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Irving Oil applies for permit to add liquefied natural gas and storage capability to its deepwater oil terminal, Irving Canaport™

Saint John, NB - Irving Oil today announced it is applying for a permit to add a liquefied natural gas (LNG) capability to its deepwater oil terminal, Irving Canaport™. The proposed project, with an estimated cost of \$500 million (CDN), would give Irving Canaport™ the additional capability to receive ship cargoes of natural gas in liquid form, and regassify it for send-out.

In continuous operation since it opened in 1970, Irving Canaport was the Western Hemisphere's first deepwater terminal. Irving Canaport™ underwent an expansion in the 1970s and a complete modernization in the late 1990s. It is one of the most modern and well-equipped receiving terminals in North America and has held a municipal zoning permit for handling natural gas for several years. Situated 60 miles from the US border, Irving Canaport™ covers 1,802 acres and has a water depth of 128 feet at low tide. The Irving Canaport™ terminal is connected by pipelines to the Irving Oil Refinery five miles away. The total tank capacity is 12.5 million barrels.

"Today marks the next stage of our feasibility assessment and permitting process for this project," said Kenneth Irving. "Adding natural gas capability at Irving Canaport™ would act as a catalyst for future investment in the region, as well as enhance the attractiveness of the Scotian Shelf and the Newfoundland Grand Banks. This proposed project would complement the region's existing energy infrastructure, adding to the critical mass which could accelerate investments by other companies."

"We have been carefully assessing this opportunity," Kenneth Irving continued, "and we believe that the market outlook and industry conditions support us taking this step at this time. Given the attributes of Irving Canaport™, we believe the business case for adding a natural gas capability here is a compelling one."

Irving Canaport™'s year-round, ice-free, deepwater port is the nearest deepwater harbour/refinery port to the US markets able to handle supertankers, and receives ships in excess of 400,000 tonnes. Its competitive advantage includes geography – its close proximity to the important northeast US energy market and the Atlantic Canadian offshore – and the local skilled workforce that has proven experience with large-scale energy projects, most recently with the \$1-billion upgrade at the Irving Oil Refinery, completed on schedule.

"Another key factor in our decision to begin the permitting process for this project at this time is the New Brunswick government's energy vision as set out in the White Paper



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on Energy," said Kenneth Irving. The result of consultation and study conducted last year, the White Paper includes achieving 'a secure, reliable and cost-effective energy supply' as one of its key goals, and also states that a LNG terminal could assist in achieving this goal.

The proposed project would create direct and indirect employment through construction jobs and permanent jobs at the facility, and would generate contractor and supplier activity. The public awareness process began this morning when company representatives visited with Irving Canaport™ neighbours to explain and answer questions about the proposed project. Irving Oil will also be holding several meetings with other stakeholders over the upcoming weeks and months to discuss the proposed project.

Founded in 1924, Irving Oil is a privately owned energy processing, transporting and marketing company with a history of long-term relationships. Irving Oil's 250,000 barrel-per-day refinery is predominantly an export refinery, and accounted for 35% of Canada's total petroleum exports in 2000. (This figure is expected to increase in 2001.) The Irving Oil Refinery is years ahead of environmental regulations, recently selling gasoline into the California market, and is also the region's largest purchaser of liquid petroleum gas. Irving Canaport™ is situated in the most densely industrialized region north of Boston and is closer than the Gulf Coast to ports in Venezuela, Brazil, the North Sea and West Africa. In addition to being linked to the Irving Refinery by pipelines, Irving Canaport™ is also connected to the Bayside and Coleson Cove Power Plants by pipelines. The total nameplate capacity of these two power plants is 1,325 megawatts.

For further information about Irving Oil and this proposed project, including electronic copies of the project description, Irving Oil backgrounder, and high resolution images of the project site, please click on the links below:

Electronic copies of:

[Proposed Project Description](#)

[liquefied Natural Gas Backgrounder](#)

[Irving Oil Backgrounder](#)

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Photos:

[liquefied Natural Gas \(LNG\) Storage Tank](#)

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