

**ASPHALT PRODUCT
INDUSTRIES INC.**

***LIQUID ASPHALT
STORAGE TERMINAL
COME BY CHANCE***

**REGISTRATION DOCUMENT
ENVIRONMENTAL ASSESSMENT**

PAVING THE WAY TO A BETTER PRODUCT

December 2010

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1.0 NAME OF THE UNDERTAKING

Asphalt Product Industries Inc.

2.0 PROPONENT

Name of Corporate Body:

Asphalt Product Industries Inc. is a private Canadian company. It is incorporated under the laws of Newfoundland and registered to do business in Newfoundland under the Newfoundland Corporations Registration Act.

Address:

P. O. Box 9068
261 Trans Canada Highway
Clarenville, NL A5A 2C2
Phone: (709) 466-2512

Chief Executive Officer & Principal Contact Person:

Jim Brown
P. O. Box 9068
261 Trans Canada Highway
Clarenville, NL A5A 2C2
Phone: (709) 466-2515

3.0 THE UNDERTAKING

3.1 NATURE OF THE UNDERTAKING

Asphalt Product Industries Inc. proposes to construct and operate an Asphalt Storage Terminal for the handling and storage of asphalt cement (AC), also known as bitumen, used in the road construction industry. The project as described in Section 4.4 represents a private capital investment in excess of \$10 million dollars, employment of approximately 50 people during construction and approximately 5 during the operational phase. The project provides road construction contracting companies within the area with an alternative source of liquid asphalt cement used in the road construction industry. The undertaking also provides for new opportunities for technical professionals in the province.

3.2 PURPOSE AND NEED OF THE UNDERTAKING

Road construction requires Hot Mix Asphalt (HMA) and the key ingredient is the binding agent – Asphalt Cement (AC). AC is a by-product of the oil refining process, and although it is derived from petroleum, its characteristics mean that it is not classified as a petroleum product. This means that the storage and handling requirements for AC are different than petroleum.

The supply of AC has been under pressure in North America as refineries continue to modify their operations to extract more fuel derivatives from the refining process, resulting in less AC being produced. Asphalt Product Industries is planning to establish its own AC storage/warehousing Terminal to provide the area with additional storage capacity and secure supply for key customers. Its primary customers will be Municipal Construction Limited and J-1 Contracting Limited who have been expanding their business in the road building industry, and currently operate 5 HMA producing plants throughout Newfoundland. Current supply of AC for Newfoundland is either from Irving Oil Limited or Ultramar Limited and during peak operating seasons, these existing facilities have struggled in meeting volume demand, resulting in delays in projects and high prices.

Due to the complexity of supplying the number of asphalt plants in operation and the importance of delivering AC in a “just in time” manner to these plants, an improved delivery and storage system is required. The proposed AC terminal storage/warehousing Terminal and operation will meet these challenges.

The Terminal will initially provide 12 000 tonnes of AC storage with provision for future growth as demand increases. The project provides further additional benefits to the area by ensuring the diversification of supply of AC resulting in improved competitiveness in the construction industry and the establishment of a team of highly skilled technical professionals required for the monitoring, formulating and testing of the AC. This will greatly benefit the economic standing of the region and the Province as a whole.

The design and construction of the Terminal will be based on proven technology and methods used by other terminal operations. The proposed warehousing Terminal consists of a storage tank, a hot oil heating unit (to keep the asphalt cement in liquid form) and a loading rack to empty or load tanker trucks. Technical personnel will be required for the monitoring and testing of the AC.

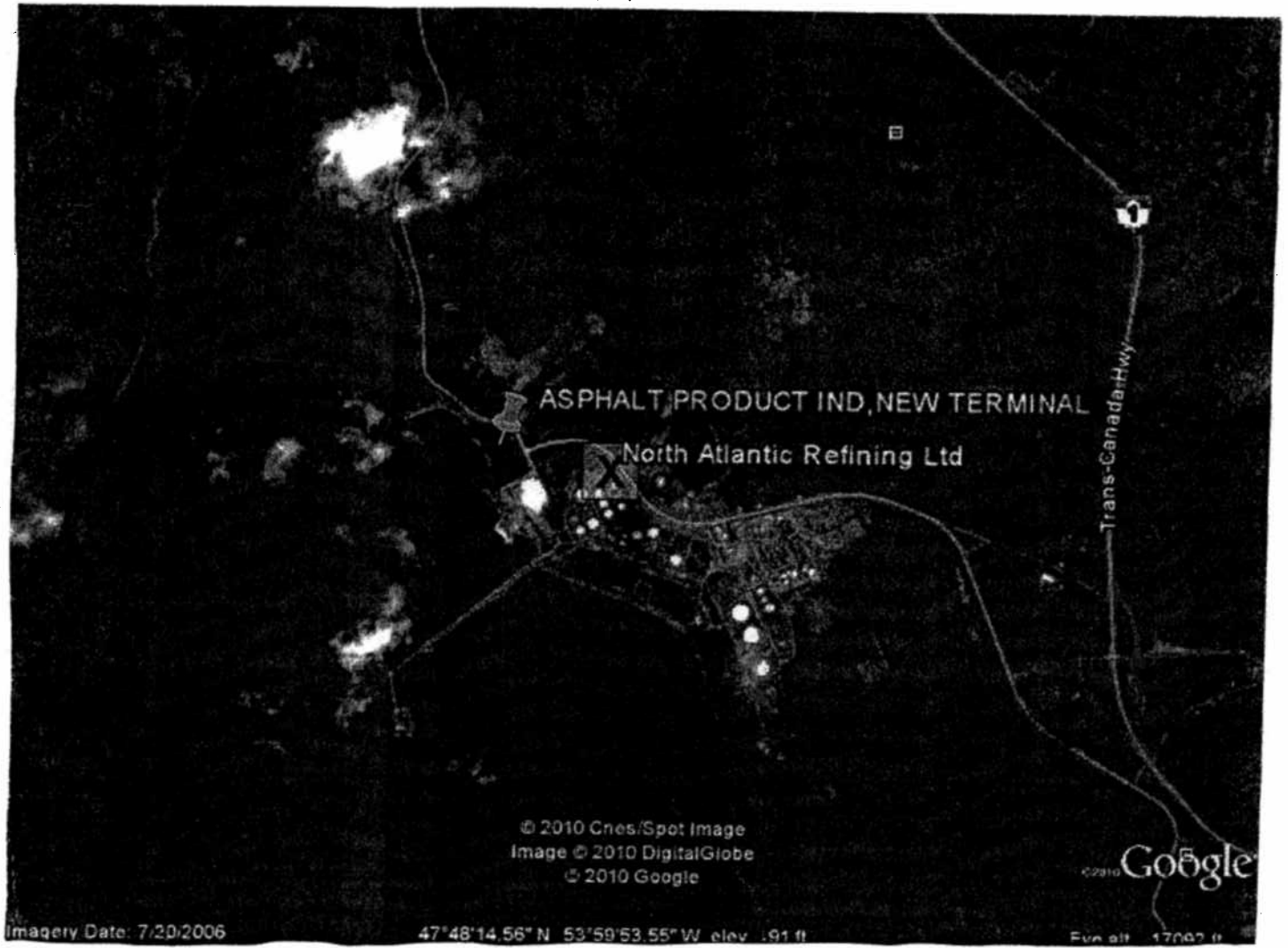
Storage and transfer of the product is conducted through the use of tanks, pipes and pumps which does not allow for uncontrolled emission of gas, vapours or objectionable odour.

4.0 DESCRIPTION OF THE UNDERTAKING

4.1 GEOGRAPHICAL LOCATION

The site is surrounded by industrial development:

- i) Southeast within 300 m of North Atlantic Refining Ltd.
- ii) South within 400 m a Sulfur manufacturing facility
- iii) Southwest and Northeast of wharf and dock facilities
- iv) North and Northwest of Quarry operations



See Appendix A – Large Scale Base Map

4.2 PHYSICAL FEATURES

See Appendix B – Site Plan

4.3 CONSTRUCTION

For the Terminal as described in Section 4.4, construction will consist of:

- Berm construction
- Water containment drainage treatment
- Concrete construction
- Steel construction (tanks and racks)
- Vehicle traffic and parking spaces
- Electrical and control system installation
- Pipe lines and pumps
- Boiler system installation
- Fencing
- Environmental controls

The construction period to commissioning of the Project is expected to be four months:

Permitting - Winter 2011

Design & Development – Winter 2010 and 2011

Civil Construction - Winter and Spring 2011

Tank Construction – Winter and Spring 2011

Loading Rack – Spring 2011

Phases of the project have been underway in order to provide a clear project definition in selecting suppliers and defining world class technologies and products.

Nominal design life of the process facilities will be twenty years. It is customary that with maintenance, technical upgrading and replacement, facilities continue to operating indefinitely.

4.3.1 Construction Activities

- No burial or burning of any construction waste will be permitted at the site.
- Strive to ensure that any construction waste is recycled and reused wherever possible, or disposed of at an appropriate waste disposal facility.

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- Implement measures to minimize the release of particulate matter to the air or stormwater runoff.
 - Standard migration measures will be incorporated into plans and construction drawings, and implemented to prevent the release of sediment-laden water from any portion of the project site into fish bearing waters.
 - Contractors will have a suitable emergency spill response kit on site. All spills or leaks shall be promptly contained, cleaned up and reported to the 24 hour environmental emergencies reporting system (1-800-563-2444).
 - All areas of soil exposed as a result of the project will be immediately stabilized to prevent erosion and subsequent sediment deposition into the aquatic environment. All areas will be stabilized with vegetation or crushed stone.
 - Blasting at the adjacent quarry sites will not affect construction activities. A seismic activity level of 25vc mm/s has been incorporated into the design specifications. This is the maximum level allowed by the quarry's Approval and is much higher than that generated in actual practice.

4.4 OPERATION

Operation of the Terminal Consists of receiving tanker trucks and tanker barges and pumping the AC into the storage tank. The AC is then pumped into delivery tanker trucks for subsequent delivery to the final destination.

This development is a positive addition to the municipality and Newfoundland and Labrador, creating technical employment opportunities and introducing advanced technological road construction capabilities to the region. The development of this site will not impact any physical or cultural heritage in the area. No known structure, site or other resources has been identified that may have historical, archaeological, paleontological or architectural significance.

Customers that require AC will send their tanker trucks to the Terminal to pick up the product. A complete tracking system will be in place to ensure only trained drivers are allowed on site and that the trucks are properly loaded and documented. Loading is carried out at the loading rack where the volume of AC loaded onto the truck is controlled through the use of a flow meter. A weigh scale is used to weigh the tanker trucks before product is supplied to ensure compliance with road restrictions.

This operation will be seasonal permanent and will operate during the months of May through November with staff monitoring facility for maintenance purposes from December through April.

Security system and facilities – the property will have security fence and gates at the entrances where the truck vehicles enter to load or off-load material. Camera systems will also be

installed at key locations to allow the operators with views of key areas of the site. Buildings where the boiler and MCC will be located will be appropriately secured.

Fire response system – the operating crew of the Terminal will be trained in dealing with first response to fire and other incidents. This will include fire suppression equipment located throughout the site, spill containment kits and response procedures to deal with the spilled material and water from managing any fires.

Other facilities will be provided as required to support safe, efficient and reliable operation. The terminal will have properly trained staff, have the tools necessary to operate effectively and with minimal risk to health to the workforce and the environment.

Potential air, noise and water impacts that may result from the construction or operation of the terminal are described below:

4.4.1 Material Handling

- Ensure that whenever products are being transferred they will be supervised by trained personnel at all times and in such a manner that the flow of products can be immediately shut off, if necessary.
- Product storage, loading, transfer and handling will only be conducted in contained areas.

4.4.2 Storage

- All storage vessels and spill containment systems will be visually inspected for leakage on a regular basis.
- All storage vessels will meet the applicable standards and codes.
- Fuel tanks will be doubled walled with vacuum indicators.
- Asphalt Cement storage will be placed within an area that has a containment berm that is designed to contain 110% of the maximum storage capacity.

4.4.3 Water Emissions

- The site will be appropriately graded to manage surface runoff and be diverted to the oil/water separator and settlement pond located near the loading rack.
- Portable Toilets will be utilized and waste disposed of as per Newfoundland and Labrador regulations.
- Precipitation that accumulates within the bermed area around the storage tanks will be diverted to an oily water separator then to a temporary holding pond before it is released to the environment. Control will be managed with a valve system and water

will only be released if no visual evidence of impact is identified. If impacts are observed, the water will be removed and disposed at a licensed facility.

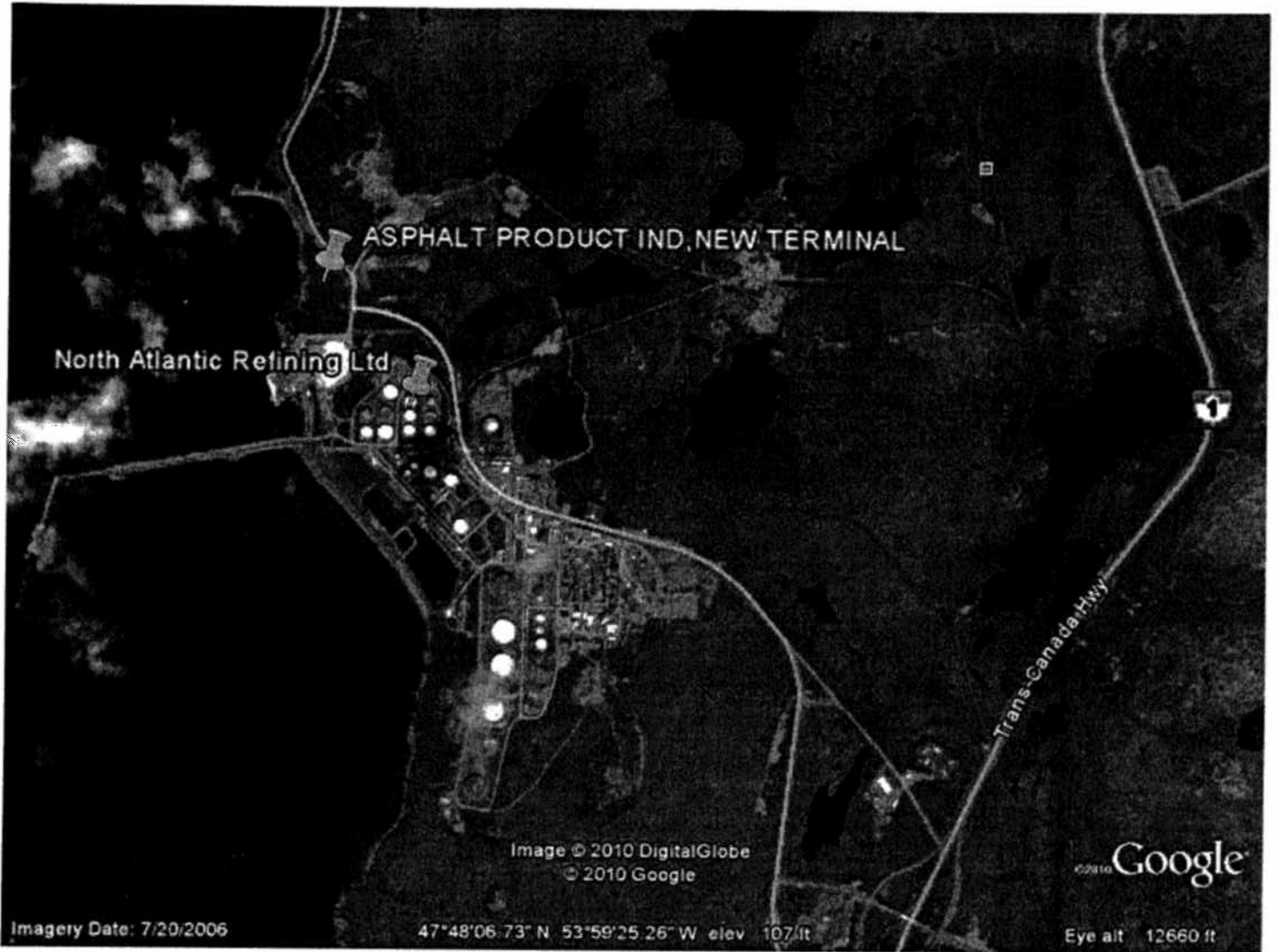
4.4.4 Spills

- Asphalt cement will be contained in industry-standard infrastructure and any spilled product will be recovered and returned to the system, therefore the duration of exposure to weathering agents will be short. For these reasons, it is anticipated that impact to stormwater runoff or groundwater from spilled asphalt cement will be negligible.
- The berm that surrounds the asphalt cement tanks will contain any releases from the tanking and piping. If released to the environment, the asphalt cement hardens in a very short period of time; therefore it could not realistically reach a water course.
- Less viscous material (i.e., fuels, certain additives) will be stored within secondary containment as required by the National Fire Code and relevant provincial legislation.
- Transfer, fueling and lubrication of equipment will occur in such a manner as to minimize the possibility of contamination to the aquatic environment. Hoses and tanks will be inspected regularly to prevent fractures and breaks.
- All hazardous materials, including fuels and lubricants, will be handled by trained personnel only. Training will include proper use of spill response equipment. A formal training plan will be put in place as part of the facility management system.
- If a spill were to occur, it will be contained on site, and the AC will be reheated, recovered and placed back in a tank.
- Spills will be reported as required under the Environment Act emergencies reporting centre by telephone.
- A formal spill contingency plan will be developed as part of the Application for a Part IV Approval under the Designated Activities Regulations.
- Three groundwater monitoring wells will be installed. Any surface and groundwater monitoring requirements will be determined through the Dangerous Goods Approval process and administered by a third party consultant.
- Monitoring & Emission Control Equipment: All emission control equipment will be maintained and operated to the specifications and recommendations of the manufacturer.
- A log of all maintenance activities of critical emission control devices will be maintained. The log will record the following:
 - Identification of the unit
 - Time/date of log entry
 - Nature of event
 - Time and duration of event
 - Action taken

4.4.5 Air Emissions

Sources for VOCs (Volatile Organic Compounds) and particulate matter will be primarily associated with the asphalt storage tanks and hot oil boiler. The hot oil boiler will be maintained to ensure the proper combustion of the fuel. These will be managed with a regular maintenance program.

APPENDIX A



North Atlantic Refining Ltd

ASPHALT PRODUCT IND, NEW TERMINAL

Trans-Canada Hwy



Image © 2010 DigitalGlobe
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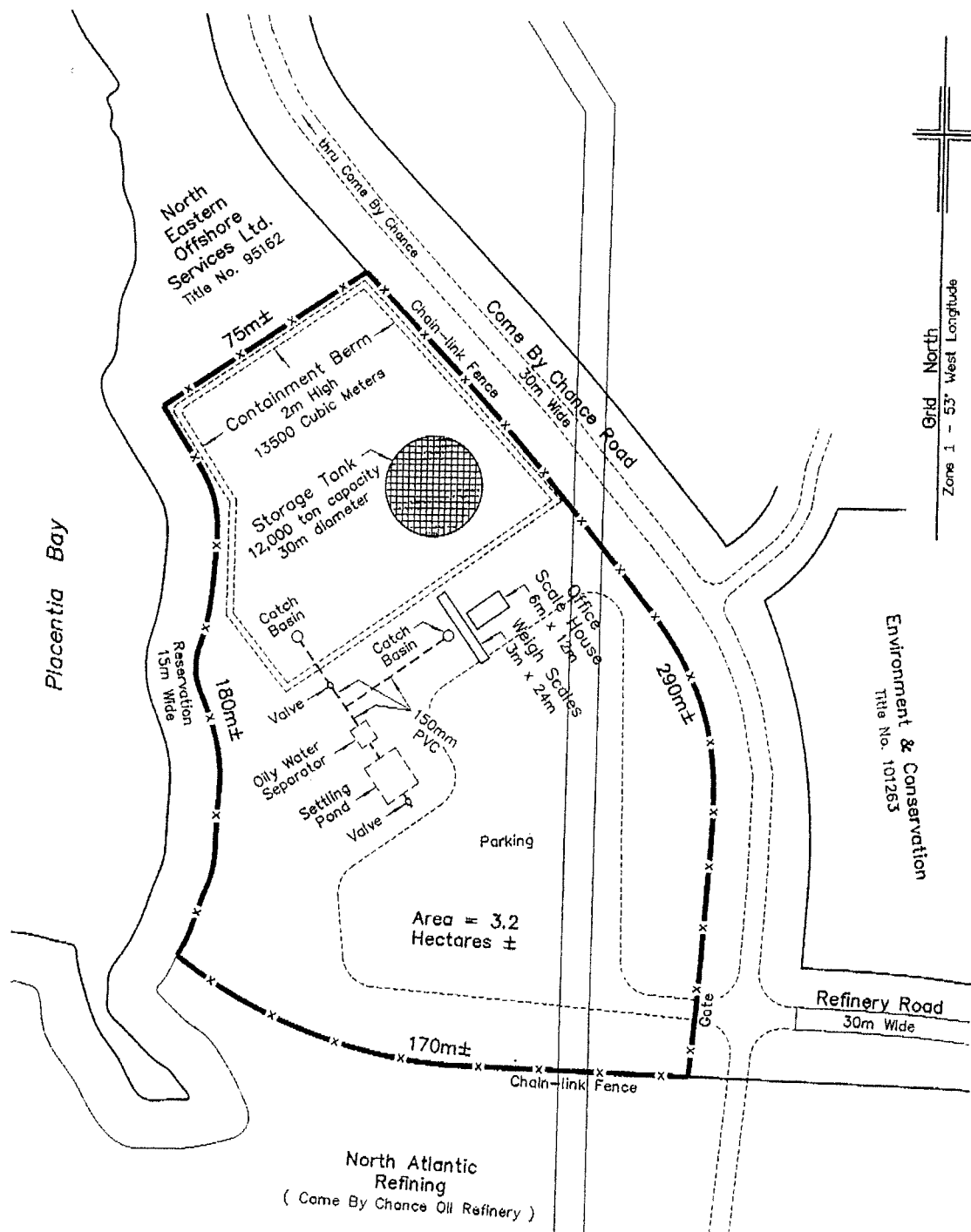
Google

Imagery Date: 7/20/2006

47°48'06.73" N 53°59'25.26" W elev 107 ft

Eye alt 12660 ft

APPENDIX B



SITE PLAN - PROPOSED STORAGE FACILITY
 Asphalt Product Industries
 Come By Chance, NL

Scale - 1 : 1500

Date - 27 DEC 2010