

Desmond in \$2bn oil refinery scheme

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BILLIONAIRE investor Dermot Desmond has joined up with Scottish mining magnate Harry Dobson in an ambitious scheme to develop one of the world's largest oil refineries in Canada, which could cost up to \$2bn to construct.

Newfoundland and Labrador Refining Corp is to spend \$7m to determine whether US and Canadian markets could support a vast 300,000 barrels-a-day plant on Placentia Bay in eastern Canada, according to one of its share-



DESMOND: Dips into oil

holders, Altius Minerals Corp. The feasibility study will take 42 weeks to complete.

The oil refinery plant, if greenlighted, would be

among the largest in North America and the first built on the continent for more than 20 years. Tight refining capacity is widely seen as a major factor behind surging oil and fuel prices, according to industry analysts. This has prompted a renewed interest in oil infrastructure. Recently Virgin boss Richard Branson proposed that the world's major airlines should club together to fund their own oil refinery as a means of stemming rampant jet fuel costs.

Newfoundland and Labrador Refining's other major

shareholders include Desmond, Dobson and British venture capitalist Stephen Posford, a former head of European operations for investment bank Salomon Brothers.

Desmond and Harry Dobson have been involved together in various business ventures over the years. The pair are major investors in Canadian firm Mountain Province, which is developing a diamond mine up in the Northern Territories. They were also independent shareholders in Manchester United.