

Thank you Honourable Premier Stelmach, Minister Knight, members of the media.

This is a very exciting day for us. I am honoured to be here with you.

Today exemplifies the leadership and vision of this government. Albertans should be very proud of this government's focus on taking action. You read about CCS – Carbon Capture and Storage – in the papers everyday and there are many perspectives and criticisms over whether this is the right thing to do. As an engineer who has spent my entire career focused on enhanced oil recovery, I am here to say that the government's CCS Fund is not only the right thing today, but will set the stage to demonstrate concretely to the world Alberta's leadership in responsible energy development.

The world needs energy and in a world where energy demand will continue to grow, Alberta is uniquely positioned to lead in meeting this demand. No matter how much we continue to seek new alternative renewable sources of energy, fossil fuels are necessary to meet the global energy demand. Alberta has the second largest oil reserves in the world and as such will play a key role in the world's energy future.

- The challenge – energy has an environmental impact.
- The opportunity – to show the world Alberta's leadership in managing CO₂ emissions.

The Alberta government has made one of the largest commitments to this technology in the world. CCS is a tremendous opportunity not only to deal with industry emissions, but to advance a new industry in enhanced oil recovery and stimulate a new revenue stream.

In 1954 the Alberta Government, under Premier Ernest Manning, was under pressure to allow the export of natural gas from Alberta using federally incorporated pipelines. To ensure Albertans would have control of the resources in their province he enacted legislation that created the Alberta Gas Trunk Line (AGTL). Prior to the creation of this essential infrastructure, many discoveries of natural gas were left stranded and gas associated with oil was often flared because there was no way to move it to markets. The AGTL would prove to be a boon to the province's natural gas industry and was a critical factor in establishing the natural gas and petrochemical industries here in Alberta.

In 2009, Alberta faces a challenge analogous to the one of 1954: ensure Albertans can develop their energy resources in an environmentally responsible way.

Again our leaders have done what Albertans do best, take action based on sound economic principles. Premier Stelmach's vision and corresponding establishment of the CCS Fund will assist industry in implementing CO₂ solutions in this time of economic uncertainty and ensure that the necessary infrastructure is built to benefit the next generations of Albertans as the AGTL has done since 1954.

The Alberta Carbon Trunk Line is a solution for ALL industrial emitters. It is a CO₂ distribution system that can collect CO₂ and move it to mature oil reservoirs that have the potential for more oil recovery through CO₂ flooding. At full capacity this is 14.6 million tonnes of CO₂ a year. There are only four



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projects in the entire world that are more than one million tonnes a year.

- The ACTL will be the largest CCS project in the world.
- Alberta will lead the world in CO₂ management.

The ACTL will create a much needed economic stimulus. This means thousands of jobs for Albertans. New growth for communities. New economic activity in the municipalities along the initial route and the expanded system that will follow. The EOR revenue for Albertans is significant. More than one billion barrels of oil potential translates to more than \$15 billion in royalties to the province. At a time when budgets are tight, this could help support important areas such as healthcare and education.

One of our CO₂ suppliers, North West Upgrading, is building a world-scale bitumen refining business in Alberta's Industrial Heartland using gasification technology. It is the first bitumen based refinery in the world to incorporate an integrated CO₂ management plan. This means the lowest carbon transportation fuels in the world. Upgrading and refining Alberta bitumen here not only adds value to Alberta's resources, but helps ensure we can clean up the "dirty oil" image. We, as Albertans, care about our future and are doing what we can to ensure Alberta is the cleanest place in the world to make bitumen-based products. The potential is enormous.

This government's commitment to CCS is the right plan at the right time in the right place. Alberta is the best place in the world to manage CO₂.

Thank you