

Syncrude, a joint venture with ten participants, in which Imperial Oil, (subsidiary of ExxonMobil as majority shareholder with 25%), operates the Lake Mildred plant, also 40 km (25 miles) north of Fort McMurray. Production began in 1978 recovering shallow bitumen deposits. Gross production was 223,000bbls/day in 1999.

Imperial Oil operates the Cold Lake oil sands deposits area. The company began commercial development in 1983 and has since expanded the facilities. Total production of bitumen in 1999 was 132,000 bbls/day.

Shell began commercial production in Canada's Peace River in-situ deposits (NW Alberta) in 1986. Bitumen production capacity was set at about 12,000 bbls/day, although in 2000 the actual production from existing wells was lower. To boost declining bitumen production, Shell announced that it would drill 18 new wells in late 2000.

Taking into account all operations, total output from Canadian oil sands in 1999 was 323,000 bbls/day of syncrude, and 224,000 bbls/day of crude bitumen from in-situ plants; together these represented 22% of Canada's total production of crude oil. As the trend indicated, heavy oil production will continue to increase in Alberta. (See Fig. 4).

Tables 3, 4, and 5 below outlined the heavy oil deposits of Western Canada, the location and size of Alberta's oilsands deposits, and a tabulation of the announced oilsands projects, respectively.

Figure 4: Oilsands Projected Production in Alberta, Canada

Source: World Energy Council (WEC), 2005

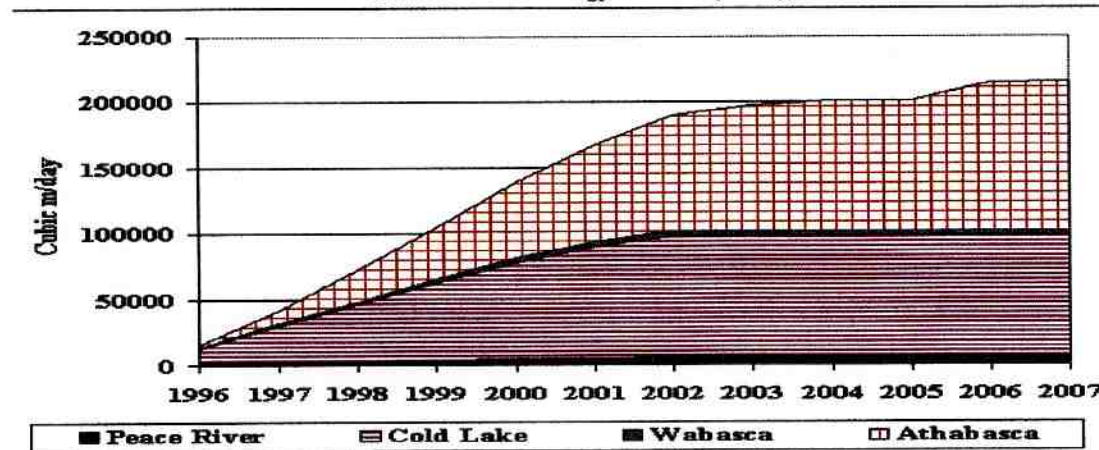


Table 3: Heavy oil Deposits in Western Canada (on December 31, 1992)

	Saskatchewan (million m ³)	Alberta (millions m ³)	Total (million m ³)
Initial oil in Place	2594	1543	4137
Initial Established Reserves	350	215	565
% Recovery	13.5	13.9	13.7
Ultimate oil in Place	3706	2204	5910