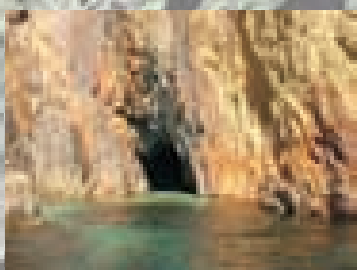
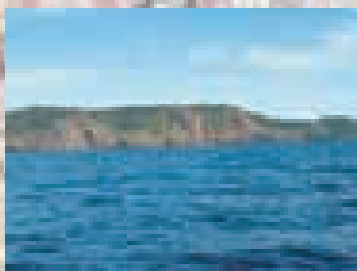




**NEWFOUNDLAND AND LABRADOR
REFINING CORPORATION**



PROJECT REGISTRATION

**In accordance with the Requirements of the Newfoundland and
Labrador Environmental Protection Act**

for

NEWFOUNDLAND & LABRADOR REFINERY PROJECT

at

SOUTHERN HEAD AT THE HEAD OF PLACENTIA BAY, NL

October 16, 2006



**NEWFOUNDLAND AND LABRADOR
REFINING CORPORATION**

PROJECT REGISTRATION

**IN ACCORDANCE WITH THE REQUIREMENTS OF THE
NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL PROTECTION ACT**

FOR

**NEWFOUNDLAND & LABRADOR
REFINERY PROJECT
AT
SOUTHERN HEAD, PLACENTIA BAY, NL**

Submitted to:

Environmental Assessment Division
Department of Environment and Conservation
P. O. Box 8700
St. John's, NL A1B 4J6

Submitted by:

Newfoundland and Labrador Refining Corporation
P. O. Box 385
St. John's, NL A1C 5J9

OCTOBER 16, 2006



NEWFOUNDLAND & LABRADOR REFINING CORPORATION

OUR COMMITMENT

Health, Safety, Environment and Social Responsibilities

Newfoundland and Labrador Refining Corporation intends to become a leader within the global refining industry with respect to health and safety procedures, environmental protection measures and community benefits.

- NLRC is committed to developing health and safety procedures and protocols at all levels of its business that are both meaningful and effective. Excellence in this area will be a top priority for the Company.
- Oil refining comes with an inherent risk for environmental damage to land, air and ocean. NLRC intends to invest in the most advanced technologies available to minimize its daily operating impacts. It will also take a leadership role in ensuring that all areas of potential environmental impacts within the Placentia Bay region are understood and properly addressed. It will also make investments in infrastructure that will enhance the response capacity of Placentia Bay to environmental threats or accidents.
- NLRC understands that its planned operations will be situated within a region that includes several communities and that its ability to operate successfully will be dependant on an open, interactive and positive relationship with its neighbors. It commits to open communication in order to ensure understanding at all times of community level needs. NLRC will participate in the well being and overall strengthening of communities within the region.

The ultimate pride of NLRC will hinge upon its performance in the areas described here.

Signed: 
Brian Dalton, Managing Director

TABLE OF CONTENTS

	Page No.
EXECUTIVE SUMMARY	IV
1 NAME OF UNDERTAKING	1
1.1 Introduction	1
2 PROPONENT	4
3 THE UNDERTAKING	7
3.1 Nature of the Undertaking	7
3.1.1 Overview	7
3.1.2 Authorizations Required	8
3.1.3 Public Consultations	8
3.1.4 Preliminary Issues Scoping	18
3.2 Rationale for the Undertaking	21
4 DESCRIPTION OF THE UNDERTAKING	23
4.1 Project Site Information	23
4.1.1 Overview	23
4.1.2 Geographical Location	24
4.1.3 Physical Environment	28
4.1.4 Biological Environment	39
4.1.5 Existing Socio-Economic Environment	56
4.2 Physical Features of Undertaking	85
4.3 Construction	88
4.3.1 Construction Period	90
4.3.2 Environmental Considerations	90
4.3.3 Potential Causes of Resource Conflict	92
4.4 Operation	93
4.4.1 Operation Period	94
4.4.2 Refinery Facility and Process	94
4.4.3 Tanks and Pipelines	100
4.4.4 Sulphur and Coke Storage and Handling	101
4.4.5 Utilities, Infrastructure and Support Systems	102
4.4.6 Emissions and Discharges	110
4.4.7 Marine Infrastructure	116
4.4.8 Vessel Traffic	119
4.4.9 Waste Handling and Disposal	121
4.4.10 Health, Safety and Environmental Management Systems	124
4.4.11 Fire Fighting/ Emergency Preparedness	133
4.4.12 Potential Causes of Resource Conflict	134
4.5 Decommissioning	136
4.6 Occupations	137
4.6.1 Hiring Plans and Policies	137
4.6.2 Occupation Breakdown	138
4.7 Project-Related Documents	141
5 APPROVAL OF UNDERTAKING	142

6	FUNDING.....	144
7	REFERENCES	145
8	GLOSSARY.....	149

APPENDICES:

- A – Relevant Legislation & Associated Permits
- B – Refining Process
- C – Commercial Fishery & The Aquaculture Industry
- D – Climatology Summaries

EXECUTIVE SUMMARY

This document provides the Project Registration for a proposed new oil refinery, submitted to the Provincial Government of Newfoundland and Labrador under the *Newfoundland and Labrador Environmental Protection Act*.

Worldwide there is a shortage of crude oil refining capacity. Hurricane damage to the Gulf coast refineries in 2005 dramatically demonstrated the vulnerability of the oil products supply in North America. As well, existing refineries in North America are more than twenty years old and not built to today's environmental and technology standards.

Crude oil is a global commodity and the world market will move quickly to fill the gap in refining capacity. Feasibility and market studies have confirmed that there is a time-limited opportunity for the development of a new refinery within the Placentia Bay region. The timeline proposed for the refinery project will ensure that Newfoundland and Labrador is in the forefront of efforts to provide the needed refining capacity.

Placentia Bay provides a strategic location for a new refinery. The Bay is located on major international shipping routes, is ice-free and, along with deep water allowing passage of large tankers, has a well established vessel traffic management system.

Newfoundland and Labrador Refining Corporation (NLRC) proposes to construct and operate a new, privately financed, crude oil refinery, to be located at the head of Placentia Bay, NL.

This project provides Newfoundland and Labrador with the opportunity to develop a petrochemical industry; provides a local market for offshore stranded gas; and can form a key element in the future economic development of the Province of Newfoundland and Labrador. The refinery itself will provide in the range of 750 permanent jobs as well as the associated indirect employment. A second refinery would prompt spin-off opportunities in the region that would allow the creation and expansion of companies to supply goods and services to the petroleum industry.

Two sites, the undeveloped land between the existing refinery and the transshipment terminal, and a greenfield site at Southern Head have the 'preferred site' attributes. However, the undeveloped land is presently under lease to Newfoundland Transshipment Limited, and hence the site for the new refinery is Southern Head. The over \$4.0 billion project will have an initial production capacity of 300,000 barrels per day with the option to expand to 600,000 barrels per day in the future should market conditions allow. The selected site has sufficient area for future expansion. The primary products of the refinery will be gasoline, kerosene/jet fuel, ultra-low sulphur diesel and refining by-products.

The refinery infrastructure will include the process facilities, a marine terminal, crude and product storage tanks, an access road and utilities.

The environmental regulatory approvals and processes for this project fall under a variety of federal and provincial assessment regimes. Initial meetings have been held with both levels of government in an effort to coordinate, facilitate and expedite these reviews. These discussions have also served to identify key issues and field studies, several of which are underway in the project area.

The project will incorporate state-of-the-art methods with "Best Available Technology that is Economically Available (BATEA)" for the limitation of environmental impact, including process and plant design, comprehensive waste management practices during construction and operation, and safeguards against atmospheric, terrestrial and marine pollution to ensure meeting all applicable regulatory requirements. The project will be carried out in an environmentally-responsible manner, with minimum adverse impact on the environment, human health and safety.

NLRC has also met extensively with communities and interest groups in the surrounding area and is working with them to identify and address concerns. NLRC will continue to provide project information and consultation as the Environmental Assessment is developed.

The location of the proposed refinery, near the existing refinery and the transshipment terminal at Whiffen Head, allows the environmental assessment to benefit from

existing, baseline environmental and associated data to supplement site-specific efforts. The refinery will also benefit from the infrastructure and communication mechanisms in Placentia Bay for the management of tanker traffic, commercial fisheries and other activities.

The project will create significant employment for the region, with approximately 3000 employees during construction and approximately 750 during operation.

In order to meet market demand and timelines, NLRC will be ready to start construction as soon as possible. Site preparation will commence immediately upon receipt of the environmental approvals and necessary permits.

Construction is expected to be complete within three years, with production by late 2010 or early 2011.

1 NAME OF UNDERTAKING

Newfoundland and Labrador Refinery

1.1 INTRODUCTION

Newfoundland and Labrador Refining Corporation is a locally-based, private company registered in Newfoundland and Labrador. In February 2006, the Company initiated a Feasibility Study into a new refinery in the Province of Newfoundland and Labrador. As a result of positive market studies, Newfoundland and Labrador Refining Corporation undertook a site selection process and is now in position to begin environmental assessment of the new refinery.

The proposed refinery location is Southern Head, a peninsula between North Harbour and Come-by-Chance Bay, at the head of Placentia Bay, in the Province of Newfoundland and Labrador (Figure 1-1).

This document provides a Project Registration of the proposed new refinery based on the requirements defined under the Newfoundland and Labrador Environmental Protection Act. The Project Registration is submitted to the Department of Environment and Conservation in order to initiate the provincial environmental assessment process.

This Project is subject to both federal and provincial environmental assessment (EA) processes and must satisfy the conditions of both. Newfoundland and Labrador Refining Corporation (NLRC or 'the Proponent') will make best efforts to assist the governments to coordinate the two assessment processes.

The federal assessment process, managed by the Canadian Environmental Assessment Agency (CEAA) requires an initial 90 day review period, while the provincial process provides for a 45 day review period, including time for public review and comment. On the advice of senior officials in CEAA and the provincial government, NLRC has submitted the Project Description to CEAA in advance of the Project Registration required by the provincial process in order to facilitate

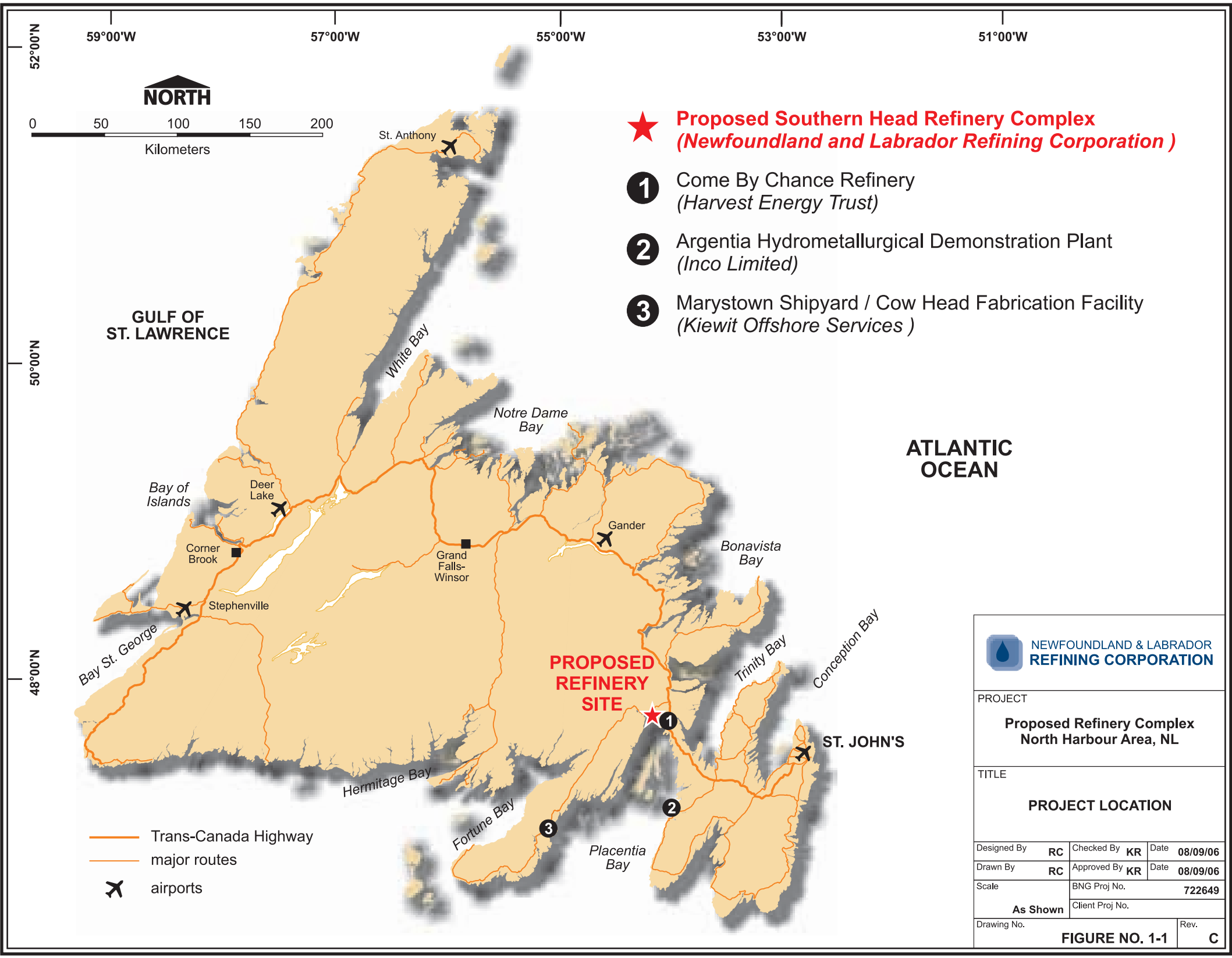
coordination of the federal and provincial Ministers' decisions on assessment requirements.

NLRC recognizes that, in addition to the EA approvals, the Project must obtain all of the required environmental approvals, licences and permits through the federal and provincial permitting processes. A list of relevant legislation and associated permits is contained in Appendix A.

As stated in Newfoundland and Labrador Refining Corporation's Commitment, a framework for a public consultation program has been developed that will continue throughout the environmental assessment process and form the basis for monitoring at all phases of the Project. Effective lines of communication between the proponent and the residents of nearby communities are in place and will provide the basis for ongoing liaison throughout all phases of the project.

In the process of identifying the potential environmental effects arising from the project and associated activities, features of the local environment that are valued due to their ecological, scientific, cultural, socio-economic or aesthetic importance have been identified by the proponent, members of the public, scientists and government agencies. These provide a focus for the assessment as Valued Ecosystem Components (VECs). Within the context of this project, both biological and socio-economic VECs have been proposed.

Environmental protection; application of high standards for health and safety; and application of best practises are paramount to the successful development of this project. Mitigation measures to minimize any adverse impacts of the project on the environment and communities, while maximizing local benefits, have been and will be continued to be NLRC's Policy for this project throughout all stages of the development.



★ **Proposed Southern Head Refinery Complex**
(Newfoundland and Labrador Refining Corporation)

- 1 Come By Chance Refinery
(Harvest Energy Trust)
- 2 Argentia Hydrometallurgical Demonstration Plant
(Inco Limited)
- 3 Marystown Shipyard / Cow Head Fabrication Facility
(Kiewit Offshore Services)

ATLANTIC OCEAN



PROJECT
Proposed Refinery Complex
North Harbour Area, NL

TITLE
PROJECT LOCATION

Designed By	RC	Checked By	KR	Date	08/09/06
Drawn By	RC	Approved By	KR	Date	08/09/06
Scale		BNG Proj No.		722649	
As Shown		Client Proj No.			
Drawing No.		FIGURE NO. 1-1			Rev.

2 **PROPONENT**

Name of Corporate Body:

Newfoundland and Labrador Refining Corporation (NLRC)

Address:

Newfoundland & Labrador Refining Corporation
P. O. Box 385
St. John's, NL A1C 5J9

Chief Executive Officer:

Name:	Brian Dalton
Official Title:	Managing Director
Address:	P. O. Box 385 St. John's, NL A1C 5J9
Telephone No.:	(709) 576-3442

Principal Contact Persons for purposes of environmental assessment:

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	Mr. Roland Butler Community Inquiries Newfoundland and Labrador Refining Corporation (NLRC) P. O. Box 385 St. John's, NL A1C 5J9 Phone: (709) 576-3442 Toll Free : 1-888-570-3442 Email: roland@nlrefining.com

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Newfoundland and Labrador Refining Corporation (NLRC) is a private company registered in Newfoundland and Labrador and based in St. John's. The founding investors in NLRC include Newfoundland and Labrador based Altius Resources Inc. and a core group of distinguished European entrepreneurs with proven track records in both equity and debt finance arrangements for development projects. The intent of NLRC is to finance the Project through private equity investment and bank debt facilities. A summary description of the proponents follows and is also available on the NLRC website, www.nlrefining.com.

Altius Resources Inc.

Altius is a Newfoundland and Labrador based company that was founded in 1997 and is primarily focussed on natural resource opportunities within Newfoundland and Labrador. It has a royalty interest in the Voisey's Bay nickel-copper-cobalt district, where metal concentrate production has recently commenced. It holds approximately 15% of Aurora Energy Resources Inc. and 30% of Rambler Metals and Mining plc. Altius is also included in a shortlist of candidates to participate in the financing of Newfoundland and Labrador Hydro's proposed Lower Churchill hydroelectric project.

Dermot Desmond

Mr. Dermot Desmond is the Chairman and founder of International Investment and Underwriting (IIU) based in Dublin, Ireland. This and other associated companies invest actively in a variety of businesses, including those involved in the leisure, technology, food, mining and transportation industries. Before forming IIU he worked with Citibank and the Investment Bank of Ireland and formed NCB, which became Ireland's largest independent corporate finance house. Mr. Desmond spearheaded the International Financial Services Centre, which now has over 400 companies operating in Dublin's docklands.

D.H.W (Harry) Dobson

Mr. Harry Dobson is a Scottish born entrepreneur and financier with extensive interests in the natural resources sector. He began his career in Australia and Canada and now pursues merchant banking and venture capital opportunities globally. He is actively involved with several companies that are exchange listed in Canada and/or the United Kingdom, including Kirkland Lake Gold Inc., Rambler Metals and Mining plc and Borders and Southern Petroleum plc. Mr. Dobson also has extensive investment property holdings throughout Europe, most notably in Ireland.

Stephen Posford

Mr. Stephen Posford is based in Britain and his early career included several positions within the financial sector in that country, specializing in the Gilt-Edged market (UK and Irish government bonds). He was the head of Greenwell Montague Gilt Edged before joining Salomon Brothers in 1989 and was the CEO of Salomon Brothers European operations when he retired in 1996. He is active now as a private venture capitalist and a corporate director.

3 THE UNDERTAKING

3.1 NATURE OF THE UNDERTAKING

3.1.1 Overview

Newfoundland and Labrador Refining Corporation proposes to construct and operate a new 300,000 barrels per day refinery that could be expanded to 600,000 barrels per day (bbl/d) at some future date, at Southern Head, between North Harbour and Come-by-Chance Bay, at the head of Placentia Bay, Newfoundland and Labrador.

The refinery will require a marine terminal, crude and product storage tank farm, as well as a new access road. The Project will process imported medium and heavy, high sulphur crude oils into fuel products suitable for the export market. The main products of this refinery will be gasoline, kerosene/jet fuel, and Ultra-low Sulphur Diesel with by-products including Liquefied Petroleum Gas (LPG - C3/C4), Sulphur and Petroleum Coke.

The Project will require a private capital investment in excess of \$4.0 billion US for the construction of the facility. The facility will employ up to 3000 trades people during the 3 to 4 year construction phase and approximately 750 permanent staff during the operational phase. The project provides Newfoundland and Labrador with the opportunity to develop a petrochemical industry, provide a local market for offshore stranded gas and can form a key element in the future positive economic development of the Province.

The Project will take place in four stages: (1) pre-construction phase, including feasibility study, engineering, and environmental assessment; (2) construction; (3) operations; and (4) decommissioning. An overall policy of the Proponent is to meet or exceed applicable national and provincial standards and regulations and follow best practices in the industry.

3.1.2 Authorizations Required

The Project will require federal, provincial and municipal approvals and permits for various activities during construction, operation and demobilization. Anticipated approvals required are listed in Appendix A.

Approval and permitting requirements under provincial legislation and regulation will govern much of the physical activity at the site, from the environmental assessment process to activities such as site clearing, quarrying, road construction, bog in-filling, etc., through operations, such as for air emissions, and decommissioning. Government requirements and policy also affect socio-economic aspects of refinery construction and operation, such as occupational health and safety, training, and employment programs. A Historic Resources Impact Assessment will be conducted at Southern Head this fall.

Areas of the preferred site for the new refinery, including the wharf and jetty, are within the boundaries of the Town of Come-By-Chance. The Project will meet requirements of town by-laws. Available information is shown in Appendix A.

3.1.3 Public Consultations

NLRC has made efforts to ensure that information on the proposed refinery is readily available. Efforts include press releases at key milestones and a project website. In particular, Newfoundland and Labrador Refining Corporation has been working with communities in the project area for a number of months to ensure that residents are aware of the feasibility study and the study's findings. Tables 3-3 and 3-4 shows the community consultations and presentations held to date on behalf of the proponent. NLRC and their representatives have also met with various federal and provincial agencies to discuss the proposed project and obtain guidance on regulatory approvals and processes. Meetings with government representatives and either NLRC or its engineering or environmental consultants are shown in Tables 3-1 and 3-2.

The Proponent has established effective working relationships with communities in the project area. Public consultations will continue throughout all stages of the project and form the basis for monitoring.

The framework identifies the various stakeholders and the means and materials to allow for effective and timely information flow between the public and the Project.

Table 3-1: Initial Meetings & Discussions with Provincial Government Agencies

Date	Government Department	Key Points & Issues
June 12, 2006	NL Department of Environment and Conservation and Canadian Environmental Assessment Agency (CEAA)	<ul style="list-style-type: none"> Project is subject to both the federal and provincial environmental assessment processes. Allow for differing time frames in the initial steps in each process to assist in informal coordination of the two processes.
June 30, 2006	NL Department of Environment and Conservation, Pollution Prevention Division	<ul style="list-style-type: none"> Best Available Control Technology (BACT) will be required. Air emissions: air dispersion model used by the Proponent must be approved. Oil spill regulations are outdated: Proponent must consider spill prevention as well as spill response preparedness. The National Framework for Petroleum Refining Emissions Reduction (CCME) can be used as a guide in terms of comparing the new refinery with the rest of the country. Flaring should only be used in emergencies. Water supply: Proponent must ensure water supply is adequate.
July 7 , 2006	NL Department of Environment and Conservation, Wildlife Division	<ul style="list-style-type: none"> Wetlands: minimize impacts. Riparian buffers must be established and maintained. Eagle nest sites should be identified and monitored. Rare flora and fauna surveys will be necessary: <i>Erioderma pedicellatum</i> has been found in the general area.
August 10, 2006	NL Department of Natural Resources	<ul style="list-style-type: none"> Air emissions and public health: these continue to be the main topics of discussion between the existing refinery and surrounding communities. Species at risk is an important aspect of the EA process.
August 11,	NL Department of Environment and	<ul style="list-style-type: none"> Infilling of any water bodies including

Date	Government Department	Key Points & Issues
2006	Conservation, Water Resources Division	<ul style="list-style-type: none"> marine infilling: require permits. Water supply/use: Proponent must provide a good level of detail regarding water needs/use in the registration, separating domestic and industrial needs. A water rights licence will be required.
September 21, 2006	NL Department of Fisheries and Aquaculture	<ul style="list-style-type: none"> Alien / invasive species are of concern Increased traffic may affect the availability of aquaculture sites and affect insurance rates Increasing level of tanker traffic means an increased risk of an oil spill
September 26, 2006	NL Department of Natural Resources	<ul style="list-style-type: none"> Interest in local benefits of project Existing SO2 Caps must be considered in project design
September 26, 2006	Rural Secretariat	<ul style="list-style-type: none"> How will the Project meet requirements for skilled labour for construction and for operations Regional Councils are preparing communities to be able to better assess development opportunities and make informed decisions (i.e. they want jobs but not at any cost)
September 26, 2006	NL Department of Transportation	<ul style="list-style-type: none"> A new interchange has been designed to service the communities of Sunnyside and Come By Chance (could accommodate new refinery as well) Construction would take between 3 to 4 months
September 28, 2006	NL Department of Innovation, Trade and Rural Development	<ul style="list-style-type: none"> Potential second refinery could be a catalyst for expansion of existing small business capability and the encouragement for new companies in the area
October 4, 2006	Women's Policy Office	<ul style="list-style-type: none"> Project should address: wage gap, specificity of positions available for women, federal equity guidelines, develop a Women's Employment Plan and seek to implement family friendly policies
October 11, 2006	NL Department of Business	<ul style="list-style-type: none"> Potential for growth of service industry in the area with a second refinery

Table 3-2: Initial Meetings & Discussions with Federal Government Agencies

Date	Government Department	Key Points & Issues
August 10, 2006	Department of Fisheries and Oceans, Canadian Coast Guard	<ul style="list-style-type: none"> Vessel Traffic Management; changes may be necessary to the current management system Loss of fishing grounds: if additional anchorages are required, this area will be lost to fishing. Labour force availability.
August 15, 2006	Department of Fisheries and Oceans, Habitat and Environmental Assessment and Major Projects	<ul style="list-style-type: none"> No net loss of habitat policy will apply to both freshwater and marine Project work: any in-stream survey work for fish habitat characterisation and quantification must be completed before mid-September
August 16, 2006	Environment Canada	<ul style="list-style-type: none"> Cumulative effects (air emissions, vessel traffic, labour force availability): CEAA website offers guidance regarding addressing cumulative effects Air emissions and community health will likely be an issue for public. Labour force availability: will the work force for Newfoundland and Labrador be sufficient to construct and operate a new refinery, especially senior staff. Hazardous Waste management must be addressed. The power supply should be included in Project Description. EC (Ottawa) and CPPI are working on a Refinery Emissions Reduction initiative that would set regional, sector specific targets.
August 23, 2006	Department of Fisheries and Oceans, Habitat and Environmental Assessment and Major Projects	<ul style="list-style-type: none"> Minimize the amount of freshwater that needs to be used for the project. This reduces the effects on habitat and HADD and compensation needed. A strategy for habitat compensation must be provided in the EA under the CEAA process. A detailed fish habitat compensation plan will have to be developed in order to obtain authorisation to proceed.
August 30, 2006	Transport Canada	<ul style="list-style-type: none"> Transport Canada will be a Responsible Authority (RA) in the assessment. Transport Canada has to be made aware of all stream crossings, bridges, etc. associated with the project. TERMPOL review: may be more than one review under way at the same time in the

Date	Government Department	Key Points & Issues
		<p>same area – will need to be some coordination between projects.</p> <ul style="list-style-type: none"> Vessel traffic management issues will include: the number of anchorages in Placentia Bay; approaches to Placentia Bay; holding patterns, delays, weather, number of pilots, increased vessel traffic, manoeuvrability of vessels, risk assessment, vessel vetting process to be used. The problems will not be in the traffic lanes themselves but at either end, i.e. the mouth of the Bay during weather delays and the head of the Bay, with manoeuvrability and anchorages. Oil spill response preparedness: there are concerns from residents regarding the adequacy of the level of oil spill response preparedness in the Bay. and required by regulation.
September 14, 2006	Canadian Environmental Assessment Agency (CEAA)	<ul style="list-style-type: none"> RAs self identify within 30 days of Project Description submittal

Table 3-3: List of Meetings / Visits to Communities and Organizations in the Study Area by NLRC (between February and April 2006)

Town / Organisation or Community	Individuals/Groups Met
Arnold's Cove	Town Manager, Wayne Slade Deputy Mayor Herb Brett Meeting with Town Council Long Term "2020" Planning Session for Town of Arnold's Cove at invitation of Deputy Mayor
Come By Chance	Town Manager, Brenda Mulrooney, Mayor Joan Cleary and Deputy Mayor Reg Bungay
Sunnyside	Town Manager, Phil Smith Robert Snook, Town Councillor
Southern Harbour	Town Manager Bernadette Power Mayor John Penney
Little Harbour	Local Service District and community representative for Trinity Placentia Development Association Solomon Upshaw Local Service District Blanche Upshaw
Garden Cove	Chair of Local Service District Don Brinston, and members Stanley and Jean Wareham
North Harbour	Chair of Local Service District Earl Johnson and members Wesley

Town / Organisation or Community	Individuals/Groups Met
	Manning and Clarence Eddy
Swift Current	Chair of Local Service District Roger Beck and Chair of Trinity Placentia Development Association
Goobies	Chair of Local Service District Bill Goobies and member Sadie Goobies
Guest Speaker	Arnolds Cove Chamber of Commerce; Minster Ed Byrne was also a guest speaker
Tricentia Academy	Sandy Baker (Guidance Counsellor) and Russell Peddle (Principal)
Regional Advisory Committee (RAC) for Transport Canada	Earl Johnson
Marystown Town Council	Deputy Mayor Julie Mitchell of Schooner Development Board roundtable meeting chaired by Executive Director Paul McGinn
St. Lawrence Town Council	Mayor Wade Rowsell
Newfoundland and Labrador Environmental Association and Regional Advisory Committee (RAC) for Transport Canada	Stan Tobin
Executive Director of Avalon Gateway Development Corporation and Chair of Placentia Bay Integrated Management Planning Committee	Calvin Manning
One Ocean and Marine Institute	Maureen Murphy
North Atlantic Refining Ltd.	Gloria Warren-Slade, Communications Director

Table 3-4: List of Meetings by NLRC between April and October 2006

Date – 2006	Organization	Person
April 27	Bull Arm Site	Joan Cleary, CEO
May 01	Discovery Regional Economic Development Board	Jeff Green
May 01	Dept. of Industry, Trade and Rural Renewal	Dennis Sullivan
May 03	ACOA and Schooner Regional Development Board for tour of Mortier Bay/Marystown	Representatives
May 04	Town council offices of Come By Chance and Arnold's Cove	Councils to meet potential investors
May 31	Interim Placentia Bay Integrated Management Planning Committee Meeting	Representatives for presentation

Date – 2006	Organization	Person
May 31	Tricentia Academy	Level 3 students for prevention on career information with Project Manager Kjell Rustad
June 05	Arnold's Cove Chamber of Commerce	Dinner meeting
June 09	Tricentia Academy	Students and NFFAW for Fisheries Stewardship/Lobster Conservation Day
June 28	Clarenville	Chamber of Commerce Presentation
June 28	Clarenville	Town Council meeting
June 28	Clarenville	Clarenville-Bonavista Rural Secretariat
June 29	Placentia	Bill Hogan, Mayor of Placentia (by phone)
June 29	Argentia	Placentia Marine Traffic and Communications Services centre meeting with staff
June 29	Joint Councils of the Isthmus	Presentation to Joint Councils on the Isthmus (representing communities from Markland to Sunnyside)
July 08	Arnold's Cove	Transport Canada's Oil Spill Risk Assessment public meeting
September 01	Marystown	Meeting with ACOA and PKS Kiewit
September 19	One Ocean	Maureen Murphy
September 25	Come-By-Chance Chamber of Commerce	Annual Dinner / Meeting
October 7	Women in Resource Development Committee (WRDC)	Maria Moran, Industrial Outreach
October 8	Icewater Seafoods Ltd.	Bruce Wareham

3.1.3.1 *Communities and Interest Groups*

Newfoundland and Labrador Refining Corporation (NLRC) strongly believes that the communities and industries of Placentia Bay should have timely and accurate information about the proposed refinery project. The founding shareholders of the Corporation believe that early and sustained communication with people in the area that may be affected by a major development is a priority.

People should be able to access information that is important to them and NLRC can, in turn, gain important local knowledge and expertise from people who live and make their livelihoods in the project area. To this end, senior members of the NLRC project team have spent considerable time in the communities in the immediate

project area since the decision and announcement of the refinery feasibility project in early 2006.

NLRC met with communities in the immediate vicinity of the project area prior to and following the announcement of the feasibility study for a second refinery in the Province of Newfoundland and Labrador (see Tables 3-1 to 3-4). NLRC intends to continue to work to maintain an effective information and consultation process with communities and key interest groups in the project area.

Informal visits and meetings have been held between NLRC and the mayor and councils, and development associations of Arnold's Cove, Come-by-Chance, Sunnyside, Southern Harbour, Little Harbour, Garden Cove, North Harbour, Swift Current, Goobies, St. Lawrence, Marystown and Clarenville.

As well, NLRC has met with representatives of key groups such as the Placentia Bay Integrated Management Planning Committee, Tricentia Academy, One Ocean, North Atlantic Refining Ltd. and the Regional Advisory Council on Oil Spill Preparedness. NLRC will also approach other existing groups such as the Placentia Bay Traffic Committee; Fish, Food and Allied Workers; the Newfoundland Aquaculture Industry Association; and the regional Canadian Marine Advisory Committee to exchange information (see Tables 3-3 and 3-4).

In addition to the face-to-face meetings and presentations, NLRC has also established a website to provide up-to-date information about the Project (www.nlrefining.com) and issues press releases at milestone points in the feasibility study.

Once the Project Registration has been submitted, NLRC will host additional information and consultation sessions in the project area and possibly other locations in order to provide project information to the interested public and to seek their input to issue scoping and to define Valued Ecosystem Components for the project environmental assessment.

NLRC's policy of effective and sustained communication with people in the area that may be affected by a major development will continue to be implemented throughout

all phases of the Project, from feasibility study through environmental assessment, construction, operations and decommissioning.

While informal communication will be ongoing and project information will be provided on the website, specific information and consultation efforts will be made at milestone points in the Project, such as following the Registration of the Project as part of ensuring timely and accurate information about the proposed refinery project.

Public consultation by the Proponent will include individuals, groups and agencies outside government. Examples are the fishing industry, environmental associations, businesses and industry, women's groups, aquaculture industry, development associations, and education and training institutions.

3.1.3.2 Government Agencies

NLRC initiated their assessment of the feasibility of a second refinery in the Province in consultation with senior levels of the provincial government and communities. As the feasibility study advanced and the decision was made to proceed with an environmental assessment of the proposed refinery, a series of meetings with federal and provincial regulatory agencies was initiated.

The objective of the meetings was to introduce the proposed project and project schedule and to seek early guidance as to the issues, concerns and data gaps that should be addressed.

The first meeting was with the senior officials involved with the environmental assessment processes for the Canadian Environmental Assessment Agency (CEAA) and the Province of Newfoundland and Labrador. The project will be reviewed under both processes and NLRC sought guidance as to practical ways to assist in coordination of the two processes. An immediate action suggested was earlier submission of a Project Description to CEAA to account for the longer initial review period required under the CEAA process.

Initial meetings with the following federal groups and agencies have been held:

Federal Departments and Agencies:

- Fisheries and Oceans Canada
 - Canadian Coast Guard
 - Environmental Assessment and Major Projects
 - Habitat
 -
- Transport Canada
 - Environmental Assessment
 - Navigable Waters Protection Act
 -
- Environment Canada
 - Environmental Protection
 - Emergency Response
 - Canada Wildlife Service
 -
- Canadian Environmental Assessment Agency

Initial discussions have also been held with several of the key provincial government agencies and these continue to be scheduled. Meetings have been held with:

- Department of Environment and Conservation
 - Pollution Prevention
 - Environmental Assessment
 - Water Resources
 - Wildlife
- Department of Natural Resources
- Transportation and Works
- Fisheries and Aquaculture
- Innovation, Trade and Rural Development
- Rural Secretariat

- Tourism, Culture and Recreation
 - Provincial Archaeology Office
- Women's Policy Office
- Business

and are being scheduled with:

- Human Resources, Labour and Employment
- Education
- Health and Community Services

Initial discussions with government agencies have already served to identify key issues and field studies, several of which have been underway since July 2006.

3.1.4 Preliminary Issues Scoping

Tables 3-1 to 3-4 provide lists of meetings and visits with various stakeholders, including government departments, communities, NGO's and others. The following is a summary of key areas of interest and issues identified to date. Initial discussions have not yet been held with all pertinent agencies and groups. The issues list will be updated accordingly.

- Communities in the Project area are generally positive about the potential economic benefits of the refinery. Local businesses are interested in having a preferred status for site opportunities. The Proponent is addressing this during current procurement activities and will follow up with communities on this suggestion.
- Communities also remember the early operations at the existing refinery when extensive emissions from the refinery caused odour, pollution and health concerns. They do not want these to happen again. Concerns about long term health implications still exist among some residents in surrounding communities. Environment Canada and the Provinces have also identified air emissions and

public health as an issue. In consultation with the Department of Environment and Conservation, the Proponent will be commissioning site-wide air dispersion modelling as input to refinery engineering design - this same modelling will also provide a basis for both compliance and effects monitoring during operations. Additional information about air dispersion modelling is found in Section 4.4.6. As well, NLRC is working with Memorial University's Health Research Unit to develop a health profile for communities in the general project area.

- There is concern voiced around the Bay about increases in the level of vessel traffic - a frequent comment is '... the Bay is busy enough now'. However, experienced members of Transport Canada and Canadian Coast Guard suggest that the traffic can be managed, perhaps with changes to the existing system. An ongoing oil spill risk assessment commissioned by Transport Canada in 2005 and due to be completed this fall, will provide additional information to help address this concern. The Proponent plans to work with existing committees and councils in place to address vessel traffic, such as the Placentia Bay Traffic Committee chaired by the Canadian Coast Guard.
- As well, the Proponent will request review of its marine facilities and plans for shipping under the TERMPOL process which reviews operational safety aspects of the project. (<http://www.tc.gc.ca/MarineSafety/TP/Tp743/menu.htm>)
- Fish harvesters contacted to date are also concerned about the potential loss of fishing grounds, in particular if additional anchorages are necessary. The Proponent is designing the marine terminal and tankage to ensure there is adequate capacity at the refinery site to minimize use of the anchorages.
- An issue of concern, associated with the vessel traffic, is the level of oil spill prevention and response preparedness in the Bay. Transport Canada, the agency responsible for the oil spill regime in Canada, has contracted for an oil spill risk assessment and the results are expected to be available this fall (2006). The results of the risk assessment will be used by Transport Canada to determine if changes to the regime are needed. The Proponent has committed to addressing this concern (see Our Commitment at the front of the document).

- Environment Canada identified the need to address cumulative effects, identifying both air emissions and vessel traffic. For example, the additional traffic from the proposed new refinery will add to that associated with, the existing operations at the refinery and transshipment terminal plus potential new projects such as the INCO hydromet nickel plant in Long Harbour to the south and east of the new refinery and other possible ventures, such as in aquaculture and LNG transshipment. It must be recognized that the effects of activities from one project may interact with others to cause aggregate effects that may differ in nature or extent from the effects of individual project activities.
- Concerns have been raised over the potential interference of increased vessel traffic with aquaculture sites around the Bay.
- Considering the potential development of several large-scale projects in this province in the upcoming years, questions have been raised over the availability of the necessary skilled workforce. The Proponent has scheduled an initial meeting with two of the Province's ongoing initiatives to address the shortage of skilled labour, the Skills Taskforce and the Labour Market Development Strategy. The Women's Policy Office provided several examples of innovative approaches to training being used in other projects in the province.
- The Project has been encouraged to develop a Women's Employment Program to ensure equitable participation by women in this project. Such a program would address concerns, such as opportunities available for women, wage equity, the specificity of positions available for women, and the implication of federal equity guidelines. NLRC will consult with various organizations on the development of 'family friendly' policies for the project.

In the process of scoping the potential environmental effects arising from the project and associated activities, parts of the local environment that are valued due to their ecological, scientific, cultural, socio-economic or aesthetic importance have been identified. These features of the environment that are considered to be important by the proponent, members of the public, scientists and government agencies involved in the environmental assessment process can be considered as Valued Ecosystem

Components (VECs). Within the context of this project, both bio-physical and socio-economic VECs will be considered.

VECs for the refinery will be determined based on scoping with government agencies, input from residents of the communities in the area, the experience of consultants, and through the comparison of VECs selected in similar assessments previously completed in Atlantic Canada. The suggested VECs will be confirmed following open houses, public consultations and review of the Project Description and Registration.

3.2 RATIONALE FOR THE UNDERTAKING

Worldwide there is a shortage of crude oil refining capacity. Hurricane damage to the Gulf cost refineries last year dramatically demonstrated the vulnerability of the oil product supply market in North America.

Crude oil is a global commodity and the world market will move quickly to fill the gap in refining capacity. Feasibility and market studies have confirmed that there is a time-limited opportunity for the development of a new refinery within the Placentia Bay region. The timeline proposed for the refinery project will ensure that Newfoundland and Labrador is in the forefront of efforts to provide the needed refining capacity.

This project provides Newfoundland and Labrador with the opportunity to develop a petrochemical industry, provide a local market for offshore stranded gas and can form a key element in the future positive economic development of the Province of Newfoundland and Labrador.

As stated in the recent Energy Plan Discussion Paper by the Provincial Government and the Williams' election platform document, *Our Blueprint for the Future*, the Provincial Government has made a strong effort to attract and encourage investment in the oil and gas industry in this province. Strong commitments have also been made to expand the refining and petrochemical industry.

Considering Placentia Bay's strategic location on major international shipping routes, along with the Province's oil and gas expertise, the expansion of our oil refining capabilities will further enhance and strengthen the sector, leading to positive economic implications for the Province. Construction and fabrication during the construction of the refinery will provide opportunities for businesses and industry to acquire new skills and expertise, increasing the marketability of the province's infrastructure and workforce. The refinery itself will provide in the range of 750 permanent jobs, as well as indirect and induced employment. A second refinery would prompt spin-off opportunities in the region that would allow the creation and expansion of companies to supply goods and services to the petroleum industry.

Both the federal and provincial environmental assessment processes specify that the climate change implications associated with the proposed project be addressed.

The Province released a Climate Change Action Plan in 2005 that outlines a framework for climate change mitigation, including such efforts as equipment specifications and selection. The inventory of air emissions that will be done to support air emissions dispersion modelling for the new refinery will also include greenhouse gases, especially carbon dioxide. The refinery facilities will be designed for a 25 year life span and will incorporate climate change considerations, such as sea level change and increased frequency and severity of storms.

The proponent is also aware that the federal government is proposing a Clean Air Act and will monitor the implications for the refinery engineering and design.

The Province is moving toward establishing a Sustainable Development Act and issued a Discussion Paper and held pubic consultations over the past several months. While the proposed refinery is not intended to process the crude oil that is a non-renewable resource from the Province's offshore areas, the project is being developed in alignment with the intent of the Sustainable Development Act – to integrate social and environmental considerations into project planning.