



Hotel attacked
in Afghan capital
Uniformed gunman
goes on rampage
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LOCAL STOCKS

	CLOSE	CHNG.	VOL. (00's)
Altius Mineral	11.45	-0.08	182
Bayswater Uran	0.39	+0.02	707
Bell Alliant In	28.42	-0.02	1282
Buchans Minera	0.07	0.00	3235
Canadian Imper	0.05	0.00	5891
Champion Miner	1.43	+0.06	2607
Cornerstone Ca	0.25	-0.02	275
Crosshair Expl	0.67	0.00	282
Fortis Inc.	32.09	+0.26	3383
Golden Dory Re	0.14	0.00	250
Husky Energy I	26.39	-0.26	18750
Labrador Iron	37.30	+0.58	2995
New Island Res	0.02	0.00	550
Newfoundland C	8.02	0.00	6
Nwest Energy C	0.20	0.00	20
Paladin Energy	2.55	+0.03	9678
Rambler Metals	0.58	0.00	5
Rutter Inc.	0.06	0.00	230
Silver Spruce	0.09	0.00	72
Vulcan Mineral	0.26	+0.07	540

MARKETS

	CLOSE	CHNG.	VOL.
TSX 60	757.30	4.08	91.7M
S&P/TSX	13,188.94	83.95	540.4M
TSXV	1,892.36	26.68	173.23M

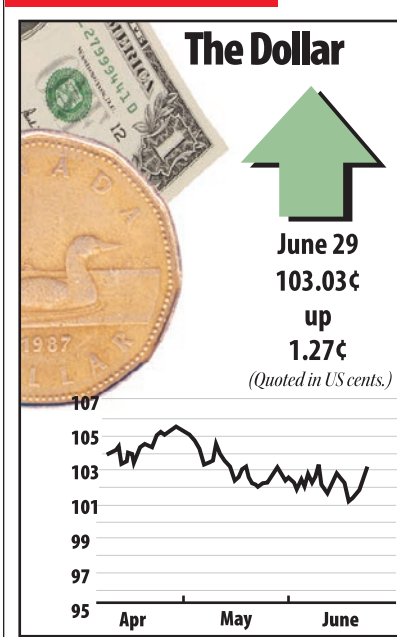
COMMODITIES

	CLOSE	PREVIOUS
Gold	\$1,509/oz	\$1,499/oz
Silver	\$34.75/oz	\$33.72/oz
Nickel	\$22,880/t	\$22,485/t
Copper	\$9,175/t	\$8,995/t
Brent Crude Oil	\$112.40	\$108.78
West Texas Crude	\$95.12	\$92.71

CURRENCIES

	CLOSE	PREVIOUS
U.S. Dollar	\$0.9706	\$0.9827
U.K. Pound	\$1.5592	\$1.5723
Japanese Yen	\$0.012015	\$0.01212
Euro (Cdn)	\$1.4010	\$1.4119

CANADIAN DOLLAR

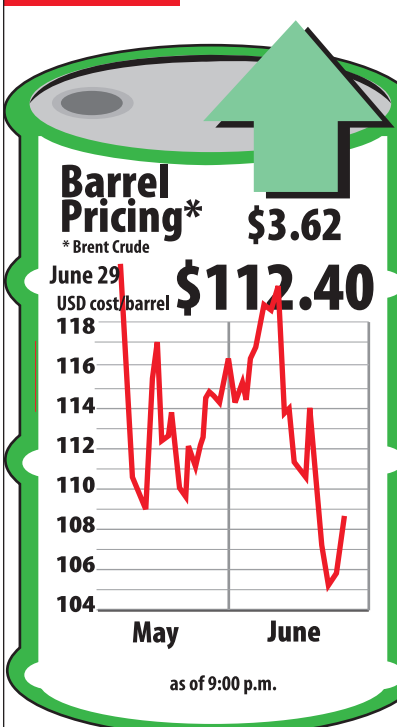


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RETAIL

Council to watch traffic with Costco opening gas bar

By DANIEL MACEACHERN
THE TELEGRAM

A St. John's councillor says the city will keep an eye on any traffic problems which may arise on Stavanger Drive from Costco's opening of its new gas bar.

The gas began flowing for Costco members — regular at 124.9 cents per litre, four cents less than most other pumps in town, and 130.9 for premium — on Wednesday afternoon at Costco's Stavanger Drive location.

Coun. Sandy Hickman expressed concern earlier this month that deep discounts would snarl traffic in the area.

"We did approve it because it certainly is an appropriate use for Costco, and they do it nationally, and council has no problem with that; it fits all the regulations," he said Wednesday afternoon.

"I did express a concern that it's located in the back of the lot as opposed to out front where traffic would flow more easily off the internal roadway system."

Hickman said the four-cent difference meant that he's "not so panicked" as he was about long lineups when he thought Costco gas would be discounted by 10 cents. "At this point we'll be keeping an eye on things and we'll give it some time and see how it goes before we do anything drastic or even discuss it at this point," he said.

Local media inquiries were directed to a Costco representative in Ottawa.

Ron Damiani, Costco spokesman, said the store is keeping gas slightly cheaper by not accepting Visa and Mastercard, which means it doesn't have to pay fees to credit-card companies for transactions. They're also offering just two grades of gasoline



Costco opened its new gas bar Wednesday afternoon with the price of regular four cents cheaper than other St. John's pumps. — Photo by Daniel MacEachern/The Telegram

— no mid-grade — and no diesel. "The fact that we only carry two ... grades of gasoline means that there's that much less infrastructure and investment," he said. Damiani said he didn't know what council's concerns were. "We do extensive amounts of

traffic studies, and I'm sure the city does extensive amounts of traffic studies to be able to properly evaluate what the impacts are going to be," he said.

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ENVIRONMENT/TOURISM

Here comes the sun: tourist spots hope for brighter days

By DANIEL MACEACHERN
THE TELEGRAM

June's decidedly unsunny weather has put a crimp in the coffers for Cape Spear and Signal Hill.

Glenn Keough, national historic sites manager and manager of visitor experience for Parks Canada, said the foggy days — Wednesday was the first fog-free day since June 3 — seem to have kept more people away this year.

"We have found that so far this year there seems to be less people on site," he said.

"Although it's early days for our numbers, we've only been keeping them now for four or five weeks in comparison to last year. Those numbers are down, and I think the weather has a lot to do with it, because a lot of the activities — in particular at Cape Spear, but also at Signal Hill — that we have out there, and the programming, the experience that people have is outside. ...

"So we anticipate that when the weather is like that, that we get less visitation, which generally seems to be the case."

Keough said he didn't have hard figures on paid visitation yet but estimates it's down 10 to 12 per cent.

But there have been some bright spots even in the not-so-bright weather, said Keough, including a whale-watching festival held at both sites that drew close to a thousand people.

"I think we're anticipating that those numbers will start to pick up once our programming kicks in for the summer."

Both sites also have activities planned to coincide with Parks Canada's 100th anniversary this year, which Keough said should boost attendance, and July and August are the sites' busiest months. Right now, he said, attendance seems to be down mainly from local visitors, while out-of-province



Visitors from Ontario didn't let a bit of fog keep them from exploring the shoreline at Blackhead June 23. The man at left was taking photographs of the couple and later had his photo taken in return. — Photo by Gary Hebbard/The Telegram

visitors remain steady.

"Revenue is a fact of life with our sites, and the revenue that we collect actually stays within the sites themselves, so it is an important component

of our operation," he said, adding he hopes new programming this summer will spur more people to visit.

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EXPLORATION

Vulcan returning to Flat Bay

Company setting out to quantify size of its west coast oil discovery

By MOIRA BAIRD
THE TELEGRAM

Vulcan Minerals is returning to scene of its Flat Bay No. 1 oil discovery on Newfoundland's west coast to determine the size of that 12-year-old onshore find.

The St. John's-based company said Wednesday it will drill one well 1,000 metres deep and up to five smaller holes to collect additional core samples of rock.

Vulcan's president and CEO, Pat Laracy, expects the estimated \$4 million worth of work will begin by late summer or early fall.

In recent years, the company has focused on natural gas exploration. It has a pair of west coast gas discoveries and is waiting on equipment availability to further test them.

"We're not going to sit on hands while we're waiting," Laracy said.

"We're shifting our focus back there for one simple reason: oil is of more interest to the market right now than gas."

"The first thing we need to do is to define the scale of the oil pool."

World prices for Brent crude remain above US\$100 per barrel, while the price of natural gas is low

at about US\$4.30 per million British thermal unit.

Exploration goals

Laracy said this year's exploration program has three goals — quantify the size of the oil pool, find natural fracturing in the rocks so the oil can be produced, and see if the oil can be found at deeper depths.

First on the to-do list is collecting the core samples. If the results are positive, Laracy said the company will follow up with a well about four kilometres from Flat Bay No. 1.

Last year, Vulcan re-entered that 1999 discovery well to collect more information on the reservoir.

It encountered more than 100 metres of a petroleum-bearing formation less than 286 metres below the surface of the ground.

"The oil pool thus far that we've

discovered is tight," Laracy said.

"There's low porosity, permeability, which means you have to spend more time, energy and money to get it out of the ground."

The shallow oil is encouraging, but isn't necessarily a blessing.

"We have normal oil," Laracy said. "We're not seeing the flow we'd like because

one of the challenges of Flat Bay is that — and now we're getting technical — it's so shallow that the reservoir temperature is not high enough so that the oil flows freely."

Laracy's hope is that oil can be found at deeper depths and in commercial quantities.

"There's no guarantees of anything."

"This is what exploration is all

about. You come up with theories, models and you go test them."

Potash spinoff named

On the mining front, Vulcan has a name for its soon-to-be-spun-off potash company.

Red Moon Potash Inc. is named for the June 15 lunar eclipse seen only in the southern hemisphere that made the moon appear red.

The company was incorporated the same day.

"We wanted red because potash is red," said Laracy. "It's red, it's rare, it's something special."

It also continues the space theme that began with Vulcan, the TV home planet of a pointy-eared alien named Spock.

Laracy said Red Moon continues to work its way through regulatory approvals and the legal process of setting up a new, publicly traded company.

In May, Vulcan announced the spin-off company would focus exclusively on potash and salt exploration, starting with a west coast discovery made in 2002.

Potash is a crop fertilizer and rock salt is used for de-icing roads.

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