



LARICINA
ENERGY LTD.



ABOUT LARICINA

Laricina holds leases in the Fort McMurray and Wabasca areas to develop oil sands projects through underground recovery (not surface mining). Laricina has more than 40 head office employees in Calgary, with many more consultants, contractors and sub-contractors working in the local communities. Activities in the west Athabasca region are managed from the Company's Wabasca field office.

Visit us online at: www.laricinaenergy.com

FALL 2008

Local contracts, employment and community contributions increase each year

In the Wabasca area, where Laricina's development is concentrated, local contracts have increased from \$3.4 million in 2007 to \$5.7 million in 2008. Residents are being hired by local contractors to work on the Company's sites, by the company operating Laricina's camp and catering services, and for office maintenance.

Laricina believes its community contributions should reflect the company's evolution. Our investment guidelines are reviewed annually and we expect our community involvement to expand and evolve as our company grows.

Laricina also helps to meet community needs by offering financial support and gifts-in-kind, by sharing expertise and by

supporting employee volunteerism. Laricina has contributed over \$37,000 to community projects so far in 2008 – up from \$26,000 in 2007. This past spring, Laricina provided the services of its Community Engagement Coordinator, Ray Yellowknee, to the Bigstone Cree Nation Consultation (BCN) Office for approximately three months while a new Manager was recruited. Our field crew launched its own initiative to raise money for minor hockey and for Wabasca-area schools. Laricina was very impressed by the crew's initiative and matched the \$9,200 they raised.

Other Laricina-supported groups, projects and initiatives in the Wabasca area include:

- Bigstone Cree Nation Women's Emergency Shelter

- Community Action Team's Promoting Literacy Program
- Mistassiniy Jr. & Sr. High School, St. Theresa Elementary School and Bigstone Community School
- Eagles Nest Recreation Society Trout Lake Youth and Elders campouts
- Bigstone Cree Nation 1st Annual Hockey School
- Nathan Gladue Memorial Volleyball Tournament
- Bigstone Cree Nation Traditional Land Use studies
- Mad Trappers Carnival
- School field trips (Wabasca and Chipewyan Lake)
- Bigstone Cree Nation Green Stop Awareness Walk
- Alberta Trappers Association student sponsorship

Laricina releases corporate guidelines for local purchasing

Laricina's *Local Procurement Guidelines* are now available. This document outlines procedures for hiring local contractors and supports Laricina's commitment to community involvement and investment. "We will make our best effort to hire qualified local companies to work on our sites and bring benefits to these areas," says Glen Schmidt, President and CEO of Laricina. "We also want to ensure that work on our sites is carried out safely and complies with applicable laws and regulations."

The Guidelines define a local company as one that:

- is registered with the Province of Alberta;
- has its head office in the local development area;
- is at least 51% locally owned; and
- hires a large proportion of workers and sub-contractors from their own community.

Laricina evaluates the qualifications of each potential contractor individually on a case-by-case basis. Any prospective contractor

must show proof of Workers Compensation coverage, general liability insurance and applicable safety tickets. As well, contractors must have a safety program and be working towards a Certificate of Recognition.

To support the growth of local companies, Laricina can assist contractors in reviewing their safety programs in order to meet increasing industry-wide safety requirements. The Guidelines are available at Laricina's Wabasca office. 

Preserving the Past for Future Generations

Laricina is working with the Bigstone Cree Nation (BCN) to record significant cultural sites in and around the Company's Germain, Saleski and Burnt Lake leases and is recording stories about the historical and cultural significance of these areas. Keeping You Informed (KYI) talked to Derek Keller, Laricina's Manager of Operations, about the project.

KYI: Why is this project important?

Derek Keller: BCN has a large traditional territory that is rich in history. It is important that as users of the land, we assist BCN to preserve this history. It ensures we are aware of important sites so that we can avoid them, where possible.

KYI: How is the information being collected?

Derek Keller: First, we took the trappers and elders who know the area on a fly-over of our three leases to identify the important sites. We recorded the locations with GPS. The Consultation Office will enter the data into the Traditional Land Use database along with other information collected. Ray Yellowknee, our Community Engagement Coordinator, is currently visiting with trappers and Elders to record their recollection of how they are using and have used the land.

KYI: How will the stories be documented?

Derek Keller: An experienced traditional land use expert will provide us and the BCN with a report on the historical information collected. She will write a second report for exclusive use by the community. The community report will be distributed among the BCN's members to help preserve their history and understanding of their land use.

2008-2009 – WHAT TO EXPECT

- Consultation with Bigstone Cree Nation Chief and Council, Wabasca Community Action Team, Métis Local #90, local trappers and staff and M.D. Opportunity Council
- Winter drilling at the Germain, Saleski and Burnt Lake leases in the Wabasca area
- Regulatory approval of the Germain and Saleski Pilot Projects
- Completion and filing of the Germain Commercial Project Application
- Follow-up non-thermal solvent production test at Saleski
- Kick-off of all-weather access road construction to Saleski
- Temporary construction camps at Germain and Saleski housing about 150 workers each
- Ongoing environmental monitoring

PROJECT UPDATES

GERMAIN COMMERCIAL PRE-APPLICATION COMMUNITY WORKSHOP RATED A SUCCESS

Laricina held a one-day workshop to talk to Wabasca-based community groups about plans for its 10,000-barrel-per-day Germain Commercial Project. It is a Steam Assisted Gravity Drainage (SAGD) project that will use closely spaced pairs of horizontal wells and external steam to recover underground oil sands. This technology is also proposed for pilot projects at Germain and Saleski, now under regulatory review.

The Germain commercial project will include a central plant for steam generation, oil and water treating, 22 well pairs on two pads, an all-weather access road, a temporary construction site, a permanent operations site, a pipeline to bring natural gas to the plant and other wells for observation, wastewater disposal and groundwater monitoring.

Representatives from BCN, the M.D. of Opportunity, Northern Lakes College and Metis Local #90 gave the workshop top marks for providing information about the project, how SAGD works and planned environmental mitigation. At the workshop, participants said they appreciated being told “what to expect”

and expressed approval that “everything is going to be cleaned up after it is done” and that water for the project will not be taken from local rivers and lakes.

Questions raised at the workshop centred on community capacity building and the need for the Germain commercial project to help the community benefit and grow economically. The attendees requested:

- Training assistance for community members to qualify for project jobs, specifically 4th Class Steam training and training allowances;
- Increased information about and access to jobs for local people;
- Information about how the project will benefit the community;
- Information about the project’s safety and security measures;
- More information on the soils and plants that would be disturbed; and
- Information on planned environmental offsets.

Derek Keller, Laricina’s Manager of Operations, said the workshop provided real insight into what the communities see as important. He assured participants Laricina will be available for ongoing consultation and is willing to “walk through” the application in detail with any of the groups. 

Laricina’s Community Engagement Objectives commit the Company to:

- Build a transparent, mutually beneficial and respectful relationship with our neighbours;
- Seek input into the design of the consultation process and practices to ensure they respect and meet our neighbours’ communications and consultation needs;
- Provide timely, accurate information in a manner that promotes understanding;
- Provide our neighbours with the opportunity to understand our plans and operations and explain how their input will be incorporated;
- Listen to our neighbours’ perspectives, requests and recommendations and give them every consideration in light of our business requirements; and
- Be inclusive in identifying those who may have an interest or could be impacted by our activities or proposed activities.

Germain and Saleski Pilot Applications Public Viewing Locations

Copies of the application are available for viewing at the following locations:

- **Wabasca Public Library**
2853 Alook Drive
Wabasca, AB T0G 2K0
Telephone: 780-891-2203

- **Alberta Energy and Utilities Board**
Information Services, Calgary Office
Main Floor, 640 - 5 Avenue SW
Calgary, AB T2P 3G4
Website: www.eub.ca

- **Register of Environmental Assessment Information**
Alberta Environment
111 Twin Atria Building, 4999 - 98 Avenue
Edmonton, AB T6B 2X3

RAY YELLOWKNEE – COMMUNITY ENGAGEMENT COORDINATOR

For over 35 years, Ray Yellowknee has worked on issues of concern to the Wabasca, Peerless Lake, Trout Lake and Chipewyan Lake communities. In February 2008, Ray joined Laricina as its Community Engagement Coordinator.

“Being a responsible part of the community is very important to Laricina and I’m excited to have Ray on our team,” says Derek Keller, Laricina’s Manager of Operations. “He understands the communities, knows their needs and brings that knowledge to Laricina.”

Prior to joining Laricina, Ray was instrumental in developing the consultation process for the Bigstone Cree Nation Consultation/ Notification. Ray has worked with the Métis Nation of Alberta including the Métis Local #90 in Wabasca. After working at Native Counselling Services, he established the first Young Offenders Camp in Alberta to use Elder’s counselling and healing circles

to provide mentorship and rehabilitation for young offenders.

Ray was impressed with Laricina when the company arrived in the Wabasca area. “I liked their openness and the way they deal with the community,” says Ray. “They have been upfront, willing to make changes and move forward.” Ray also enjoys learning about the oil sands business and watching Laricina progress from exploration to pilot projects and ultimately to commercial production.

Ray wants to help the community realize advantages from Laricina’s work in the area. He believes that youth employment training is key so that First Nations youth can qualify for jobs in the oil sands. Ray invites people to drop by the Wabasca office. “I like to have conversations with people and deal with issues,” says Ray. “If I cannot answer questions I will connect people with the right person.” 



FOR MORE INFORMATION:

Laricina would be pleased to provide you with more information about our projects, time lines, community investments, consultation process and contract opportunities. If you are interested, please contact:

Ken Shipley
Senior Community Engagement Advisor
West Tower, Petro-Canada Centre,
4100, 150-6th Ave., SW Calgary, AB T2P 3Y7
TEL 403-807-8373 | FAX 403-802-5458

Ray Yellowknee
Community Engagement Coordinator
Wabasca Community Office,
2155 Misstassinii Road, P.O. Box 540,
Wabasca, AB T0G 2K0
TEL 780-891-3352 | FAX 780-891-3359
www.laricinaenergy.com



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