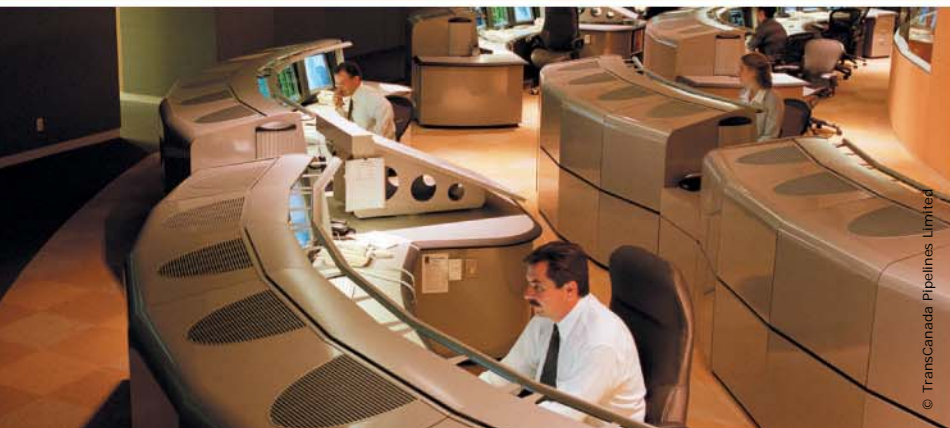




Hydrocarbon Upgrading Task Force

Action Plan Update

March 2007



2006 HUTF Workshop Discussion Items

Calgary – Sept 27, 2006

Attendees: 80 Industry and Government Representatives

1. Business issues to resolve in implementing integration
2. Value-added technologies to move up the value chain
3. Overcoming project management challenges
4. Role of government for moving up the value chain

2006 Workshop Highlights

- A Message to Government:
 - Long-term vision to maximize resource value needs clarity in government's position
 - Move Vision to Policy and Action, bold leadership, commitment at political levels, need to express urgency
- Other Highlights:
 - Planned infrastructure and labour strategies
 - Better integrated planning, services implementation, infrastructure spending
 - Demonstration/commercialization of technologies
 - Policy on sub-optimization of resources
 - Find the correct economic or developmental reasons for setting the balance
 - Full time enterprise to handle royalty barrels
 - Need economic/fiscal incentives aligned with goal

Proposed Action Plan - 2007

- Clarify the Vision
 - Develop a comprehensive Vision
 - Committee of decision-makers on value-added policies
- Market Development
 - Price scenario study
 - Assessment of market drivers for oil sands products
- Partnership Activities
 - HUTF strategies based on OSMS and Multi-Stakeholder Committee reports
 - Support AIH Master Plan initiative
 - Develop a regional transportation plan

Proposed Action Plan – 2007

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- Policy and Regulatory
 - Government to assess streamlining of approval processes
 - Assess fiscal incentives for value-added processing facilities
- Technology Development
 - HUDP support
 - Collaboration on technologies for applications outside the HUDP scope
- Other
 - Environmental Benefits Study
 - Ongoing investment attraction initiatives
 - Ongoing industry development initiatives

Next Steps

- Validate the Action Plan
 - Go-forward plan for the next two years
- Continue with the directional momentum established under the HUTF
- Government very supportive of vigorous action in addressing the challenges and achieving the Vision
- Requires ongoing Alberta government/industry partnership



What Are We Missing?