

709 NEWS

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ENERGY

Placentia Bay refinery gets environmental approval

BY **EVERTON MCLEAN**

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Brian Dalton says NLRC is looking beyond the shaky U.S. market for refinery investors. — Telegram file photo

Aproposed refinery in Placentia Bay is another step closer to completion, getting approval from the federal environment minister. But the president of the company looking to build the refinery is cautioning people that the company still has to find financing for the project.

Environment Minister John Baird released his decision Wednesday, stating the project's comprehensive study report addresses the concerns of the public and is not likely to cause adverse environmental effects.

Transport and DFO to monitor

Baird has instructed Transport Canada and Fisheries and Oceans to monitor the project to ensure mitigation measures are being implemented and that they are effective.

Brian Dalton, president and CEO of Newfoundland and Labrador Refining Corp. (NLRC), said the approval — the first permitting for a new refinery in North America in probably about 30 years — gives the company the right to go ahead with the project, which is expected to cost

US\$4.6 billion.

Dalton said NLRC's priority right now is securing investment to fund the venture.

"Realistically, what (the approval) means at the moment is, it gives us the ability to go forward clearly with potential financial partners," he said.

"In the absence of this approval, no major financing agreements could be completed."

A weak United States marketplace is causing difficulty getting investment from groups there, said Dalton. The approval isn't likely to change the minds of those investors, he said.

Looking at other investors

The company is now looking at other investors in other areas, he said.

"We are looking at other markets that aren't as damaged as the U.S. market," he said.

"The Middle East through Asia is basically where we're focusing these days. ... It's certainly a more receptive market."

Once running, the refinery should process 300,000 barrels of heavy sour crude a day.

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