

709 NEWS

P.O. Box 2220, Suite 100

Tel : 576-NEWS (6397)

Fax: 709-753-7340

Website: www.bristolgroup.ca

139 Water Street, St. John's NL, A1C 6E6

Toll Free Tel: 1-888-709-NEWS (6397)

Toll Free Fax : 1-877-709-NEWS (6397)

E-mail: 709NEWS@bristolgroup.ca

PUBLICATION:

The Telegram - St. John's, NL

DATE:

October 11, 2007

Page: 1

Section: D

X X

Altius racing to seal refinery deals

Environmental approval clears the way for site construction

By **MOIRA BAIRD**

THE TELEGRAM

Newfoundland and Labrador Refining Corp. (NLRC) is a step closer to building its US\$4.6-billion refinery in Placentia Bay.

Last week, the project cleared its last provincial environment regulatory hurdle.

This week, NLRC's managing director Brian Dalton heads to New York, Toronto and Houston to meet with officials from oil companies, oil trading companies and banks.

"From here, we can move things forward on the commercial agreements — crude provisions, product off-take and ... levels of finance," he said Wednesday.

Dalton said the company has been working on these issues for the past year, moving them along as far as possible without environmental approval of its Southern Head site.

Last Friday, the province accepted NLRC's environmental impact statement — paving the way for construction at the site by February or March.

"The reality is, there's still a race," said Dalton, who is also president of Altius Resources.

"The market opening to bring new, refined products still exists, and I think we've made faster progress than any potential competitor but it's a race."

"Our job, right now, is to build on the success of the environmental process, and to keep the momentum

... and to start adding on the commercial and financial pieces as quickly as possible."

In November 2005, NLRC announced it would build the province's second crude-oil refinery at Southern Head, a small peninsula between North Bay and Come By Chance Bay.

It aims to process 300,000 barrels of oil per day by 2011.

"The whole goal is to get ground broken early in the new year," said Dalton. "That would allow us to hold our timelines to be complete in 2011."

Breaking ground means building access roads and clearing the site.

"It's not the most capital intensive part of the project, but there's an amount of time it's going to take," said Dalton.

"For us to hold our schedule that has to start early next year."

At the same time as the site is cleared, the front-end engineering and design work will be done for the refinery complex.

The project's wharf and marine terminal are still in the midst of the federal environmental regulatory process, and Dalton is optimistic that process will wrap up by year-end.

Altius, which holds a 37 per cent interest in NLRC, is also partnered with European businessmen Dermot Desmond, Harry Dobson and Stephen Posford in the refinery project.

mbaird@thetelegram.com