



Marketing Branch

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OIL SANDS MEGA PROJECT IN NORTHERN ALBERTA, CANADA

Bechtel's Oil, Gas and Chemical (OG&C) and Global Business Unit (GBU) and Canadian affiliate Bantrel have begun Engineering, Procurement and Construction Management (EPCM) work on Scotford Upgrader Expansion 1. This is part of an oil sands mega project worth an estimated US\$8.7 - 11.1 Billion, in Northern Alberta, Canada, a joint venture between Shell Canada Ltd., Chevron Canada Ltd., and Western Oil Sands. The overall **Athabasca Oil Sands Project** (AOSP) consists of two components: upstream expansion at AOSP mining facilities north of *Fort McMurray, Alberta*, and downstream expansion to produce an additional 100,000 barrels per day of synthetic crude at the Scotford Upgrader near Edmonton. Bechtel and Bantrel teams in Calgary and Houston have completed front-end design for the expansion project in June 2006.

According to Bechtel Project Director Mr. Bill Sharp, the project would be too large to complete solely using Alberta resources. The project will be managed from Bantrel's Calgary office with engineering performed in Calgary, Houston (USA), Toronto and New Delhi (India). *With Alberta's severe weather conditions and tight labor market, the project will use a global procurement strategy and modularization plan that reduces the need for on-site labor.* With a current workforce of 850 employees, home office employment is expected to peak at about 1,100 in mid 2007. Construction management staff will peak at 300 in January 2008, while the Scotford expansion will peak at 6,500 people. The team has already placed orders for major equipment and has begun contracting construction services.

*Source: Bechtel Global Newsletter Jan 2007
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