



HOLD UNTIL 2:00 PM NST

## Hibernia and Terra Nova Projects, RDC fund new Centre for Arctic Resource Development at C-CORE

*St. John's, NL (20 June 2011)* --C-CORE, an international leader in research and development based at Memorial University in Newfoundland and Labrador, is launching an major new initiative to help unlock the potential of the Arctic's rich - and largely untapped - natural resources, thanks to \$16.5 million in combined funding announced today by the Hibernia and Terra Nova projects and the Research & Development Corporation of Newfoundland and Labrador (RDC). The funding will establish the Centre for Arctic Resource Development (CARD).

The Arctic is of critical importance for Canada: its vast and challenging landscape holds significant natural resources. In order to maximize those resources, the challenges of the operating environment must be understood and addressed through new technology solutions.

"World-class, industry-driven R&D and proven operational capability is helping position Newfoundland & Labrador as a centre of technological excellence for oil and gas (O&G) projects in ice-prone regions," said Honourable Shawn Skinner, Minister of Natural Resources, Government of Newfoundland and Labrador. "Building on the existing base of expertise, the CARD will help position this province, its industry and its institutes as the centre of technological excellence for Arctic O&G development."

The Hibernia and Terra Nova projects have driven technology development and provided invaluable learnings for oil and gas (O&G) development in harsh, cold-ocean environments. Together, the Hibernia and Terra Nova projects will contribute \$12.5 million over five years (\$2.5 million per year) to support leading-edge research projects and programs, as well as technology development. RDC will provide \$4 million to allow C-CORE to expand and enhance its facilities at Memorial to accommodate the new researchers; its funding is provided under the R&D Platforms element of its April 2010 \$10 million competitive call for R&D infrastructure proposals.

"Research and development associated with operating in harsh arctic climates have enabled the development of Hibernia and the Hibernia Southern Extension subsea project," said Paul Leonard, President of Hibernia Management and Development Company Ltd. (HMDC). "The research that will be undertaken through CARD will be focused on improving industry's capacity for oil and gas production and transportation from ice and iceberg prone regions."

"The Terra Nova development and the rest of our industry already take advantage of the exceptional harsh climate expertise available at C-CORE, and CARD is a natural extension and enhancement of that," said Sandy Martin, Vice President, East Coast with Suncor Energy, operator of Terra Nova. "The innovative research to be conducted at CARD will put Newfoundland & Labrador on the map as a leader in arctic research and expertise."

The Centre will bring together industry, academic and technology partners to conduct medium- to long- term research and development focused on improving Canada's capacity and capability to support safe, responsible, cost-effective and sustainable hydrocarbon development in Arctic and other ice and iceberg prone regions.

"CARD will create upwards of 30 new full-time positions for highly qualified individuals, from current world-class experts to rising research stars," said Dr. Charles Randell, C-CORE's President and CEO. "But the Centre has the potential to grow to 40 or more staff, as it attracts new projects and new funding. Potentially, sponsoring oil and gas and/or services companies could second staff to CARD to participate in the research activities or manage projects. The Centre will invite experts from around the globe to serve as "experts-in-residence", providing valuable input into the projects and mentoring junior staff."

In addition to 30-40 new high-technology jobs, today's funding will allow for a 1,260 square metre expansion to C-CORE's existing Dr. Jack Clark Geotechnical Engineering Building on Memorial's St. John's campus.

"To successfully realize a research project with this level of ambition requires new research space," said Glenn Janes, Chief Executive Officer, RDC. "We are delighted to support the construction of a facility dedicated to an industry-informed R&D program that tackles the challenges associated with, and the opportunities we see in relation to, our harsh offshore environment."

Operating year-round in the Arctic, or even offshore Labrador, is an extraordinarily expensive prospect. CARD will pursue research activities to fill the gaps currently making many Arctic developments prohibitive. The research program will be guided by a five-year R&D plan that has been approved by an advisory body of experts for potential to improve exploration and production in harsh, cold environments.

The Centre's expertise will be primarily engineering, but it will interface with experts in many fields, in order to develop the knowledge, tools, technologies and methodologies needed for Arctic development.

Dr. Gary Kachanoski, President and Vice-chancellor of Memorial University, welcomed the new centre. "Memorial has a substantial research capacity in arctic resource development and operations in harsh environments," said Dr. Kachanoski. "The Centre for Arctic Resource Development is a significant expansion of our existing oil and gas-related research and development facilities and will be invaluable as we further develop our understanding of the best practices for safety, sustainability and efficiency in northern regions."

CARD will function as a stand-alone research centre within C-CORE, with C-CORE providing space and business support services. The centre's research program will be overseen by an Industry Advisory Committee who will provide direction for the research programs, projects and technology development.

C-CORE was created 36 years ago to address the technological challenges then facing oil and gas development offshore Newfoundland and Labrador; it has conducted considerable R&D for Hibernia and Terra Nova. "We are very pleased that the industry continues to demonstrate confidence in what we do, and today, through this very substantial sponsorship, they are investing in us to develop knowledge and technology the industry will need as it moves further north," said Dr. Randell.

#### **About C-CORE**

*C-CORE is a separately incorporated R&D corporation of Memorial University that has provided research-based advisory services and innovative engineering and technology solutions to national and international clients in industry and government since 1975. Its core expertise is in: Remote Sensing; Ice Engineering; and Geotechnical Engineering. C-CORE's dynamic team of over 80 engineering and business experts respond to clients' regulatory, security, operational and market challenges, with special emphasis on the natural resource and energy sectors.*

#### **About the Hibernia Project**

*Hibernia Management and Development Company Ltd. (HMDC) is the operator of the Hibernia field which began petroleum production on the Grand Banks off Newfoundland and Labrador in November 1997. HMDC is owned jointly by ExxonMobil Canada (33.125%), Chevron Canada Resources (26.875%), Suncor (20%), Canada Hibernia Holding Corporation (8.5%), Murphy Oil (6.5%) and Statoil Canada Ltd. (5%).*

#### **About Suncor Energy**

*Suncor Energy Inc. is Canada's premier integrated energy company. Suncor's operations include oil sands development and upgrading, conventional and offshore oil and gas production, petroleum refining, and product marketing under the Petro-Canada brand. While working to responsibly develop petroleum resources, Suncor is also developing a growing renewable energy portfolio. Suncor's common shares (symbol: SU) are listed on the Toronto and New York stock exchanges.*

### **About the Research & Development Corporation**

*The Research & Development Corporation (RDC) is a provincial Crown corporation responsible for improving Newfoundland and Labrador's R&D performance. RDC works with R&D stakeholders including business, academia and government agencies and departments. For more information about RDC, go to [www.researchnl.com](http://www.researchnl.com).*

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