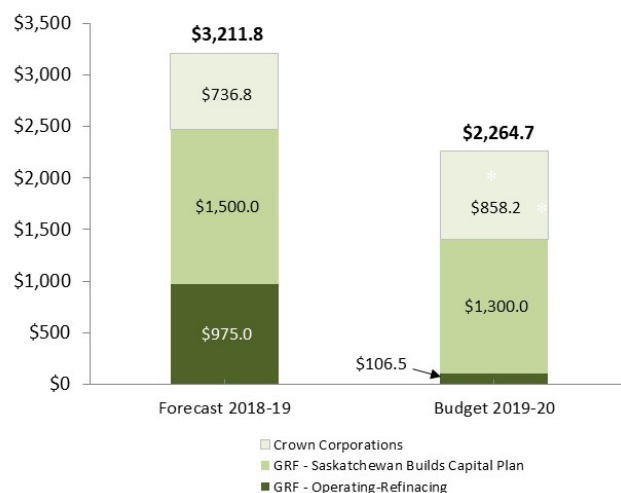
Net Debt As A % Of GDP As at March 31, 2019



2019-20 borrowing program is driven by infrastructure investments

Borrowing Requirements

(millions)



Borrowing Sources

| (millions) | Forecast 2018-19 | Budget 2019-20 |
|---------------------|---------------------|-------------------|
| Canadian Debentures | 2,750.0 | 1,950.0 |
| Promissory Notes | 443.8 | 210.8 |
| Canada Pension Plan | 18.0 | 103.9 |
| Total | 3,211.8 | 2,264.7 |

Saskatchewan Credit Ratings

| | |
|------------------------------|-----|
| Moody's Investors Service | Aaa |
| Standard & Poor's | AA |
| Dominion Bond Rating Service | AA |

For additional copies or information please contact:

Saskatchewan Ministry of Finance - Treasury Management Branch
6th Floor – 2350 Albert Street, Regina, Saskatchewan S4P 4A6 (306) 787-6754

Additional budget information can be found at: www.saskatchewan.ca/budget

Investor Relations Website: <http://www.saskatchewan.ca/government/budget-planning-and-reporting/investor-relations>