



March 12, 2007

Dear Community Member,

On February 16 and 17 we held our first Open House on the proposed second refinery, Project Eider Rock. We want to thank all of those who attended and provided feedback.

To follow up on the issues and concerns raised, and to inform those who were not able to attend, we have enclosed a list of some of the most common questions we received from local residents attending the Open House.

Some key areas of concern raised by area residents at the Open House dealt with environmental issues and changes in property values. We want you to know that these concerns matter greatly to us and we want to work with you to find the best possible solutions.

We will be holding several additional Open Houses throughout the environmental permitting process for this project. We will continue to keep you informed of these Open Houses as they are scheduled.

Once again, we appreciate the input given at the Open House, and we are committed to working with you and keeping you informed every step of the way. If you have any questions, please phone me at 202-5483 or e-mail eiderrock@irvingoil.com. Either myself or other members of our team are available to speak with you in more detail at your home, by phone or email.

Sincerely,

Jill Johnston
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Frequently Asked Questions

PROPERTY

Should I be thinking of selling my house, and if so, how do I go about it?

Project Eider Rock is at an early stage, and it is still 18 to 24 months before we will make a final decision on whether we will proceed, based on the outcome of the regulated permitting process and other deciding factors, such as whether we have a feasible project. If this project goes ahead, we would use the best available, proven technology to minimize impacts on the environment during construction and operation, and would work to prevent and minimize all impacts to neighbours every step of the way.

The properties we have purchased so far have been those that are very close to the study area. This will allow us to increase the amount of buffer space between nearby residences and a second refinery. If you are unsure if your property is near this study area, please contact Jill Johnston at 202-5483.

Who do I contact if I want an appraisal or if I am interested in selling my home?

If interested, please contact Jill Johnston at 202-5483 to discuss this in more detail. Jill can introduce you to our Property Management team, who would handle a property purchase.

LOCATION

Where do you estimate the major project components (tanks, refining complex, railway line, etc) will be located?

We are currently studying 2,000 acres of land for potential locations, with the refining complex taking up an estimated 600 acres of that area. The exact location will be determined during the course of the

environmental assessment and engineering design phase. We are prioritizing matters such as distance from neighbours as well as taking every opportunity to plan as efficient a facility as possible.

Exact locations of the components will not be known until all of our engineering and design studies are complete, but our current thinking is that majority of the refining units would be near Red Head Mountain, and that most storage tanks would be constructed near the existing Canaport tanks on Black Point peninsula, northwest of the Canaport marine terminal.

A railway line would connect the new refinery to the existing Saint John railway line and would be used for transporting a limited quantity of refined products and liquefied petroleum gas (LPG). The exact route of the railway line is unknown at this early stage in the design phase.

Pipelines between a new refinery and the existing refinery will be assessed from both an engineering and environmental perspective and would be subject to a route selection study and approval process with regulators.

HEALTH AND SAFETY

How will air quality be impacted by the proposed refinery?

The proposed refinery would be designed with the best available, proven technology to meet air-quality standards and requirements. At our current refinery, we have continuously invested in emissions-reducing technology to improve our environmental performance and reduce odours.

Frequently Asked Questions

The federal government has established national standards to protect the quality of the air we breathe. These standards, adopted by the New Brunswick government, are based on protecting human health and the environment. In addition, the provincial government has established the strictest air quality standards for sulphur dioxide in Saint John. A new refinery would be designed to meet all of these standards.

The federal and provincial government will decide whether to include a Public Health Risk Assessment (PHRA) as part of the permitting process, which we expect would be included on a project of this scale. We recognize the importance of a PHRA along with the completion of emissions air dispersion modelling, as part of this process.

Will human health impacts be analyzed in the EIA/EA Assessments?

The range of the environmental studies conducted for the federal and provincial governments will be decided by regulators from both levels of government, once they have received input from all responsible authorities. Specific studies will look at how this project may potentially impact the land, air and water of the area. This includes examining the potential impact on human, animal, and plant life, and will account for the combined effects of all major industry in Saint John.

We anticipate the environmental impact assessment process, including baseline studies, research, assessment, various stages of public input and regulatory review will take somewhere between 12 and 24 months.

All studies and conclusions will become part of the public record, and we will work with regulators to ensure they are easily available in detailed and summary forms.

Will groundwater be impacted?

The environmental assessment process will include an assessment of potential impacts to the groundwater in the area. The design of the new refinery will include containment around the refinery complex to ensure ground water is protected at the facility. Mitigation measures will also be in place during construction to ensure groundwater is not impacted.

Will increased tanker traffic pose any safety risk to fishers and marine wildlife?

We don't anticipate additional risk. We will have a better idea of any potential impacts once further studies and engineering work have determined how much additional tanker traffic there would be. Our project description outlines preliminary estimates of one Very Large Crude Carrier (VLCC) a week (incoming crude) and up to two product tankers per day to take finished products to consumers. Our company has over 40 years of experience managing marine traffic in the Bay of Fundy.

Marine vessels would continue to use established shipping lanes and would be closely overseen by regional and national authorities. Any potential impacts on local fishers will be further studied as part of the environmental assessment process.

Frequently Asked Questions

VISUAL, ODOUR AND NOISE IMPACTS

What visual/odour/noise impacts are you anticipating for neighbouring areas, and what will you do to mitigate them?

We are committed to designing and building the refinery in a way that minimizes impacts on neighbours with the use of the best available, proven technology. One method of reducing potential visual, odour and noise impacts would be to create a buffer zone between the refining complex and neighbours. We aim to accomplish this through close examination of our 2000-acre study area, of which the actual refining complex would take up approximately 600 acres. This examination, combined with the requirements and input from the regulated permitting process, will help us determine a location that is least impactful to the environment and least visible to residences. As well, we would consider tree buffers to further improve sight lines.

How much light will be created by the refinery?

At this early stage, it is difficult to predict how much light would be emitted from the refinery, and how this would impact neighbours. This is one of many considerations that will shape how we determine the location and design of the refinery components, the size of buffer zones, and where to place tree buffers.

SECURITY

How will security concerns be addressed?

Security is always a top concern. We are in regular communication with various government agencies responsible for gathering intelligence on the possibility of a terrorist attack. There is not now, nor has there ever been in the past, specific information which would cause us to believe that we were a

terrorist target. Our region remains very safe. Regardless of the level of risk, however, we believe that thorough planning and the implementation of various security measures are important.

We take security very seriously for the sake of our neighbours and our employees. We made a number of changes to our security procedures following 9/11. We have stringent security measures in place at our existing facilities, including the refinery and Canaport, and similar policies and procedures would be put in place for a new refinery. For existing facilities we use a combination of physical security (i.e. people, fencing) as well as electronic devices, and a similar system would be used for the proposed refinery. Our plans will be reviewed and approved by government officials and they would be updated regularly.

What sort of emergency response plan will you have in place for the surrounding area in case of a major incident?

The proposed refinery would have rigorous operational procedures in place concerning emergency response, much like we have at our existing refinery and other facilities.

If an incident occurred that posed a risk to the community, we would immediately work with the Saint John Fire Department and the provincial and city Emergency Measures Organization (EMO). We have established relationships with these organizations, as well as authorities at all levels of government with respect to emergency prevention and response. Our notification process for emergencies includes using the media as a vehicle to get important information to our neighbours. We also have a door-to-door courier service that could be used depending on the urgency of the situation.

Frequently Asked Questions

MISCELLANEOUS

What other industrial projects are in the works for the Red Head area?

While projects like Canaport LNG and Project Eider Rock may attract further development in the future, at present, we are focused on the possibility of building a second refinery.

We don't speculate on other companies' future developments and where they would build, however we would support other investments that would benefit our community and further position Saint John as an energy hub.

Where will the proposed refinery get its water supply from?

The specific source of the freshwater required for the construction and operation of the project has not yet been determined. The options currently under consideration for supplying the freshwater requirements of the project include:

- Obtaining water from a pipeline (water main) that would connect to the municipal water supply in the City of Saint John;
- Obtaining freshwater from local groundwater and/or surface water supplies; and
- Using treated wastewater from sewage treatment infrastructure in Saint John.

All of these options would require much more study. Any water supplied from the municipal water supply from the City of Saint John would be in excess to the needs of the people who rely on the City to supply their water. As well, if we were to purchase water from the City, it would be on a commercial basis. Regardless of which option would be chosen, the people of

Saint John would not incur any additional costs as a result of supplying freshwater to the proposed refinery.

All aspects of the design of the proposed refinery would look for ways to reduce water and energy consumption.

Will there be any town hall meetings or group discussions with Red Head area residents?

We consider your input and participation to be essential as the project and permitting process moves forward and are committed to being as accessible to you as possible. If you are interested in having someone visit you, please let us know by phoning Jill Johnston at 202-5483 or emailing us at eiderrock@irvingoil.com.

There will also be a number of other opportunities for public consultation, including more open houses, meetings, one-on-one discussions and workshops. Government regulators will also help determine when and how these public consultations will be conducted and how this feedback will shape the decisions made.