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Province issues RFP to upgrade bitumen royalty-in-kind

Initiative will spur new investment in value-added activity

Edmonton... To increase bitumen upgrading capacity, enhance Alberta's value-added activity and strengthen Alberta's economy, the Alberta government has issued a Request for Proposals (RFP) to process a share of royalty bitumen within the province.

"Reaching our oil sands resource potential is the cornerstone of a flourishing, value-added energy industry that includes upgrading, refining and petrochemicals," said Energy Minister Mel Knight. "This initiative will further our goal of establishing Alberta as a world-class energy centre."

Alberta's Provincial Energy Strategy identifies a number of areas for value-added developments. By taking bitumen royalty in-kind (BRIK), the province can strategically use its bitumen to selectively stimulate value-added activities such as upgrading, refining and petrochemical development, which in turn create economic activity and jobs.

"Bitumen royalty in-kind is a strategic tool that fosters value-added development in Alberta," said Iris Evans, Minister of Finance and Enterprise. "Adding value to our resources diversifies our energy economy, keeps jobs in the province, and produces larger total energy revenues for Albertans."

As the resource owner, the Alberta government is entitled to take its royalty share of bitumen production in-kind, as it does currently for conventional oil production. The province intends to take its bitumen royalty-in-kind portion and supply a company on a commercial basis with an agreed upon amount up to 75,000 barrels per day of bitumen, which will optimize royalties to the Crown while fostering greater value-added activity in Alberta. Initially, BRIK volumes will not include Alberta's integrated operations.

Adding value to Alberta bitumen is a key goal of the Provincial Energy and Oil Sands strategies, as a means to achieve sustained economic prosperity in the province. The deadline for receipt of proposals is December 2.

The [Request for Proposals](#), detailed information on the process and a list of questions and answers can be accessed through www.energy.alberta.ca/BRIK.asp.

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