



UPDATE 1-Altius shares surge as refinery wins key permit

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(Adds details, closing share price)

By Scott Haggett

CALGARY, Alberta, Oct 9 (Reuters) - Altius Minerals Corp <ALS.TO> shares jumped more than 20 percent on Tuesday after the Newfoundland government granted a key environmental approval for a C\$4 billion (\$4.1 billion) oil refinery planned for the eastern Canadian province.

Altius shares surged C\$4.94 to a record C\$29.09 on the Toronto Stock Exchange on Tuesday, on a volume of nearly 755,000 shares, more than four times the 90-day average.

Altius stock has risen 334 percent over the past 12 months, against a 22 percent gain in the Toronto Stock Exchange's composite index over the same period.

The share gains came after Newfoundland and Labrador Refining Corp., a firm controlled by Altius and a group of European investors, said its project on Canada's Atlantic coast had been cleared by provincial environment regulators.

With the approval in hand, the company is now moving to secure financing for the 300,000 barrel-a-day facility, as it looks to begin construction next year on North America's first new refinery in a generation.

"With this in hand we are in a position to move along commercial and financial agreements that have been in the works for a year," said Brian Dalton, Altius's chief executive. "Without this (permit) there would have been nothing. But now we are in a position to go forward and make this project a reality."

The refinery is to be built on Placentia Bay in southeastern Newfoundland, on Canada's Atlantic coast, a location picked for easy tanker access and to take advantage of high demand for petroleum products in the U.S. Northeast.

The refinery could begin processing oil by 2011.

The partners in the project include Altius, Dermot Desmond, founder of Dublin-based International Investment and Underwriting; Scottish financier Harry Dobson; and Stephen Posford, former head of European operations for investment bank Salomon Brothers.

(\$1=\$0.98 Canadian)

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