



## Major Projects in the Oil Sector

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### Market Overview

There is continued growth in the Alberta oil sands and unconventional oil sectors despite low oil prices. Numerous opportunities exist for foreign companies to participate in major projects that received regulatory approval in the past, and on projects that are still awaiting regulatory approval. Canada remains the sixth largest producer of oil in the world, with the third largest reserves. In 2014, Canada produced 3.7 million barrels per day of crude oil, which was an increase of 8% on 2013 numbers. Predicted 2015 production numbers are 3.89, with a steady increase to 4.64 million barrels per day by 2020.

### Major Projects

#### Fort Hills Oil Sands Mine

- Estimated Cost – \$13.5 billion
- Company – Suncor Energy, Total E&P Canada Ltd., Teck Resources Ltd.
- Location – Municipality of Wood Buffalo, Alberta
- Under Construction – 2013-2017

The Fort Hills mine is jointly owned by three limited partners, Suncor (40.8%), Total E&P (39.2%), and Teck Resources Ltd (20.00%), collectively called Fort Hills Energy LP. Fort Hills Mine is an oil sand open-pit mine project. As per design, the mine will have two main pits and a mine fleet capable of sustaining a production of 14,500 tons of oil sand per hour. This rate of production is to remain constant for the next 50 years.

#### Pike Oils Sands Project

- Estimated Cost - \$ 3.8 billion
- Company – Devon Canada, BP Canada
- Location – Lac La Biche County, Alberta
- Under Construction – 2019-2020

The Pike Oils Sands Project has been approved for the two first phases of the venture; these will begin in 2019, and 2020. This project is owned by Devon NEC Corp, which is made up of Devon Canada and BP Canada; who each have a 50% stake in the Pike Oil Sands Project. The steam assisted gravity drainage (SAGD) project will produce an estimated 70,000 barrels per day of bitumen.

#### Dover Commercial Project - Phase 1

- Estimated Cost – \$2.5 billion
- Company – Brion
- Location – Municipality of Wood Buffalo, Alberta
- Under Construction – 2014-2017

The Dover Commercial Project is fully owned by Brion Energy, and is located 95 kilometers northwest of Fort McMurray. The project uses SAGD technology to access submerged bitumen. The project's five phases spanning 2017-2025 was approved in 2014, and is expected to produce over 250,000 barrel per day, and over four billion barrels of bitumen over 50 years. The first phase is scheduled to be finished in 2015; phase two and three will take place in 2017 and 2018 respectively.



### **Taiga Oil Sands Project – Phase 1**

- Estimated Cost – \$1.57 billion
- Company – Osum
- Location – Bonnyville, Alberta
- Announced – Construction will take place between 2015-2018

The Taiga Project is located north of Cold Lake in Bonnyville, Alberta. The project is expected to support over 45,000 barrel of bitumen per day after the three phase construction is completed. The project was bought in full by Osum from Shell Canada in 2014. Regulatory approval has already gone through, and construction will begin soon. Projections estimate that oil production will continue for over 30 years.

### **Grouse Oil Sands Project**

- Estimated Cost- \$1.53 billion
- Company – Canadian Natural Resources Limited
- Location – Lac La Biche, Alberta
- Proposed – Construction between 2018-2019

The Canadian Natural Resources Limited (CNRL) fully owned Grouse Oil Sands Project is located 75 kilometers north of Lac La Biche. This project will use a SAGD technology to extract more than 40,000 barrels per day of bitumen. The environmental impact assessment for the Grouse Project has been completed, and CNRL is expecting government regulatory approval in mid-2016. This project is expected to operate for approximately 20 years.

### **Aspen Oils Sands Project – Phase 1**

- Estimated Cost - \$7 billion
- Company – Imperial Oil Ltd.
- Location – Municipality of Wood Buffalo, Alberta
- Proposed – Construction between 2017-2020

The Aspen Oil Sands project is a SAGD project fully operated by Imperial Oil. This project will be operating 45 kilometers northeast of Fort McMurray on the Muskeg oil sand deposit. This project will take place in three phases starting in 2017, after regulatory approval. The three phase construction would take three years to complete; the overall estimated lifespan of the oil sand production is 40 years.

## **Major Projects on Hold**

### **Blackrod SAGD Oil Sands Project – Phase 1**

- Estimated Cost – \$802 million
- Company – BlackPearl Resources Inc.
- Location – Lac La Biche County, Alberta
- Postponed

The Blackrod SAGD project is solely owned by BlackPearl Resources Inc., and is currently produced over 500 barrels per day. Once the three phases of construction are completed, the project will be producing upwards of 80,000 barrels per day of bitumen. The in situ SAGD project is located south of Fort McMurray in the resource rich, Athabasca oil sands. The next three phases are to begin construction in the next five years.



### **Kearl Lake Oil Sands Project – Phase 3**

- Estimated Cost - \$809 billion
- Company – Imperial Oil Ltd.
- Location – Municipality of Wood Buffalo, Alberta
- Postponed

The Kearl Lake Oil Sands Project is jointly owned by Imperial Oil (71%) and by ExxonMobil (29%). The Kearl open pit mine is located 70 kilometers north of Fort McMurray and it contains an estimated 4.6 billion barrels of recoverable bitumen. Kearl is currently producing 110,000 barrels of bitumen per day, and the expansion phase will ultimately increase this production to over 345,000 barrels a day. The four phase project was approved in 2007, and has had continuous construction to increase capacity, safety, and energy efficiency.

### **Upcoming Trade Shows**

- Oil Sands Trade Show: September 15-16, 2015 Fort McMurray, Alberta
- Canadian Energy Supply Chain Forum: October 28, 2015 Calgary, Alberta

### **For More Information**

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