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North West Capital Acquires Land Option for Upgrader Location

Calgary, Alberta ? North West Upgrading (North West) has begun the process of seeking regulatory approval to construct and operate an upgrader (the ?Upgrader?) in the Industrial Heartland of Sturgeon County, located northeast of Edmonton, Alberta. The proposed site for the Upgrader is in the north half and southwest quarter of Section 18, Township 56, Range 21 and the northeast quarter of Section 13, Township 56, Range 22, West of the 4th Meridian. Subject to the outcome of environmental, economic and engineering evaluations, North West plans to build an upgrader facility to process and convert bitumen and/or heavy oil into synthetic crude oil for the refinery market. Feedstock for the Upgrader will be acquired through commercial arrangements with producers. The proposed Upgrader will have an initial design capacity of 150,000 barrels (24,000 cubic metres) of oil sands bitumen feed per day plus pipeline transport diluent and will be developed in three phases. The first phase of the Upgrader is scheduled to begin construction in 2008, and begin operation in early 2010. Construction on the second and third phases would begin shortly after. Each phase will be designed to process 50,000 barrels (8,000 cubic metres) of oil sands bitumen feed per day plus pipeline transport diluent. A fourth development phase, depending on market demand, would add 50,000 barrels (8,000 cubic metres) of bitumen conversion capacity, resulting in a total design capacity of 200,000 barrels (32,000 cubic metres) of oil sands bitumen conversion capacity per day. The estimated capital cost for phase one of the Project will be approximately CDN\$1.3 billion.

The site, in Sturgeon County, was selected in consideration of the proximity to feedstock, product and market pipelines, and the cost-efficiency advantages afforded by proximity to a large pool of skilled construction and operations labour, proven off-site fabrication facilities, essential services and transportation infrastructure.

"The North West Upgrader is based on the growing need for an Alberta-based solution to upgrade bitumen from Alberta's huge oil sands resources" said Robert Pearce, President of North West Upgrading. The North West Upgrader will provide a significant addition to the Province's bitumen upgrading capacity, and will provide benefits which will strengthen the regional and provincial economies. North West has begun the process of seeking regulatory approval by preparing a ?Public Disclosure Document? with information about the project, and a proposed ?Terms Of Reference? document which will aid in the collection of data for an Environmental Impact Assessment. Further information about North West Upgrading, including PDF copies of these documents, is available from our website, www.northwestupgrading.com, or by calling North West Upgrading at (403) 313-5656.