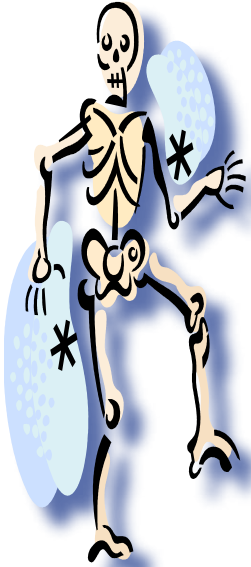


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The Oil Sands

The oil reserves in Alberta are huge - an estimated 175 billion barrels, which places the province in second only to Saudi Arabia for known reserves. Whereas producers in the Middle East have but to drill holes in the sand, oil in Alberta is caught in a mix of sand and gravel. Two methods were developed to extract the oil.

1. If the deposit is less than 75 m deep, the open pit method, which is similar to the asbestos mines in Quebec, is used. Enormous trucks capable of carrying 380 tons transport the sands to processing plants. About two tons of oil sands is required to produce one barrel of oil.
2. For deposits deeper than 75 m, the *in situ* method is used. Pipes are forced vertically or horizontally into the ground and steam is injected into the deposit. The oil then liquefies and it is pumped to the surface and sent for further treatment.

Both methods require vast amounts of water. Approximately three barrels of water are required to produce one barrel of oil. The water is heated in massive natural gas fired boilers. An unfortunate by-product of the boilers is the significant greenhouse gasses they produce.



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The Brain Teaser

The correct answer for the July Teaser is 55.

The winner's are...

Out West - Greg Menzies and Rob Turza of Noramco Vancouver; Craig Bartlett, Anixter Edmonton; Lorraine Halchuk, Keith Joss and Grace Nunn of Anixter Winnipeg; Don Blake, Marten Maxwell and Dave Rudichuk of Noramco Edmonton; Bonnie Hartog, Texcan Winnipeg; Derek Muirhead, Texcan Saskatoon

Central Canada - Rinaldo di Lallo, Anixter Mississauga

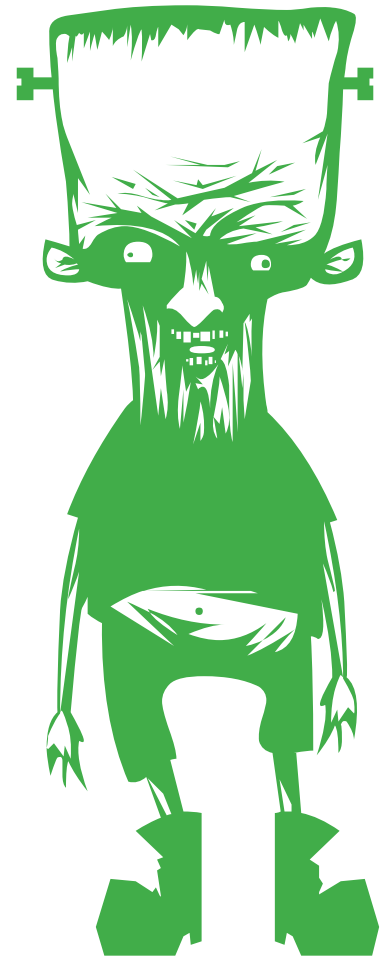
Down East - Philippe Lamoureux and Guy Lemoine of Anixter Montreal; Patricia Décarie, ECS Laval; Derek Kilian, Nedco St-Laurent

This issue's challenge:

Which number should replace the question mark?

5	9	1	2	1
8	9	6	4	3
3	0	5	2	?

- | | |
|---|---|
| 9 | 6 |
| A | B |
| 2 | 7 |
| C | D |
| 4 | 5 |
| E | F |





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News Across the Country...

Western Droppings

EnCana Corporation and ConocoPhillips are combining their strengths to form a long-term integrated North American heavy oil business in a 50-50 partnership.

EnCana is contributing 100% of its Foster Creek and Christina Lake in situ oilsands projects while ConocoPhillips is contributing 100% of its Wood River refinery in Roxana, Illinois and Borger refinery in Borger, Texas, effective Jan. 2, 2007.

Each of the companies has committed to spending \$7.5 billion (U.S.) on the projects over the next 10 years beginning with about \$200 million per year for the first few years, Randy Eresman, EnCana's president and CEO, told analysts.

Eresman told a conference call his company had been looking for a downstream partner for some time and he believes it found a perfect fit.

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Central Crumbs

Power added to provincial grid

Oct. 16, 2006. 09:24 AM
CANADIAN PRESS

The Ontario Power Authority said Monday it has signed contracts for seven new cogeneration power projects across Ontario that would add a combined electrical capacity of 414 megawatts to the province's power grid.

The seven projects represent a total investment of about \$800 million and range in size from a 2 MW district energy project in Oshawa to a 236 MW industrial application in Thorold, the authority said in a release.

The plants are expected to come on-line between February 2008 and May 2010.

"Developing more distributed energy such as these cogeneration projects is key to having a balanced, reliable and secure electricity system for Ontario," provincial Energy Minister Dwight Duncan said in a statement.

The contracts are the first to be announced under a government plan to see the production of 1,000 MW of power from alternative sources.

The cogeneration plants take advantage of situations where larger industries or groups of users require both electricity and thermal energy for industrial use, heating or cooling.

For more information on the successful projects contact ShawFlex.

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Eastern Tidbits

The forestry industry is going through very difficult times. In the March Circuit we mentioned that over 7,000 jobs had been lost in a one year period. Today, the loss of employment has reached about 9,000 jobs.

The announcing of mill closures has become an almost daily occurrence. The latest round will see Abitibi Consolidated close sawmills in Champneuf, St-Thomas and Outardes. Domtar is following closely behind with the closure of the Lebel-sur-Quévillon, Val d'Or and Matagami mills.

The causes are many and complex. The high flying Canadian dollar has for some time now made products from Canada less competitive; the rise in interest rates in the USA has let the air out of the real estate balloon and the rise in energy costs has had an effect as well. Another big uncertainty is the softwood lumber agreement between the US and Canada which came into effect on October 12th.

Industry leaders predict that this period of uncertainty will last another two years and demands for government assistance have already been tabled.

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