



An Overview of Industry in the Heartland

NCIA to NSWA

February 12, 2009



Purpose of Presentation

- To provide an overview of NCIA.
- To provide an update on projects in the Heartland.

NCIA General

- The Northeast Capital Industrial Association (NCIA) is a not-for-profit cooperative representing industry located in the municipalities of:
 - Strathcona County,
 - Sturgeon County,
 - the City of Fort Saskatchewan and
 - Lamont County.

NCIA General

- NCIA member companies range from large integrated global chemical and petro-chemical industries, to smaller industrial companies.
- NCIA member companies directly employ approximately 3,200 people (not including contract employees) and
- Spend approximately \$416 million to purchase goods and services in the region, not including utilities and feedstock for their plants.

Who We Are

Agrium Fort Saskatchewan
Agrium Redwater
Air Liquide Canada
Aux Sable Canada
BA Energy
BP Canada Energy Company
Dow Chemical Canada
Enbridge Pipelines
Evonik Degussa Canada

Gulf Chemical & Metallurgical
Hazco Environmental Services
Keyera Energy
KinderMorgan Canada
Marsulex
ME Global
North West Upgrading
Petro-Canada
Praxair Canada

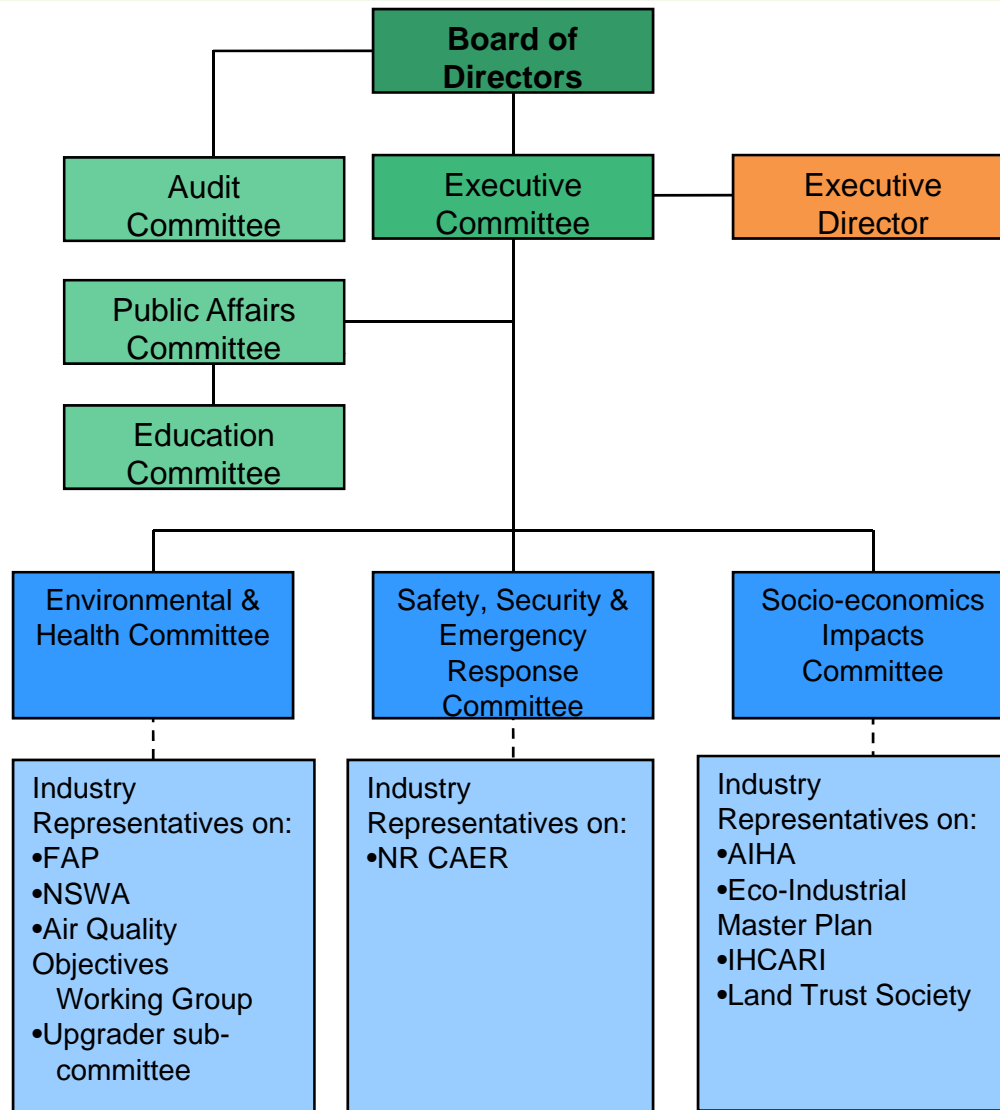
Provident Energy
Shell Canada
Shell Chemicals Canada
Sherritt International
StatoilHydro Canada
Sulzer Metco (Canada)
Total E&P Canada
Umicore Canada

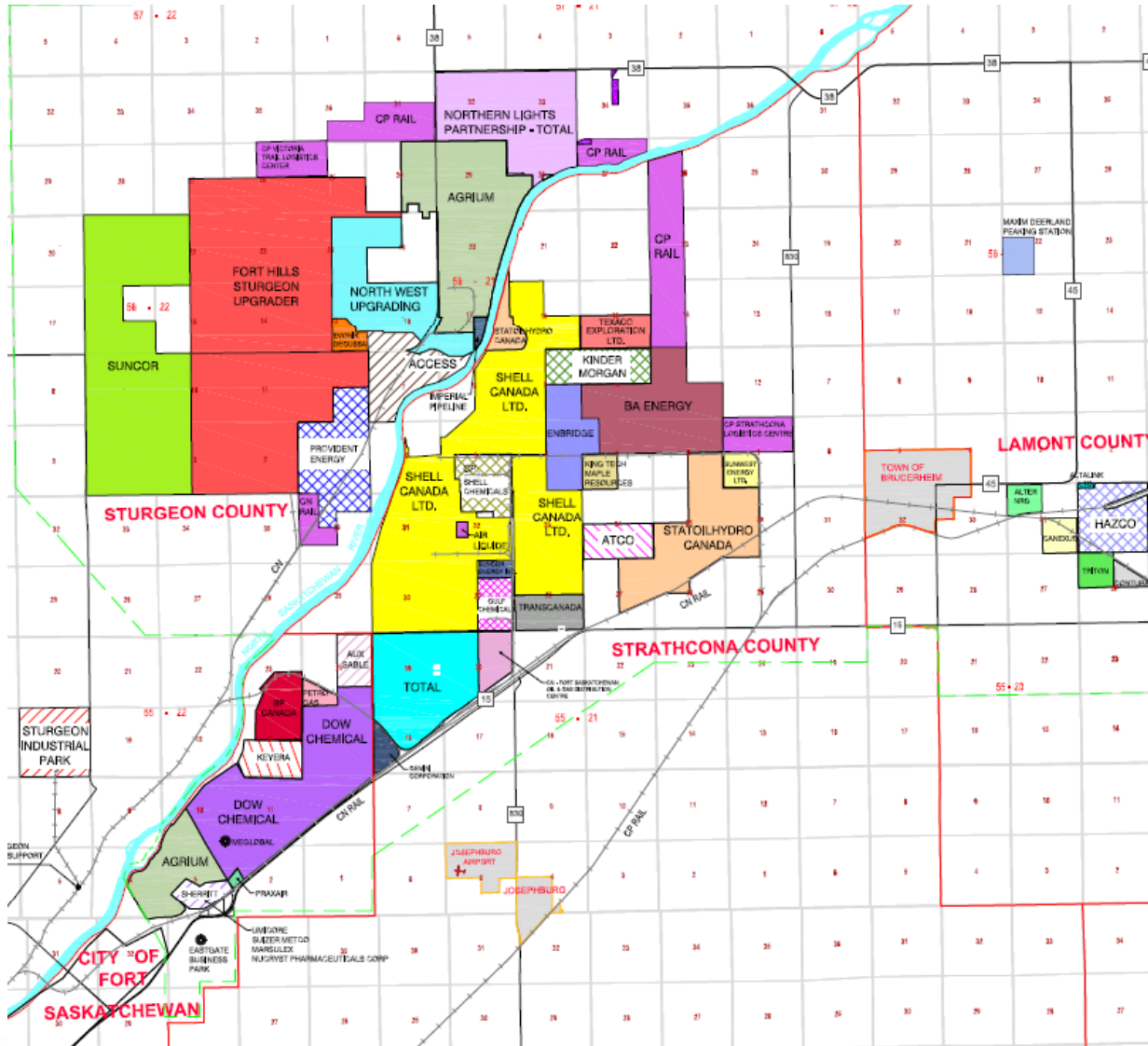
NCIA Vision

- To be recognized and respected as an association that promotes sustainable industrial growth and high quality of life through environmental, socio-economic, and public safety programs.

NCIA Mandate

- The NCIA Board and Executive Committee are comprised of business leaders and professionals who represent the interests of industry in Alberta's Heartland Area.
- As the respected voice of industry, NCIA will work with other associations, government organizations, and community groups, at the provincial, regional and local levels to address environmental, health, safety, infrastructure and community issues.
- By these actions, NCIA seeks to ensure that the community understands, appreciates and welcomes the benefits and contributions provided by industry located in the region to community members.





“May you live in interesting times”

“However good or bad a situation is, it will
change”

Update on Projects in the Heartland

City of Fort Saskatchewan:

- **KEYERA Energy**
 - Keyera's Fort Saskatchewan facilities include a natural gas liquids (NGL) processing plant, storage facilities and four pipelines connecting to Keyera's Edmonton Terminal.
 - Alberta Diluent Terminal in east Edmonton to start up in February 2009.
 - Washing of new storage cavern at Fort Saskatchewan site is underway.
 - Evaluating timing of additional storage caverns.
- **Aux Sable Canada**
 - The Heartland Off Gas Plant will be a fee-based energy processing infrastructure business.
 - Plant is mechanically complete and will process off gas once a feedstock source is available.
 - Aux Sable Canada is owned by Enbridge and Fort Chicago.

Update (cont'd)

City of Fort Saskatchewan:

- **Dow Chemical Canada**

- Dow's facility in Fort Saskatchewan is one of the largest petrochemical facilities in Canada. It uses natural resources in the area to make basic chemicals and plastics for a wide range of industries and customers.
- As a long time member of the community Dow is a significant component of a regional water strategy.
- Dow fully supports sustainable water use and is actively pursuing water conservation/re-use initiatives within their fence line as well as with external parties.

Update (cont'd)

Strathcona County:

- **Shell Scotford**

- Scotford Upgrader will process heavy oil from oil sands into synthetic crude oil.
- Scotford Upgrader Expansion 1 construction underway with startup expected in 2010/2011.
- Scotford Upgrader 2 proceeding with regulatory process; ERCB hearing anticipated in 2009.
- Decision to move ahead with further expansions (beyond Upgrader Expansion 1) are on hold.

- **Total E&P Canada Ltd. Upgrader**

- At the Heartland facility, bitumen will be upgraded into suitable refinery feedstock using a process known as delayed coking.
- Basic engineering is underway; target completion Q4 2009.
- Regulatory process proceeding; anticipate ERCB hearing in Q4 of 2009.
- Expect project sanction decision in 2010 subject to business considerations & economic conditions.
- Plan for startup “before 2015”.

Update (cont'd)

Strathcona County:

- **Gulf Chemical & Metallurgical Canada Corporation**
 - The world's largest recycler of spent catalyst, GCMC's facility in the Heartland processes spent catalysts to produce pure metallic oxides, metallic alloys and alumina products.
 - Started up May, 2008.
 - First feed input May 31, 2008.
 - Currently operating at ½ nameplate design due to current market conditions.
- **BA Energy**
 - The Heartland upgrader will be an independent merchant upgrader processing heavy oil into synthetic crude oil.
 - Filed for creditor protection under the Companies' Creditors Arrangement Act ("CCAA) on December 30, 2008.
 - Plans are to get out of CCAA protection and continue to develop a business case for the Heartland Upgrader.

Update (cont'd)

Strathcona County:

- **StatoilHydro Canada**

- Heartland upgrader to process heavy oil into synthetic crude oil, gas liquids, petroleum coke and sulphur.
- Withdrew regulatory application as they do not expect any activity in the Heartland prior to 2012.

Update (cont'd)

Sturgeon County:

- **Northwest Upgrading**

- Building a heavy oil upgrader to produce high quality Ultra Low Sulphur Diesel fuel and diluent.
- Has full regulatory approval (all 3 phases).
- Engineering (840,000 hrs), procurement & site preparation well advanced. Well positioned to proceed.
- All efforts put to marketing arrangements, including pursuing the BRIK program with the Province.

- **Fort Hills Sturgeon Upgrader (Petro-Canada et. al.)**

- Heartland upgrader to process bitumen into synthetic crude oil.
- Proceeding with regulatory process.
- Investment decision is postponed, pending market conditions.

Update (cont'd)

Lamont County:

- **Alberta Sulphur Terminals/ HAZCO**
 - Proposing to construct and operate a sulphur forming and shipping facility within Lamont County.
 - Detailed engineering currently proceeding in Calgary.
 - ERCB hearing anticipated in Q2 of 2009.
 - Project construction anticipated Q3 2009 subject to Regulatory Approval.

QUESTIONS

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