



Becoming a Link in Oils Sands Project Supply Chains

2008 National Buyer / Seller Forum
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Questions to Answer

- Who is Bantrel?
- How much work is really going on in the Oilsands?
- How do projects select and contract suppliers to manage cost?
- What opportunities and challenges exist for suppliers?

▶ Who is Bantrel?



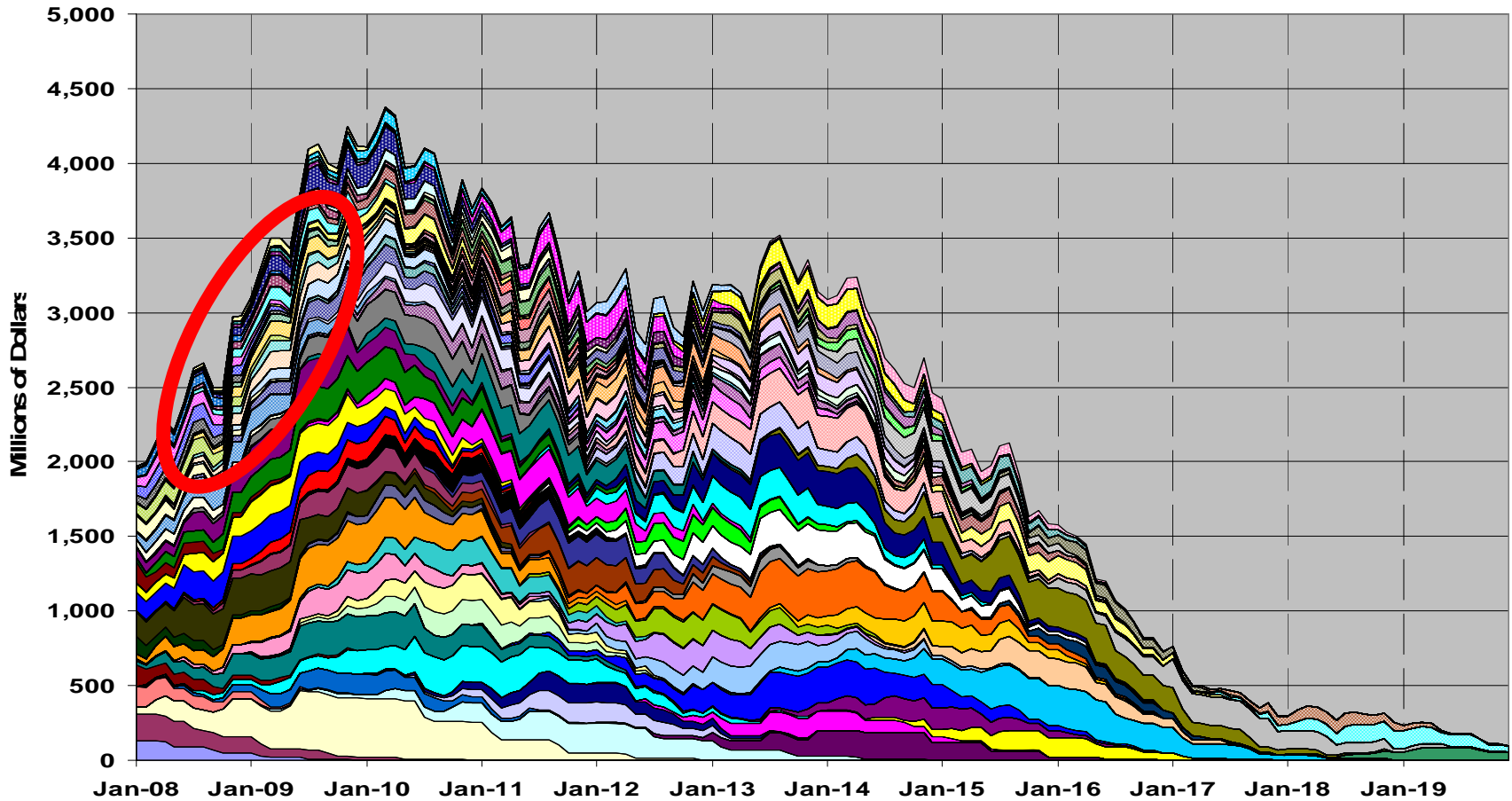
- Bantrel is a world leader in engineering, procurement and construction for the energy, chemical and power industries.
- Founded in 1983 – now with offices in Calgary, Edmonton and Toronto.
- Design and build some of the largest and most complex upgrading and refining facilities in Canada.
- Portfolio of current projects is valued at more than \$20 billion.



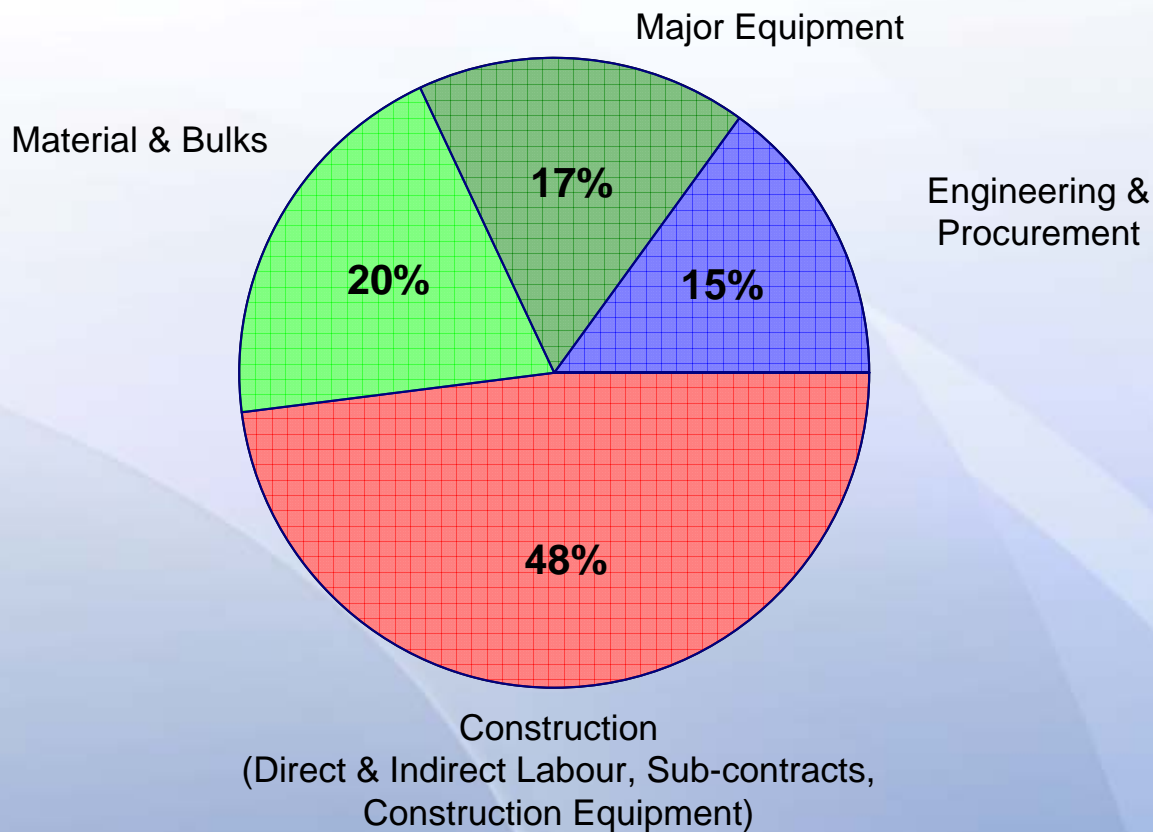


Planned Oil Sands Activity

Estimated TIC Spend by Months for Selected Alberta Oilsands Projects

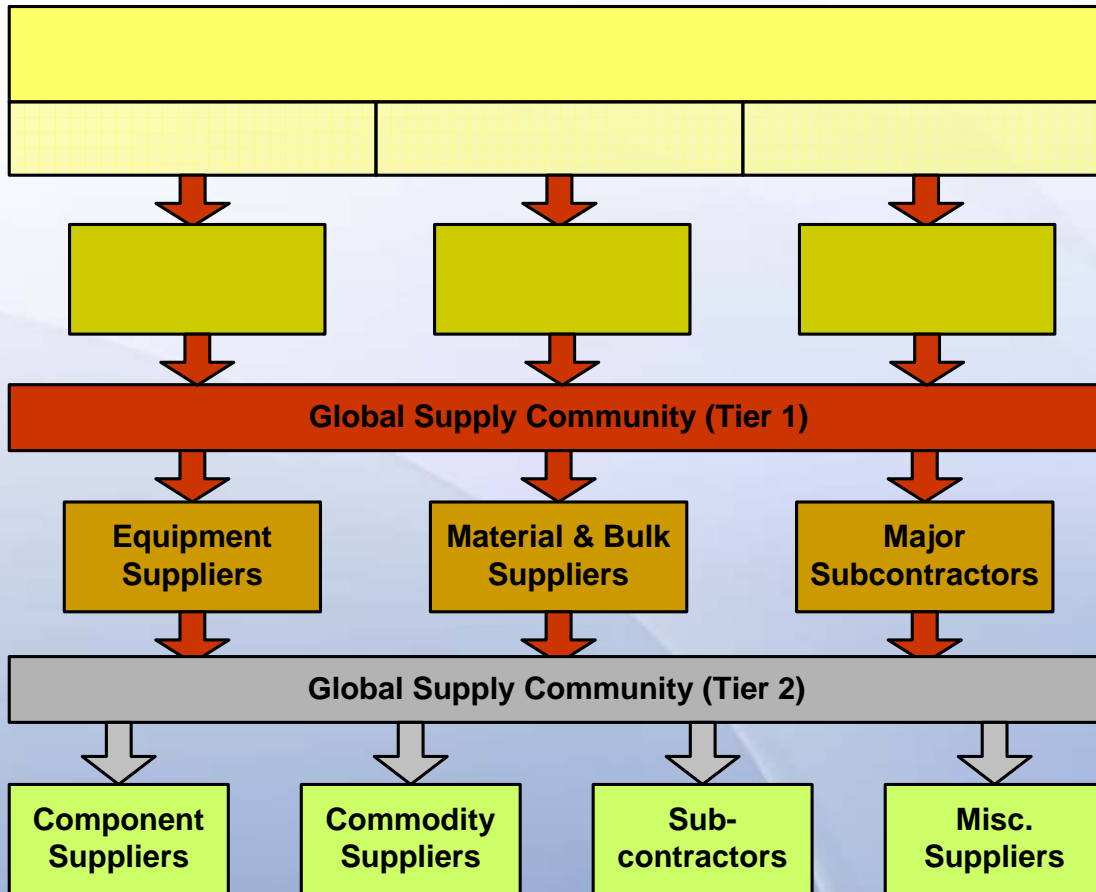


▶ Planned Oil Sands Activity



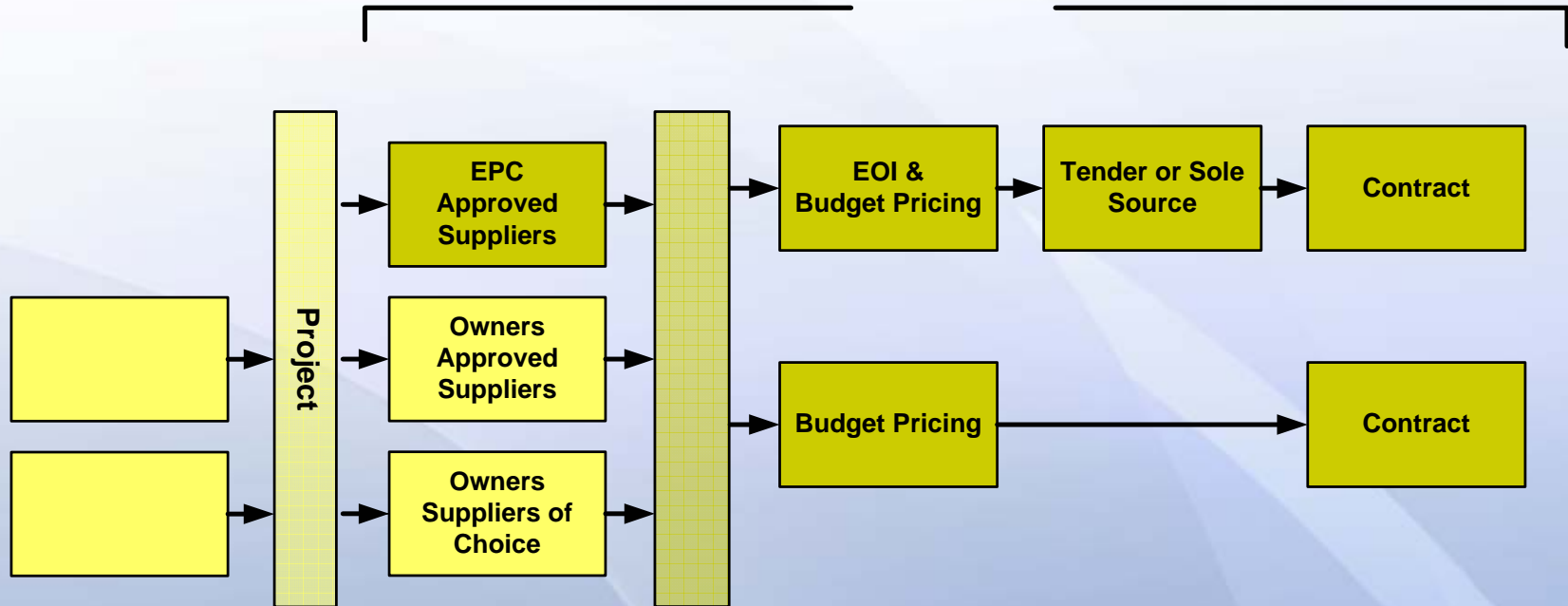
Typical Grassroots Project Spend Breakdown

Project Supplier Selection



Selection	Contract
Competitive Tender	Lump Sum
Supplier of Choice	Time and Material
Negotiation	Unit Rate
	Cost Re-Imbursable

▶ Project Supplier Selection



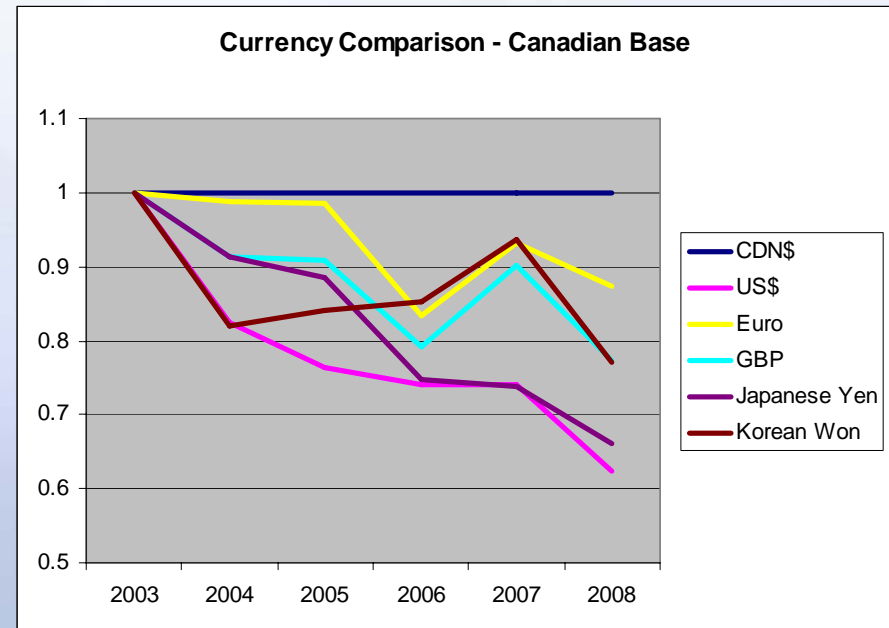
**Project Owner
(Oil & Gas Company)**

BANTREL

Supplier Opportunities & Challenges

Challenges for Canadian Suppliers

- Shortage of craft workers in Alberta
- Difficult for inexperienced suppliers to enter market
- Low cost country suppliers
- Canadian \$



Supplier Opportunities & Challenges

Challenges

- Project locations limit supply base by size constraints.
- Suppliers outside “High Lift corridor” compete globally.



Supplier Opportunities & Challenges

Opportunities exist for suppliers that can:

- Meet or exceed industry safety and quality objectives.
- Attract and retain craft workers from outside Alberta.
- Identify under served areas of the market.
- Develop innovative approaches to move work out of Alberta.
- Develop innovative approaches to improve performance (cost, schedule, quality).
- Align with current SOC's and Tier 1 suppliers.
- Perform as promised.

Summary

- The future level of activity looks very promising.
- Significant opportunities for suppliers that can overcome current challenges.

Supplying to Bantrel

Visit Procurement page at

www.bantrel.com

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