

Irving Oil Plans to Build Second Refinery

By Kevin Bissett
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SAIN'T JOHN, N.B. (CP) -- [Irving Oil](#) is planning to build a second refinery in Saint John, with potential to double its production of gasoline and hire hundreds of employees, sources say.

Government officials and a source close to the company, speaking on the condition of anonymity, told *The Canadian Press* that the new 300,000 barrel per day facility will be outlined Thursday at a board of trade meeting.

The first Irving refinery is the largest in Canada, and is also the country's largest exporter of gasoline.

Residents of the Redhead area, a coastal community about 10 kilometres south of the city, say Irving officials approached them four to five months ago with offers to buy hundreds of hectares of property.

Doug Ramsey, a 76-year-old resident of the area, said he's arranged to sell his land to the Irvings.

"You'll never stop them anyway... I sold land to them a couple of months ago," he said.

"If anybody is in my shoes, you'd sell to them anyway. You're only going to get one offer. He's buying everything up out here."

Other residents expressed worries about the possibility of a large facility being near their properties.

Elsie Smith, who lives in a mini home on a small property in the area, asked: "Where can you go to escape this sort of thing? Irving's everywhere, they've got a monopoly."

"I'm certainly worried for my health. If it ever blew up, we'd be gonners."

An Irving spokeswoman confirms the company has purchased land in the area, but didn't say what the company intends to do with it.

A source close to the Irving operation said the new refinery will process 300,000 barrels of oil a day and employ about 1,000 people full-time.

A spokeswoman for Irving Oil Ltd. wouldn't formally confirm the report, but did say her firm is "always looking for opportunities to grow the community through the energy sector."

"We've stated before that the refinery upgrade project would be completed," said Jennifer Parker.

Parker also noted a proposed liquid natural gas terminal near the refinery is "a foundational investment that will make future energy investments possible."

Irving Oil and Repsol, a Spanish-based energy firm, are planning to build an LNG receiving terminal in the area. It is expected to be on line by 2009 with one billion cubic feet per day being shipped through a pipeline.

Tom Adams, director of Toronto-based Energy Probe, said the location of the refinery near a natural gas terminal makes sense, as the natural gas can be used to help the refinery produce gasoline, while also co-generating electrical power.

Being close to the LNG terminal also means the refinery will have a long-term source of natural gas, even if offshore natural gas delivered through the Maritimes and Northeast pipeline grows scarce.

"One of the barriers to expanding the refinery historically, is it was dependent on a single source of gas," said Adams.

"Now they will have their own gas supply."

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He said the announcement also makes sense because the number of refineries elsewhere in North America is decreasing, and there's rising demand in the United States for the low-sulphur gasoline that Irving makes.

Irving has steadily expanded its refinery for the past six decades.

In September, the company announced it would invest C\$35 million in scheduled maintenance on four major processing units at the Saint John refinery.

A C\$1-billion upgrade was completed in 2000.

Also, in 2003, Irving invested C\$100 million to enable the production of ultra-low sulphur diesel, a new environmentally friendly fuel.

The refinery opened on July 20, 1960, with an initial capacity of 40,000 barrels per day. Today, the refinery has reached production rates in excess of 300,000 barrels per day.

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