
NEWS RELEASE

For Immediate Release
2004EM0010-000298
June 21, 2004

Ministry of Energy and Mines
Partnerships British Columbia

PROVINCE SIGNS PARTNERSHIP TO BUILD RESOURCE ROAD

VICTORIA – B.C.-based Ledcor Projects Inc. has officially signed a \$40 million deal to design, finance and deliver upgrades to the Sierra Yoyo Desan (SYD) Resource Road, and operate and maintain the road for 16 years, Minister of Energy and Mines Richard Neufeld announced today.

“Upgrading and strengthening the SYD Resource Road will improve safety, allow for year-round access, and generate an increase in oil and gas exploration and development activities in the northeast that will create vast opportunities for British Columbians,” said Neufeld. “This project is a good example of an innovative public-private partnership that will create employment and economic opportunities for B.C.”

The program will be delivered as a partnership with the upfront costs of final design, financing, construction and maintenance provided for by the partner. The ministry and industrial road users will jointly administer the fees collected from industrial activity within the area serviced by the road. The fees will provide funding to ensure the private partner is reimbursed for constructing improvements and upgrades, and maintaining the road over the term of the agreement.

“The SYD road partnership has all the elements of a valuable public-private partnership by benefiting the community and providing a solution to resource companies in the northeast to facilitate expansion and create jobs.” said Finance Minister Gary Collins.

The SYD road is a 173-km resource road that provides the primary access to more than 27,000 square km of oil and gas territory in the northeast of British Columbia. A new bridge crossing to be built over the Fort Nelson River will enable two lane traffic flow between Fort Nelson and operating areas along the road for oil and gas producers, local service sector partners, other resource users and the general public. The new bridge is scheduled to be completed by Dec. 1, 2004, while the remainder of the SYD project is scheduled for completion by Dec.1, 2005.

“Our goal is to work with industry to develop and implement partnerships that will stimulate oil and gas exploration and development,” Neufeld said. “This partnership helps fulfil government’s commitment to facilitate growth, creating prosperity for all British Columbians.”

“With our construction expertise, we can deliver this road faster, creating a safer and higher quality road for the industrial road users without additional costs,” said Ledcor Senior Vice President Scott Lyons. “The design, construction and maintenance risks that we have taken on are very familiar to us, and we can manage them effectively.”

“EnCana, one of the primary road users, has supported the need for an upgrade of SYD from the start of the project to provide safety, security of access to resources, all-season drilling opportunities and travel efficiency,” said Foothills and Frontier EnCana Corporation President Mike Graham. “We are completely satisfied with how the project has been managed and fully support the partnership and financial aspects of the agreement.

New projects in support of the Oil and Gas Development Strategy for the Heartlands will help move British Columbia closer to the goal of being the most competitive oil and gas development jurisdiction in North America.

1 backgrounder(s) attached.

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