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Game changer

Vulcan's natural gas discovery at Red Brook adds fuel to hopes for a Western Newfoundland oil and gas industry

BY CRAIG WESTCOTT
THE BUSINESS POST

For Newfoundland's fledgling onshore oil and gas industry, the flame that lit the darkness at Red Brook last week could be a game changer. For while the size of the natural gas deposit that fuelled the flame has yet to be determined, the amount of attention that Vulcan Mineral's discovery will bring to the region could be the door breaker that propels the industry from hardscrab-

ble exploration to more international investor interest and eventually production.

"Like I always said, it's only a matter of time," said Patrick Laracy, the president of Vulcan Minerals and perhaps the most respected player in Newfoundland's west coast oil and gas patch. "And I think this is just the start of more to come."

During three flow tests last week, the pressure of natural gas rising from the drill hole lit the sky with

See Every, page 3



Hege Rogno took over as vice president responsible for Statoil Canada's Newfoundland and Labrador operations in July. Rogno is among a number of internationally experienced oil and gas company managers who are playing a role in the development of Newfoundland's oil industry. Rogno is on The Business Post's annual Top 50 Leaders in Oil and Gas list. See coverage on page 6.

Chislett digs in

Prospector won't take no from court or government for an answer when it comes to highly regarded Mary March property

BY CRAIG WESTCOTT
THE BUSINESS POST

Just when you think the dispute over who owns the rights to one of the hottest mineral properties in Canada has been settled, it goes into another phase of contention.

The fight over the Mary March property, located near Buchans, took yet another twist last month when Newfoundland prospector Al Chislett served notice that he intends to take his fight to the Supreme Court of New-

foundland.

The exploration rights to the Mary March property are held by Phelps Dodge Corporation, which has optioned them to Canstar Resources of Toronto.

Phelps Dodge Corporation had acquired the property from Noranda, which in turn had obtained the ground as part of a large land package it acquired from the former Anglo Newfoundland Development Company, better known as the AND Company.

Chislett's private explo-

See Canstar, page 9

Two mad men, one good idea

BY JOSH PENNELL
THE BUSINESS POST

It was a rough start for the idea factory. Two guys with either innovative ideas about marketing and advertising or their heads in the clouds huddled around one Mac computer in a basement in Logy Bay.

Kevin Casey, the chief strategy officer, told his business partner Ed Roche he was giving their idea three months. Secretly he was really only giving it two. As it turned out, that was enough. About eight years later and just last week, the company won the Business Excellence Award, the most prestigious

award given out by the St. John's Board of trade.

Their plan from the very beginning was to be a little different, says Casey. They knew they had to stand out from the other advertising businesses. They had both worked with M5 Advertising Ltd. in the past and Casey had just left a job with Lab-

batt as provincial marketing manager, because future opportunities with the company were going to take him to Ontario and he wanted to live here. He had eight months severance quickly running out so he told Roche to take a salary for the first three months and he would take

See Next, page 2



Hometown Pride

Dave Parsons is probably one of the few Tely 10 runners to train for the race in the middle of the North Atlantic. These days, this Petro-Canada employee is not only hitting the pavement, but also the books. He's getting his Environmental Health and Safety Certificate, as part of his new position as Environmental Safety and Social Responsibility Advisor. And he's not the only one - his kids are also pursuing their educations, assisted by Petro-Canada scholarships. We're proud to support the development of our employees, and future employees, here in Newfoundland and Labrador.



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Next challenge for the idea factory is social media

Continued from page 1

nothing. The early days were ugly, but what Casey and Roche lacked in start-up money they more than made up for in moxie.

"I think part of that hunger made us successful," says Casey. "I think we were scared to death. We didn't want to be better than M5 or Target. We just wanted to be different."

Part of that difference involves breaking through any creative barriers and bringing that creativity up front to the client, says Casey. At the idea factory, the people with the creative vision take their ideas directly to the clients rather than have the suits sell for them. Indeed, the entire office in Haymarket Square screams of these differences. You won't find any stuffy cubicles here. There are few walls and the ones that do stand are mostly glass. A foosball game and a pool table occupy the middle of the office floor. The idea is to give people an enjoyable working area and the freedom to loosen up if that's

what gets the creative juices flowing. But make no mistake, the brains in the idea factory are hard at work. Most people just see the one page print ad or 60 second TV spot that comes out of the hours of tough research and data that had to be gone through to get there, says Casey. There's nothing quick about the process of marketing.

"Building brands is a marathon, not a dash," he says.

Casey describes the company as a 360 degree marketing and communications group. If you just want a business card made or a print ad designed, the idea factory may not be for you.

"We want to look at the whole brand from the very beginning," says Casey. "Not everybody let's us in to do all that. Some people say 'Listen, let's date first. We want to get a website done.'"

If Casey believes in the brand and the company enough, they'll do project work like that and build the relationship from there. What

they really want is to get at the marketing research, the radio, print and television ads, even the employee customer relations. The whole enchilada. It's a method that's proved successful. In 2004 the then six employees of the idea factory sat down to tackle marketing and advertising for cable provider Persona. It was a bit of a break, says Casey. Persona could have went with a lot of other marketing companies that had more credibility but they saw something in the idea factory. Persona was a utility company that didn't want to sound like one. Realizing that Persona was really an entertainment company, the folks at the idea factory wanted to project the excitement of entertainment in the the company's ads, look, and attitude. Hence, The Amazing Persona was born.

It was brazen and daring enough that it sent a message to many people inside the marketing and advertising world that things are going to change, says Casey. Most importantly, it worked. In 2006,

the idea factory won the Progress Marketer of the Year Award for its work with Persona. The work was impressive enough that when EastLink took over Persona, a lot of things changed but the marketing company didn't. The idea factory still handles the account.

It's gutsy concepts like the Amazing Persona that have given Casey and his crew a unique name in the advertising and marketing world. When he looks to the future, he sees the company embracing a new way to advertise, one that could leave some other companies shaking in their boots. He's referring to the tricky business of social media.

"I think social media and trying to create conversations with our clients is our next big challenge," says Casey.

It can be dangerous territory. As opposed to buying a TV ad that you know will run, it's not possible to force people on a program like Facebook to speak highly about a company. The problem is, people are talking



Kevin Casey, right, accepts the 2009 Business Excellence Award on behalf of his advertising firm, the idea factory, from St. John's Board of Trade president Bruce Templeton.

about all kinds of companies on these social networks and what they're saying is sometimes good and sometimes bad.

"Wouldn't it be better to be a part of that conversation than not?" Casey asks.

It's ideas like that that make the idea factory stand

out. They're always looking for that little thing that makes a company unique, says Casey.

After all, that's what he and Roche wanted in their own company when they first sat in a basement in Logy bay and asked, "What if?"

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Left pessimistic by a touch of the piglet flu

“Articles of lasting interest” is often the bait held out by monthly publications.

It’s not like a daily newspaper where you lurch along and the lasting interest one day is the next day’s kitty box. The monthlies give the scribbler by far the more pain.

I might write today that swine flu will turn out to be a ridiculous panic ... and within 30 days, if the bodies pile up, I would be stoned to death in the marketplace. Or, if not many poor creatures were stricken, I might be called smart and far-seeing. You get my drift.

But I still don’t know how to do “lasting interest” well. I sometimes fall back on amusing incidents about when I was still in short pants, find someone with a crystal ball and threaten her



Ray Guy

with her own broom handle, or fake it, which is what I usually do.

The sun will rise and the sun will fall. One season will follow the other. Danny Williams will go into therapy for help to manage his amusing hissy fits ... which would put a big dent in our enjoyment.

I apologize, but when you get to a certain age you have, as the smart-arse saying goes, been there, done that and bought the T-shirt.

Younger people seem to have a cockeyed view of what, to me, seems like recent history. One of ours once asked me, “Were you in the Second World War, Daddy?” The answer was that I was about six months old at the time ... but I wished after that I’d told her we’d had some bloody good scrums with the Boers in South Africa.

But I remember well the TB near-panic with the Christmas Seal postage stamps and the little red double-barred cross and a boat coming in to the wharf to X-ray you and more of the same in a special car at the railway station.

I remember also the silent month-long agony my Mother suffered when she received the dreaded pink slip and then had to wait a month for medical clearance.

Then there was the diphtheria unease and the polio dread and a few lesser nasties that I don’t remember now. I guess almost any disease is a “panic” if you or someone in your family has it. In the past you tended to soldier on ... but don’t mind me, I’m merely an honorary doctor of letters.

By the way, I have never yet abused my credentials to get the clothes off some young maiden for closer examination. So dip your dirty mind in the toilet bowl. You’re dealing with a Sunday school graduate here.

Meanwhile, I think I may well have had the piglet flu. Runny nose, runny eyes ... and you don’t want to know about my further reaches. Grin and bear it, I guess, because my place on the list doesn’t come up much before Easter.

One thing that ticks me off are the brainless scrotes who phone those radio lines to savagely complain that the jail inmates were near the top to get injections.

Aren’t they human beings, too? More or less huddled together? Are they to be sent home if they catch it ... or sent to take up another hospital bed?

Baymen or perhaps townies should be kicked off the list? Or “persons of colour” or non-Christians? Does no one remember about the European arrivals who put smallpox germs on the blankets they gave the natives?

It is perfect logic to pick out the groups among us who are most at risk. That this has sometimes been a botched job of administration awaits the final tally. If we don’t learn something about this,

there’ll be more of a mess next time ... says Dr. Guy.

If you have one of those smooth “worry stones” in your pocket you might start fumbling it for some solace while repeating such comforting phrases as: global warming; economic crash; talk show hosts; energy crisis; swine pandemic; Michael Jackson dead.

I must apologize to readers, I really must. I should have given you bright and chipper where 30-days bright and chipper is needed. I started off on a high note, I think, but slid down into some more dusky depths.

There’s no excuse for that except, as I mentioned before, I may have a touch of the piglet flu with post-nasal drip and must not take actions that might make my porcine nostrils even broader. Try that while maintaining traction of a keyboard.

‘Every time you put a hole in the ground, you’ve got a chance’

Continued from page 1

flame above the Red Brook # 2 wildcat well that Vulcan drilled with joint venture partner Investcan.

“It’s the first time ever that we’ve had natural gas flow to the surface in that basin in a petroleum well,” Laracy said.

“For Vulcan it’s important because as you know we’ve been over there several years plugging away. “It’s a vindication, I guess, and it gives us some credibility which will allow us to keep this project moving... especially in these markets, because the markets are still tough out there.”

Red Brook # 2 is the second of three wells that Vulcan is planning with Investcan. The first well, Robinsons #1, didn’t flow natural gas to surface, but did show gas within its casing. Laracy, a lawyer and geologist who once worked in a senior role in the Newfoundland government as well as in the oil business in Calgary, is already considering ways to improve the flows rates in both wells, which could one day prepare them for commercial production.

“You really don’t know what you have with these types of wells until you frac them,” said Laracy, referring to a process used to expand the well’s contact point with the reservoir. “That’s because of the nature of the rocks primarily and the way the way you’re drilling them. Because they’re wildcats, you have to over-engineer these wells, you

end up using heavy muds that do some damage to the formation, but you have to in order to make sure you don’t have a blow-out and problems with the well. These wildcat wells tend to present certain challenges. The fact that we had any gas flow to surface is a major accomplishment given the fact these wells were under a lot of pressure from a damage perspective. So it only tells you the quality of the reservoir there is very high.”

Laracy said studying the experience of Corridor Resources at the McCully gas field in New Brunswick is proving instructive for Vulcan’s operations. That field produces some 28 million cubic feet of natural gas per day for the Maritimes and Northeast Pipeline and is located in the Maritimes Basin of which Bay St. George is a sub-basin. At McCully, Corridor uses propane to pump into its wells to fracture them, or break them open at the point of contact, freeing more sweet spots in the reservoir and gaining better production using fewer well bores.

Laracy plans to use the same method on Red Brook #2 and Robinsons # 1.

“The challenge for Vulcan is that we have to do these types of fracture testing so we’ll know what these wells are going to do on a flow rate basis, and then we have to drill some offsetting wells to determine (the size of the) reserves,” he added.

If the wells prove to be of commercial size, the question arises where to sell the gas? Unlike the Maritimes, Newfoundland is not tied to any pipeline to ship natural gas to markets in Canada or the United States. But Laracy doesn’t see that as a limitation. It might even contain an inherent advantage. That’s because Newfoundland already has a large potential market for natural gas that most people aren’t even aware of - the northeast Avalon Peninsula, which is dependent on a fuel burning plant at Holyrood to generate electricity for some 200,000 residents.

“Just because you’re on an island doesn’t mean there is no use for natural gas,” Laracy said. “People are not aware that we are now burning a lot of dirty Bunker C oil to generate electricity at Holyrood.”

The Bunker C that Nalcor’s plant at Holyrood burns costs roughly 80 per cent of the cost of West Texas Intermediate oil. “So if the price of oil is \$80 a barrel, we the taxpayers are paying \$64 a barrel,” Laracy pointed out.

Neither is Laracy dismayed that natural gas prices are down in North America.

“Yes they are down, but it’s part of a cycle,” he said. “The industrial heartland of the United States is effectively in a depression. Demand has been destroyed for a short period of time and a supply glut has been created, so the price, obviously, is down. But we

don’t care what the price is in North America, because we’re not connected to North America.”

Laracy argues the value of any natural gas that might be produced in Newfoundland is best compared against its substitutes.

“So when you start looking at a \$64 barrel for Bunker C oil and that equates to approximately \$9 per mcf, well who cares if it’s only \$4 in North America? It’s irrelevant, because we can’t get the North American gas,” said Laracy. “But we can get this.”

“So what I’m thinking is if we can produce gas and beat the price of Bunker C oil and get rid of the environmental consequences of burning Bunker C oil, because obviously natural gas is much cleaner, everybody wins. And you don’t have to have gas on tap at Holyrood, you can have gas where you’ve got it, in Western Newfoundland, and you can put a generating plant on site and then all you have to do is put the electricity into the grid, because your grid is your pipeline.”

Laracy said the 450 megawatts of electricity produced by burning Bunker C at Holyrood is equivalent to 100 million cubic feet of natural gas per day.

“That’s a lot of gas,” said Laracy. “That could be beneficial all around, for the company and for the province and as an additional energy source. I think this now gets on the



The gas flare on Red Brook # 2 lit the night sky last week.

radar screen.”

Laracy agreed the Red Brook # 2 discovery will likely be felt as a morale booster for the other players on the west coast.

“We’ve always said that anyone who has success out there is going to help everyone else,” Laracy said. “You’re so early in the game in Western Newfoundland that what the area needs is to dispel the sceptics and the best way to dispel the scepticism is to make a discovery and then all of a sudden people look at all the operations out there and say, ‘Wow. Perhaps this is real, perhaps this is going to happen.’ I think this discovery is going to have that effect, initially.”

Meanwhile, Vulcan hasn’t given up on finding oil. It discovered oil at Flat Bay in 1999, though that play needs more work. With exploration permits for more than 236,000 acres and interests in large fields offshore Western Newfoundland and Labrador, the company has plenty more opportunities. Vulcan also has a piece of the Parsons Pond project, which will see three wells drilled next year under

Nalcor, the lead player in a consortium of companies with rights to the exploration permits there.

As that’s happening, Vulcan will be busy soliciting proposals and conducting engineering designs on the fracture work at Red Brook # 2 and Robinsons #1.

“We’ve learned from our work over the years,” said Laracy. “Everything that we’ve done goes into the equation, which gives us a better chance for success. We’ve drilled two deep wells so far this year and we’ve got two discoveries, both gas. Robinsons didn’t flow to surface for us, but we know the gas is there, we could see it while drilling, we could see it on our gas detection system, again that just needs a frac job... As we move forward here, I think our success rate will even improve more, so it’s really exciting... I think 2010 is going to be an exciting year as well. We’re going to be drilling more wells, you’ve got the Parson’s Pond project. Every time you put a hole in the ground, you’ve got a chance.”

A preposterous tale

The holes in Danny Williams' story about lower and now Upper Churchill Falls power are growing disturbingly wider.

Take his claim that he can't release the legal opinions on the "fairness" clause introduced into the Quebec civil code in 1994.

Williams accused Liberal Leader Yvonne Jones of being a traitor for asking to see the opinions. He also accused her of using Question Period in the House of Assembly to act on behalf of "outside interests," presumably Hydro Quebec.

We all know Samuel Johnson's old saying that "(False) patriotism is the last refuge of a scoundrel." Danny's accusations are preposterous, nasty and beneath his office. He should apologize to Jones.

Danny's initial claim, that he has to hide information from Quebec, holds no water at all. If there is a legal suit to strike down the 1969 power sales agreement, it will have to be launched by CFL(Co), Nalcor's subsidiary company that holds the rights to Churchill Falls power. Two of that company's board members are appointed by Hydro Quebec. So any document, legal opinion or otherwise, used by CFL(Co) automatically ends up in Hydro Quebec's paws.

Another odd thing: If the law was changed in 1994 and really has such important implications for the Upper Churchill deal, why are we only hearing about it now?

But that's not the only gaping hole in Danny's odd narrative. Last week, Danny issued an ultimatum to New Brunswick premier Shawn Graham. Danny demanded that New Brunswick agree by February to build a complete new transmission line across its province to the Maine border.



Pillar to Post
By Craig Westcott

Now ask yourself, why should New Brunswick, which just recorded the largest deficit in its history and whose public utility is mired in debt, spend billions of dollars for a new transmission line that it doesn't need and doesn't want?

And who is Danny Williams to order New Brunswick to take on such folly when he doesn't even have a lower Churchill project yet to supply power for those lines? Never mind that a New Brunswick route isn't feasible anyway.

IN A SWEAT

None of Danny's story about the collapse of the lower Churchill project makes sense. He looks like a man in an awful panic to find a scapegoat. Soon, more people will start catching on. Danny had six years to get the lower Churchill moving, five of them were during the biggest financial bubble in history when money for mega projects was easier to find than flies on a spring pond.

Someone blundered, and I don't think it was Nalcor president Ed Martin whom, one suspects, is not allowed to make his water without Danny's say so.

It's serious enough that Danny bungled his chance with the lower Churchill, but in his haste to blame someone for his own fail-

ings, he's willing to destroy the unity of the country. Danny has already done his best to drive a wedge into New Brunswick. Then last week he was out west in Calgary trying to foment hatred.

If Danny Williams was really a Fighting Newfoundlander, he would get a legal opinion on the repercussions of shutting down the Upper Churchill plant. Because if it was up to me, I'd rather see the plant closed and the "Grand Falls" restored to their original glory than accept the pittance we're getting now. We would probably make more money in tourism traffic from people visiting a falls that at one time could be heard from miles away and whose mist hovered over the landscape like a crown.

Or perhaps a case could be made that we need the power from Upper Churchill ourselves - to provide electricity to the Voisey's Bay Mine, the upcoming Michelin uranium mine and the coast of Labrador. I might even support the two billion dollars for a transmission line to the island so that we could close that behemoth of a polluter we have in Holyrood if it also meant putting a stop to Hydro Quebec screwing us.

Either one of those courses would be concrete and would take courage. But Danny is trapped inside a wasp's nest of his own negativity. His ploy to get out is to hide his lower Churchill failings while trying to ruin the reputations of those who are doing their jobs by questioning him.

Danny's inevitable descent grows more bizarre and worrisome by the day. One can only hope the damage he is wreaking is somehow contained on his way out the door. Unfortunately, there is no one in his office or cabinet with courage enough to restrain his dark impulses. So things may get stranger yet.

We're going to have some mess to clean up once he's gone.

Someone call 911. There's another disturbance on the Eight Floor.

editor@thebusinesspost.ca



Harper in unity hot seat

For the better part of four decades, every Canadian prime minister has found the unity file at the top of the to-do pile. On that score, Stephen Harper's watch is turning out to be dramatically different from that of his predecessors.

But appearances can be misleading. These days, the climate change issue has replaced the Constitution as a unity flashpoint. The stakes involved are just as divisive and the inter-regional strains on the fabric of the country just as real.

In the lead-up to this month's international climate summit in Copenhagen, the environment has become the country's most litigious federal-provincial file, easily outranking a controversial federal plan for a single national financial regulator or the unpopular advent of harmonized sales taxes in two major provinces.

The constitutional debates of the past were mostly domestic matters, but Canada's divisions on climate change are on exhibit on the international scene.

In Copenhagen, the message of the major provinces amounts to a rebuttal of the defensive mantra of the federal government.

It is only the latest reminder that Canada is a federation whose provincial partners are not always reconcilable.

A report commissioned by the TD bank in the lead-up to the summit recently illustrated that point.

It concluded that Canada could afford to pursue a more aggressive plan to reduce its carbon gas emissions without



National Affairs
By Chantal Hebert

imperilling its overall economic growth.

But the fine print of the report told a more complex story.

Under the reduction models contemplated in the study, most provinces would do as well or better but not Alberta and Saskatchewan.

The provinces whose economies are based on fossil fuels are wary of a federal plan that would see Canada tackle climate change at the expense of their future economic growth.

But the provinces that see aggressive carbon gas reductions as essential to the maintenance of their economic competitiveness are just as suspicious.

Prior to the Copenhagen meeting, Ontario, Quebec and British Columbia all set emission-reduction targets that are substantially more aggressive than the goal set by the federal government.

But if those three provinces do meet their stated objectives, the other seven could actually increase their carbon emissions without Canada missing the minimalist na-

tional target set in the current federal framework.

That possibility has the Bloc Quebecois daily accusing the Harper government of giving Alberta a pass at the expense of greener provinces such as Quebec.

Such fears are not confined to sovereignists; Ontario Premier Dalton McGuinty recently raised similar concerns. "We don't want our progress to benefit another part of the country, to relieve them of their obligation to make progress as well," he warned.

At first glance, the Harper government is faced with a federal-provincial puzzle from which all the pieces that involve give-and-take have gone missing.

Harper's base is in Alberta. His minority government will soon have to address a record federal deficit. The strength of the economic recovery will determine how painful that exercise will be. Over the next few years, the energy sector is expected to soften the impact of a dramatic restructuring of Canada's manufacturing sector.

The flip side to this lose-lose equation for the environment is that the activist climate-change agenda of the three biggest provinces is not unfolding in a political vacuum.

Together, British Columbia, Ontario and Quebec speak for three-quarters of Canadians. Slowly but surely their green ambitions are making the laissez-faire attitude of the Harper government politically unsustainable.

Chantal Hebert is a national affairs writer. Copyright: 2009

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A varied role

Tim Murphy gave up a high position in government for a role in the oil business

BY JOSH PENNELL
THE BUSINESS POST

An opportunity to move into an exciting new industry got Tim Murphy interested in the oil and gas game. Chevron's manager of stakeholder relations for Atlantic Canada, Murphy joined the company in 2005 after close to 20 years with the provincial government.

A commerce graduate from Memorial University of Newfoundland and Labrador, he left his job as deputy clerk of the executive council for the action of the burgeoning oil and gas sector. He found what he was looking for.

"There's a lot of variety for sure," says Murphy.

His job can bring quite the gamut of responsibilities. He

deals with everything from regulatory policy to community investments, the media, public affairs and government relations. His previous life inside government gives him a solid understanding of the process in which Chevron is a player.

"That's true," says Murphy. "A lot of my interactions are with the regulator and the folks in the Newfoundland and federal governments. So having a bit of an understanding of how those systems work and how discussions are made, I would take it as bit of an advantage."

The variety of his position is hardly the only exciting aspect, though. A native Newfoundlander from the Southern Shore, Murphy has seen first hand what a crippling

economy can do to a community and its people. He says one of the most exciting parts of his job is working in an industry that brings so much revenue, opportunities and jobs to the province.

"It makes such a difference in the province and for the people in the province... just having an opportunity to work in that sector and learn more about it," says Murphy.

Chevron itself has been a player in the province's oil and gas industry since the beginning. The company discovered the Hebron field in 1979 and led the negotiating agreements for the co-venturers with the Newfoundland and Labrador government that led to the binding agreements that Murphy says saved the proj-

ect. The company has kept a somewhat reserved profile in the industry locally but recently ramped up its local employee number to about 35. Murphy says that growth will continue and he expects Chevron will bring on more people in the coming year.

"That's an exciting part of it. Seeing the organization you're involved in grow in this part of Canada," he says.

The future is bright, he adds. Chevron is looking at more exploration opportunities in the future and the industry as a whole is continuing to grow. There's three fields in production now with a fourth on the way.

The biggest change Murphy has seen has been the increased business activity in the province for oil and gas



File photo

Tim Murphy, right, listens to a speech at a NOIA conference in St. John's. Murphy has been a quiet, steady influence in the industry through tumultuous times.

and specifically for Chevron. That's a change he hopes will bring more Newfoundland-landers back home and keep more from leaving in the first place.

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Our Top 50 How it's done

BY CRAIG WESTCOTT
THE BUSINESS POST

Make a list of anything or anyone, and you'll get many people disagreeing with your choices.

And that's not the only reason that weighing through the candidates for our annual Top 50 Leaders in Oil and Gas list is always the toughest assignment of the year. The main reason is there are so many choices. Newfoundland's oil and gas industry is growing, fast, both offshore and onshore.

Last year, we made an effort to include as many people in the service companies as possible. This year, we've decided to acknowledge a few more of the upper echelon in the big oil companies that run our three offshore projects and who are working on our fourth, Hebron. Even so, many very strong candidates were left out.

In the end, we opted to include as many leaders from as many sectors of the industry as possible, knowing full well that we missed many, and overrated perhaps a few. But then, making these selections is as much art as it is science.

Overall, I tried to choose those people who exert the most influence on the industry, both in terms of what work is done and how the rules are set for doing it.

I'd like to thank all those who quietly helped out with this project. Your advice and information was invaluable. But in the end, all errors, oversights and choices were

See Offshore, page 7



1 Oil industry workers



2 Alan Brown, VP East Coast, Suncor



3 Paul McCloskey VP East Coast, Husky



4 Hareesh Pillai ExxonMobil



5 Doug Cook Suncor Energy



6 North Atlantic Refinery Come By Chance



7 Premier Danny Williams



8 Mark McLeod Chevron



9 Robert Patten A. Harvey & Co.



10 Hank Williams Cougar Helicopters



11 Margot Bruce-O'Connell ExxonMobil



12 Gerry Beresford NL Transshipment



13 Max Ruelokke Chair, C-NLOPB



14 Hege Rogno Statoil Hydro



15 Ed Martin Nalcor



16 Patrick Laracy Vulcan Minerals



17 Trevor Pritchard Suncor Energy



18 Tim Murphy Chevron



19 Bob Cadigan NOIA



20 Kevin Roche Noble Drilling



21 Geoff Cunningham Chair, NOIA



22 Jim Thistle McInnes Cooper



23 Margaret Allan Husky Energy



25 Jerry Byrne DFB Group



26 Fraser Edison Rutter



27 Tanny Collins Pf Collins



28 Steve Millan CIVC



29 Don Noseworthy Penney Energy



30 Greg Moores Stirling McKelvey



31 Rod Hogg Peter Kiewit



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Offshore workers should rank first

Continued from page 6

mine. I apologize to those whom I missed.

One other note about the rankings. Aside from the top seven selections, many of the rankings on this list are interchangeable. Every single person on the list, I believe, plays a crucial role in our growing oil and gas industry.

The efforts and contributions of a Tim Lawrence (number 42) for instance, are no less than those of a Kevin Roche (number 20).

And finally, a word of explanation about our number one choice this year, a group that has been neglected on this list in the past, but whose deeds and efforts make the industry possible. That is, our offshore oil and gas workers. The tragic loss of the people aboard the Cougar helicopter that crashed this past year brought home to everyone, just how important our offshore workers are. They are not appreciated enough, and better care must be taken for their safety.



32 Fred Cahill
G.J. Cahill



33 Moya Cahill
PanGeo



34 John Downton
Suncor Energy



35 Sandy McDonald
Cox & Palmer



36 Ted Howell
East Coast Catering



37 Caron Hawco
Statoil Hydro



38 Kirby Mercer
CIVC



39 Paul Barnes
CAPP



40 Jim Keating
Nalcor



41 Kathy Dunderdale
Natural Resources



42 Tim Lawrence
Oceaneering



43 Lee Shinkle
Stantec



44 Dave Finn
PRAC



45 John Henley
G.J. Cahill



46 Cabot Martin
Deer Lake Oil & Gas



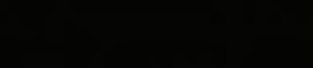
47 Stephen Henley
EnerSea



48 Tim O'Leary
PSN



49 Jim Wright
Ptarmigan Resources



50 Sam Allen
Technip Canada

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Waste not, want not

Newalta's Foxtrap plant regenerates value from Newfoundland's industrial wastes

BY JOSH PENNELL
THE BUSINESS POST

With so much pressure being put on industrial businesses these days to reduce their environmental footprint, many may think that industry has to slow down in order to meet the growing demands of an ecologically savvy planet.

However, a unique Canadian company with a facility in Foxtrap sees reducing the environmental footprint of companies as an industry in itself.

Roy Baker is the local branch manager for Newalta, a leading industrial waste management and environmental services corporation. It comes as no surprise that many of the industries that bring so much value to our economy, such as oil and gas and mining, can be potentially harmful to the environment. Newalta has turned the notion of industrial waste management on its head, says Baker. The company's first prerogative is not how to dispose of the waste from industry, but

what can be recycled out of it first.

"The company from day one has been focused on finding value in waste product," says Baker. "So rather than just a traditional collection and deposition of waste, our primary focus each time is to find how we can extract value from that waste and that contributes to our customers' bottom lines and also helps improve their environmental footprint."

Essentially, Newalta is in the business of recycling. Baker, a chemistry graduate from Memorial University of Newfoundland, says it's a great experience to be able to help companies improve their effect on the environment and reduce their costs while working for a successful company at the same time.

"It's a win-win and it's phenomenal to be able to do that."

Take the oil and gas industry for example. If oil waste water from this province's industry is collected and brought to the facility in Foxtrap, the team of chemists and technicians



Richard Martin, left, and Roy Baker help run Newalta's Foxtrap industrial waste collection facility.

combine compatible materials and ship them out to one of the company's other facilities in Canada. The valuable products in the waste can be extracted, re-refined and turned into base lubricants that other companies can use in their products. When Newalta has extracted everything it can from the waste, it's shipped to one of the 80 facilities they have across

the country for secure disposal, none of which are in this province.

The facility in Foxtrap is essentially a special waste transfer facility and is the only one of its kind in the province. There, wastes from the offshore oil and gas industry, the mining efforts in Labrador and the biochemical wastes produced by our hospitals are col-

lected, categorized and shipped out often to become new products. This takes place all over the country. Newalta has generated \$400 million worth of valuable products this year from the wastes it has collected.

The company not only finds value in waste, it also works with its customers to find ways to reduce the amount of waste produced at

the source.

"Sustainability is not just a part of our businesses," says Baker. "It is our business. It's what we do."

And that business is growing here in this province. As the oil and gas industry accelerates and the mining camps grow, Newalta is finding ever increasing value in the waste this province produces.

Staghorn sees gold; more uranium targets in Labrador; Messina drills

Metals Creek Resources has released assay results from the first two drill holes completed at its Staghorn gold property in south-western Newfoundland.

Highlights of the drilling included 26.31 metres of core containing 1.37 grams per tonne of gold. A 5.11 metre section of that core contained 6.18 grams per tonne of gold. A 24.86 meter intercept in the other hole returned gold values of 0.403 grams per tonne.

Metals Creek has hired a second drill to conduct work on the property.

Crosshair & Silver Spruce define targets

Crosshair Exploration & Mining has announced that it has identified four new uranium targets on property it shares in Labrador with Silver Spruce Resources.

The targets resulted from a geological mapping,

prospecting and sampling program conducted this past summer to evaluate airborne geophysical and ground geochemical anomalies.

The Central Mineral Property where the targets are located is 60 per cent owned by Crosshair and 40 per cent by Silver Spruce. The latter identified and staked the uranium prospective ground in 2007.

The 2009 exploration program also confirmed the presence of historic high-grade mineralized float at the CMB-East (CMB-E) property with the best new result being 2.19 per cent U3O8.

Two of the new targets are located on the CMB-Jacques Lake property. The other two are located on the CMB-North East property.

The CMB-Jacques Lake property is directly west and adjoins the Jacques Lake deposit controlled by Fronteer Development Group.

"We are very pleased with the success of our field explo-

ration program which resulted in the discovery of several new and potentially significant uranium showings," said Crosshair's president, Stewart Wallis. "These new showings, located near the proposed development of Fronteer's Michelin deposit, are both geologically prospective and well-suited to benefit from detailed follow-up exploration when activities resume."

Crosshair said the work was accomplished in part thanks to exploration funding from the Newfoundland and Labrador Department of Nat-

ural Resources.

Messina drills Haven Steady

Messina Minerals has started drilling at the Haven Steady property located in central Newfoundland.

The drill will initially test an area where prospecting located an outcrop assaying 6.6 per cent to nine per cent copper in grab samples.

An additional eight grab samples from outcrops in the area assayed between 0.4 per cent copper and 2.6 per cent copper with anomalous silver ranging from 4.6 grams per tonne to 28.8 grams per

tonne.

Messina Minerals president Peter Tallman said an objective of the Haven Steady drill program is to locate copper-lead-zinc sulphide mineralization that may be economically interesting as the Haven Steady property lies 15 km south of the Duck Pond copper-lead-zinc mill.

Meanwhile, Messina has enlarged the size of one of its zinc properties in Newfoundland. In November, the company staked 101 claims totalling 2,525 hectares. Messina acquired its original Daniels Harbour property by

staking 80 claims totalling some 2,000 hectares in April.

The property includes the site of the former Daniels Harbour zinc mine operated by Teck Corporation, which produced approximately seven million tonnes of ore grading eight per cent zinc with by-product cadmium credits from 1975 to 1990.

A reconnaissance program evaluating the newly claimed areas is underway. The objective is to identify prospective areas for similar zinc mineralization adjacent to the former Daniels Harbour mine workings and regionally.

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Canstar was about to book a drill when new appeal arrived

Continued from page 1

ration company, Vinland Resources, tried to overtake the ground in 2000, but its claims were rejected by the province's Mineral Claims Recorder. Chislett tried to argue the property in question was never legally part of the AND Company's huge land concessions. The provincial government disagreed.

Since then, Chislett, who was the co-discoverer of the Voisey's Bay nickel deposit, has launched a succession of unsuccessful court and procedural challenges that have cost all the parties involved hundreds of thousands of dollars in legal fees and perhaps even more importantly, nine lost years in terms of exploration time.

In yet another examination of the issues raised by Chislett, the Mineral Rights Adjudication Board ruled in late October that the rights to the property properly belong to Phelps Dodge. On Nov. 20, Chislett served notice he was appealing that decision in the Supreme Court of Newfoundland.

Chislett didn't respond to a request for an interview. But Canstar Resources chairman Harry Hodge, whose company has been delayed from exploring the highly prospective base metals play, acknowledged the affair is extremely frustrating. He's baffled by Chislett's continued efforts to acquire the property even though the provincial government, supported by the courts, has consistently rejected his claims.

"It's kind of been the bane of my existence," said Hodge, a Newfoundland expatriate with decades of experience in the Canadian mining industry. "So yes, it's been a problem, but we're confident that time is on our side."

Hodge said Canstar can pick away at other properties in Canada, but Mary March

is its prize play. Canstar has also acquired ground directly on trend to Mary March, but not part of the claims being contested by Chislett.

"We plan to do some work there, but even there we're kind of reluctant because if we come up with any encouragement (in terms of results) it just might encourage Chislett to continue his frivolous claims and appeals," Hodge said.

Hodge agreed the fact that Chislett is so persistent about trying to acquire Mary March speaks to the potential value of the property.

"I've been in geology all my life, I've worked in mines and I think this is one of the best properties at this stage of its development or exploration that I've seen for a long time," Hodge allowed. "For us to go out and find another one like this, we'd have to spend a lot of money and dilute our shareholdings. So I guess we're really dedicated in seeing this thing through and giving it a good shot."

But Hodge admitted the process of hanging onto the property in the face of so many legal challenges posed by Chislett is expensive and time consuming. The property hasn't received any exploration work in seven years, effectively missing a bull market in exploration investment that could have seen millions of dollars poured into examining its potential.

"That's the problem," said Hodge, who added if Chislett was a true explorationist he would have accepted one of the two overtures that Canstar made to him to include Vinland as a partner in exploring Mary March, offers that were made in the hope of ending the legal wrangling and getting exploration restarted.

"It hasn't worked out, he wants the whole pie and not just a piece of the pie," said Hodge.

The Canstar chairman has even written the MHA for the area, Susan Sullivan, copying Minister of Natural Resources Kathy Dunderdale and Premier Danny Williams. Hodge informed Sullivan the delays are costly in terms of lost time and money and "reflects poorly on the government's ability to attract exploration companies and exploration dollars to Newfoundland by not assuring protection to its stakeholders."

In her reply, Sullivan told Hodge that Dunderdale would respond to the issue. Hodge said he understands Dunderdale is in a tough position. After all, it is her department's decision that keeps getting challenged by Chislett.

"I just want to try to bring this to people's attention," said Hodge. "Not so much necessarily to say we own the property, but just to say let's get a decision so that somebody can get in there and work this property."

Hodge said he has never seen or heard tell of a case like this during all his years in the industry.

"I've had one other property dispute, way up in northern Ontario," he said. "It involved Inco and a junior company and we got it resolved just sitting down with Inco and so on. I've never run into anything like this before, never."

Hodge said that with the Adjudication Board's decision this fall, Canstar was gearing up to move back onto the property before Christmas to resume drilling. Chislett's notice of appeal stopped all that.

"We're ready to go," Hodge said. "We're hoping they (the Supreme Court) will strike the thing down and reject them so that we can get going on the drilling. That's what we're hoping, but it probably won't happen. This will probably drag out into the new year."

Know what you're paying for before leaving

When you buy travel insurance, don't be tripped up by fine-print clauses that deny compensation when you make a claim.

Take Bill Walker and Iris Lustig. They booked a trip to London, but had to cancel a week before leaving because Lustig had a flare-up of Crohn's disease, a chronic stomach ailment.

"She was very sick, so our doctor recommended we not travel," says Walker, a former *Toronto Star* reporter now working in public relations.

But Mondial Assistance, the insurance partner of their online travel agent, Expedia.ca, turned down the claim because Lustig's medication had been changed shortly before the scheduled holiday.

Trip cancellation policies often deny coverage if you have an unstable pre-existing medical condition at the time of booking. A change in medication is seen as a sign of instability.

Walker promised to donate \$1,000 to the Star's Santa Claus fund if I could get him a refund. (He had paid a total of \$4,758.99, including \$1,537.16 for Air Transat and \$3,221.83 for the Mayfair hotel in London.)

I asked Expedia to review the case. It managed to get a refund from the hotel, but not the airline.

That's where things stood until I said I planned to write a column this week.

"Expedia will pick up the



Personal Finance
by Ellen Roseman

cost of their flight and will be providing them with a full refund for the entire cost of the trip that they unfortunately had to miss," said spokeswoman Noor Marzook.

"As you know, Expedia takes all customer service issues very seriously and does everything they can to advocate on behalf of their consumers.

"They are sympathetic to the Walkers and want to ensure that such situations can be prevented in the future."

The company needs to work together with its insurance partner to construct a clearer picture for the consumer who is using the product, she added.

"The fact that Expedia wants to be clearer with its consumers is a really great win," said Walker, who made the Santa Claus fund donation on Thursday as soon as he heard the good news.

Reading the restrictions in a travel insurance policy can be a tough job because of the legalese. It's up to travel insurers to be more

forthright in explaining what is included and excluded.

I recently spoke to a couple who had to cancel a trip because the husband's mother died of cancer before they were scheduled to travel.

They, too, were denied a refund because their policy excluded any cancellation caused by the illness or death of a relative with an unstable pre-existing condition.

Is it common to exclude pre-existing conditions in a traveller's family? I asked Milan Korcok, a medical journalist who runs the TravelInsuranceFile.com website, to do some homework for me.

"Yup, it's there. I can see the reason for it if I try hard enough," he said.

"But my biggest beef is that the exclusion is hardly ever explained to the traveller by the agent selling the policy. In fact, there are many agents who know nothing about that contingency in the first place.

"I always tell insurance purchasers that they should read the fine print, but even I had a hard time finding that specific clause in several policies I researched."

Korock says it's best to deal with an agent or company that specializes in travel insurance, ask tough questions, and look at the contract language before paying up.

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More of the *Virginia's* nautical adventures

An inglorious end, perhaps, for such a well travelled schooner

A few months ago I wrote about the schooner *Virginia* and her topsy-turvy 1907 voyage; more research has provided me with more to tell.

Looking for something completely different, I stumbled on the *Virginia's* official log book. The official log was required on nearly all ships under Great Britain's Merchant Shipping Act of 1894, a magnificently weighty piece of legislation over 700 pages long in its 1906 printing. The official and daily logs could be combined, but the former took precedence. It contained information about practically all facets of life aboard a ship, such as shipping schedules, discipline and crew relations. A complete list of ports where a seaman could purchase a money order to send home was provided. Illness was still a scourge, meaning lime and lemon juice were obligatory, and a whole page listed all the medical supplies one had to have on board for a voyage lasting more than six months. Handling and containing cholera and plague was discussed (and you're worried about the flu?)

The most fascinating little gem, however, is "Rules of the Road," on avoiding collisions at sea. It contains "Aids to Memory in Four Verses, by the late Mr. Thomas Gray, C.B.," as follows:

1. *Two Steam Ships Meeting:*
When both side lights you see ahead
Port your helm, and show your RED.
2. *Two Steam Ships Passing:*
GREEN to GREEN – or, RED to RED –
Perfect safety – go ahead.
3. *Two Steam Ships crossing:*
NOTE. - This is the position of greatest danger; there is nothing for it but good look-out, caution, and judgement.
If to your starboard RED appear,
It is your duty to keep clear;
To act as judgement says is proper;
To Port or Starboard – Back – or stop her!

*But when upon your Port is seen
A Steamer's Starboard light of GREEN,
There's not so much for you to do,
For GREEN to Port keeps clear of you.*

4. *All Ships must keep a good look-out, and steam ships must stop and go astern, if necessary.
Both in safety and in doubt,
Always keep a good look-out,
In danger, with no room to turn
Ease her! Stop her! Go astern!*

Collisions at sea between sailing ships and ocean-going steamers were a subject of concern in Newfoundland, with scores of smaller, less-maneuverable schooners around our shores or on the banks. It is no wonder that lookouts and lights (and pumps) were attended to carefully each day.

I also found some answers to questions I had myself. Who served on board the *Virginia*? At various times beginning in 1906 when she left King's Cove, Bonavista Bay, for ports in Labrador, Spain, Cape Breton and Newfoundland and into 1908, the *Virginia's* crew included, besides Captain George Jackman, mate Peter Yard, cook/seamen John Sutton and Otto Andersen, able-bodied seamen John Miffen, Richard Lethbridge, Sigrid Gudmundsen, James Philpott, John Power, John Collins, John Gover, Patrick Hanlon, William MacDonald, Augustus Gunnerson and boatswain Henry Mathisen.

Many crewmen came from around the Bonavista Peninsula but some were Scandinavian, usually Danes or Norwegians whose role in Newfoundland's history has been largely overlooked. Not all crew made all voyages. Crewmembers frequently left "by mutual consent" and John Collins had to be left at Trinity in early January 1907 when he became sick.

But what happened to the *Virginia*? Did she live out her days performing yeoman service for her owners and retired as gracefully as a wooden boat could in the twentieth century? Yes and no. Until 1911, she continued collecting and trans-

porting fish for overseas and returning with salt, engaged in coastal trading ("adventures," as they were called) and delivered a breathtaking array of goods for the Ryans to sell to customers in their shops and stores. Her fate resembles her 1907 voyage but with a less happy ending. It also had to be pieced together from several sources over several afternoons of dogged research.

Beginning with a single scrap of paper in the Ryan Brothers company file at the Maritime History Archive (whose assistance I gratefully acknowledge), the *Virginia's* final days take shape. A receipt typed in Spanish states that on Oct. 26, 1911, she sold the last of over 168,000 kilograms of salt fish in Malaga, Spain. The next thread is a single sentence in the "Nautical" section of the *Daily News* Nov. 29, where it was reported the *Virginia* left Cadiz Nov. 12 with a load of salt for Trinity. In the meantime, a series of terrific storms battered Newfoundland and the Western Atlantic. Ships of all sizes staggered into port, well overdue and heavily damaged. The captain of the brigantine *Gibraltar* reported the storms he encountered were the worst in all his 150 Atlantic crossings. The *News* chirped blithely on Dec. 11 that "several of our vessels are now making long voyages from Oporto and Cadiz," but considering the storms and late arrivals, "no great anxiety need be felt by the relatives of those on board."

On Dec. 26, however, a wire story from Kingston, Jamaica, confirmed the *Virginia's* fate, and was followed by more reports the next few days.

By the end of November, the schooner was about 800 miles west of Spain. An immensely powerful storm blew up and, just like four years earlier, the *Virginia* was tossed about for days. This time, however, "after masts, hatches and everything portable had gone by the board" and her cargo of salt was soaked by giant waves crashing over the decks, the "midget schooner," as a New York wire story called her, was a hopeless wreck. On Dec. 12, the five man



Newfoundland History
John Cheeseman

crew, including Captain Daniel Connolly, had had more than enough. They abandoned the *Virginia*, were picked up by the British passenger steamer *Manzares* and brought to Kingston. They travelled to New York on the steamer *Atrato*, arriving there Jan. 4, safe and sound, or as much as one could be after an experience like theirs.

The *Daily News* and *Evening Telegram* (the latter mistakenly called her *Virginian*) bemoaned the losses caused by the rough weather. Besides the *Virginia*, two other sailing vessels involved in the foreign trade were lost (the crews saved), two more disappeared without a trace and another was sold that fall. The *News* noted on Jan. 5 "the local fleet has almost been reduced one-fifth." More vessels would be lost through the winter.

There you have it: an inglorious end, but so commonplace then that only a series of short news stories, scattered log books and fish receipts remain. Today however, the *Virginia's* story is a glimpse into our past, a means of helping us identify ourselves, sans fanfare or hyperbole. It was as it was. And it should be remembered as such.

(Speaking of giving credit, I also have to thank the Trinity Historical Society for letting me plunder their archives since May. Being a history nerd, I even spent some days off in their reading room, trolling through an impressive collection of the past, when I could have been out enjoying the present. But they haven't seen the last of me. I'm just like H1N1, only much nicer.)

Correction

A story in Vol 4 # 6 of *The Business Post* contained inaccurate information about wages paid to security workers at the Vale Inco nickel mine in Voisey's Bay. United Steelworkers spokesman Curtis Saunders was quoted, accurately, as saying that security workers at the mine earn less than \$14 an hour.

In fact, security workers at the site earn close to \$22 per hour and had been offered a raise of 10 per cent over three years.

Krissy shows more gold

Hunt for source continues

Soil tests on Silver Spruce Resources' Rambler South property have yielded gold values of up to 193 parts per billion.

The testing was done on the Krissy trend.

The two highest value results - the other was 125 ppb - were taken from areas that have yet to receive follow-up exploration.

Some of the soil samples also contained strong copper values that appear to be associated with the gold. However, in an anomaly north of the Krissy sheer, which had never been prospected or otherwise evaluated before, samples were taken that had high copper values but no gold.

The Krissy trend was outlined following the discovery of the Krissy boulder by geologist Peter Dimmell in 1992. The original source of the 500 pound boulder, composed of recrystallized quartz with pyrite and visible gold, remains to be discovered.

Five different companies have optioned the ground since the discovery of the Krissy boulder and while all of them have advanced the property in terms of outlining its features and discovering more gold, said Silver Spruce's senior geologist Guy MacGillvray, the source of the gold has yet to be found.

However, to date little drilling has been done on the property. Of the bit that has, both at Krissy and at the nearby Brass Buckle zone, significant, but narrow, intersections of gold were noted in both cases.

Silver Spruce acquired the property this past summer. Along with collecting soil samples and conducting prospecting surveys, the company drilled seven holes, both at Krissy and a trend called South Brook.

Gold intersections up to 1.4 grams per tonne over 17.5 metres, including 9.99 grams per tonne over 0.7 metres, were located in the South Brook zone. Gold mineralization, including visible gold, was discovered at the Krissy zone. Significant values from that zone included 12.5 grams per tonne of gold in a 1.5 metre channel sample and 2.75 grams per tonne over 1.65 metres, including 6.85 grams per tonne over 0.51 metres.

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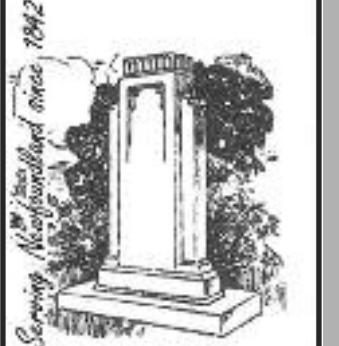
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Great Big Surprise

Popular singing group among Business Hall of Fame inductees

They may be better known as singers, but the three members of *Great Big Sea* are also pretty good at making a buck.

That may be one of the reasons for their inclusion as inductees in the Junior Achievement of Newfoundland and Labrador 2010 Business Hall of Fame.

Alan Doyle, Bob Hallett, and Sean McCann will join construction company owner Fred Cahill and Labrador's Gordon Manstan

as inductees in a gala ceremony May 27, 2010 at the St. John's Convention Centre.

"This year is a significant milestone for the Business Hall of Fame as we celebrate 20 years of honouring the distinguished business leaders of Newfoundland and Labrador," said the honorary chairman Earl Ludlow. "The 2010 inductees have all demonstrated that success is not only about taking care of business, it's

about taking care of the communities in which we live and leading by example. They are all truly exemplary Newfoundlanders and Labradorians."

Suncor Energy is the 2010 Platinum Sponsor for the Business Hall of Fame. Suncor Energy's vice president for Newfoundland said the company is delighted to participate in the event.

"Junior Achievement fosters innovation, leadership and an entrepreneurial spirit

Movers & Shakers

in our province's youth, and the inductees to the Hall of Fame stand as excellent business role models," Brown said.

Bells sell K&D division

The industrial supply division of K&D Pratt Group Inc. has been sold to Acklands-Grainger Inc., for an undisclosed price.

The sale was announced Nov. 30 by Andrew Bell, the president of K&D Pratt Group.

"The Industrial division has been part of K&D Pratt for over 30 years and has provided the Atlantic Canadian business community with exceptional service, full-service distribution and strong technical expertise that has earned us the reputation as industry leaders," said Bell. "Today's sale of the Industrial division allows us to strengthen and focus our attention on our five remaining technical business divisions and demonstrate category leadership and expertise in the fields in which

we will continue to operate."

Bell said the company wanted to ensure the best interests of its employees and customers were considered.

"Acklands-Grainger is a national company with similar business values and focus on customer service. We are confident that our customers will continue to be served well and employees involved in the Industrial division will have a smooth transition," Bell said. "This is a great strategic fit and both our companies look forward to maintaining a strong presence in Atlantic Canada."

The Industrial division is one of six divisions K&D Pratt currently operates in facilities located in Dartmouth, St. John's and Saint John. The sale does not affect the remaining five business divisions in communications, offshore, fire, logistics and instrumentation.

The sale is effective immediately. Bell said the terms of the deal will not be disclosed.

Delivering Christmas cheer

Purolator Courier is hoping to deliver some holiday

cheer to impoverished Canadians this Christmas.

The company has announced that it is making a 50 cent donation to Food Banks Canada for every non-account shipment made between Nov. 12 and Dec. 31, up to a maximum donation of \$40,000.

"Now, more than ever, helping raise funds for local food banks is critically important as food bank usage in Canada is on the rise," said Brian Meagher, senior vice president of marketing, sales and customer Service. "Hunger is an issue that affects Canadians across the country and through our ability to reach almost every destination point in Canada – we know we can make a difference."

Purolator Retail Centres, STAPLES and BUREAU EN GROS locations, as well as over 550 authorized Purolator Shipping Agents, are participating in the annual campaign.

Purolator has delivered more than three million pounds of food to food banks across Canada.

Purolator Courier Ltd. of Mississauga, Ontario is Canada's largest courier company.

THANK YOU



The Bay Bulls War Memorial Committee would like to offer its thanks to all those who made the revitalization of the John Frampton War Memorial a success.

- ✓ Eddy Howlett of MUIRS MARBLE WORKS for the design and donation of the monument
- ✓ Larry Puddister of Pennecon for the donation of the concrete
- ✓ David Armstrong for site design.
- ✓ Gerard Mulcahy for the donation of his print of the Bay Bulls Lighthouse and Eddy Howlett for the donation of his print *For God and Newfoundland*. Both will be exhibited in the future war time museum in the new Council Building.

We also thank all the individual and businesses who contributed to the cause, as well as the Town Council of Bay Bulls, The Knights of Columbus, and Veterans Affairs Canada for the important part each played in the project.

The monument was unveiled at the Remembrance Day Ceremony on November 11, 2009. We offer our thanks to all those who helped us achieve our goal of establishing a new monument to all those who have served, past and present.

The Bay Bulls War Memorial Committee

Divide to conquer?

West coast juniors shuffle assets to carve up exploration licence

Several of the companies involved in oil exploration in Western Newfoundland have jiggled their ownership interests in an exploration licence as part of a complicated deal that will see one company own 100 per cent of the rights below a certain rock formation and two others controlling the ground in shallower depths above it.

Under the deal, PDI Production will gain a 100 per cent interest in all of the strata below what is called the Green Point Formation. In return, PDI's parent company, Enegi Oil plc of England, will transfer to Shoal Point Energy and Canadian Imperial Venture Corporation (CIVC) its interest in all of the ground above the formation.

The move will allow PDI Production to explore for conventional oil deposits using Exploration Licence 1070, while the other two companies will explore and try to develop unconventional shale plays in the Green Point Formation using the same licence.

Both Enegi and CIVC say the deal will allow the companies to "focus and facilitate activity" on Exploration Licence 1070.

The licence covers some 137,000 acres of onshore and offshore land in the Port au Port Bay area. Targets within the bay are reachable by directional drilling from onshore.

Enegi spokesman Nick Elwes said the division of assets came after "considerable debate" among the three

companies "on the relative merits of the two plays with no clear preference acceptable to all parties emerging. In the interest of allowing proponents of either play to pursue the play of their choice, an interest swap agreement has been signed."

Enegi CEO Alan Minty described the change as a positive outcome.

"We are delighted to have reached this agreement with our partners," said Minty. "This transaction will enable us to focus and develop the play of greatest interest to us. We believe the St George's play is very prospective and offers some good opportunities for us which we look forward to exploring further."

CIVC's chairman, Steve **See CIVC on page 12**

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Employers share concerns on EI, workers' comp

BY CRAIG WESTCOTT
THE BUSINESS POST

They are perhaps the two government programs most abused but also the least likely to get full public scrutiny: employment insurance and workers compensation.

The two sacred cows of the Newfoundland economy are the subject of much debate and private griping among employers, but few are wont to discuss either issue publicly.

In fact, when the Newfoundland and Labrador Employers Council tried to put together a panel of business leaders to address the subjects for its annual fall conference last month, there were sympathetic nods, but no takers, especially on the subject of EI.

"We wanted to address this issues, because it is an issue," said the NLEC's executive director Richard Alexander. "So our next step was to go to industry associations and lo and behold we experienced some of the same barriers."

But there is no doubting the programs are problematic for some employers.

Alexander said the council was even asked recently to sit in on a meeting between a Newfoundland MP and a large employer in St. John's that was having difficulty recruiting and retaining workers because the EI system.

So in the end, the council decided to provide some anonymity for its members by contracting Corporate Research Associates (CRA) to survey its members to see what kind of impact the two programs are having on workplaces in this province.

"I know what it is anecdo-

tally, we hear it everyday at the Employers' Council," Alexander said. "But we thought it would be good to quantify."

And that's where Don Mills comes in. The head of CRA has years of experience polling Newfoundlanders and assessing their views on everything from their favourite political party to their favourite consumer brands. CRA has even done work for all four workers' compensation boards in the Atlantic provinces. But even Mills seemed surprised by some of the survey results.

"I think it's very helpful that the council undertook this work," said Mills. "We hear a lot from employees - they get a lot of attention in the media - but we don't really have a voice from employers on some of these issues."

In addition to the poll responses, Mills said, CRA's staff received pages and pages of verbatim comments. Employers apparently, had a lot to get off their chests.

The survey tried to reach 255 members. Of those, some 111 completed the survey. The survey found that for the most part, employers are satisfied with the employment insurance system. However, many feel that the current rules inhibit their ability to attract and retain employees.

"That's the big conclusion," said Mills. "It's probably not a surprise for anybody, but people actually said it out loud and now we have it on the record."

And though some 62 per cent of respondents said they were somewhat or completely satisfied with the system, a significant minority, some 25 per cent, reported



The founding chairman of the Newfoundland and Labrador Employers' Council, Vince Withers, left, presents the annual scholarship he started last year to recipient Carol Stringer of Bay Roberts during the NLEC's recent convention in St. John's. This year's applicants had to write an essay on the subject of "the disappearing work ethic." The scholarship is worth \$1,000 and is donated by Withers. Stringer is a second year accounting student at College of the North Atlantic.

being mostly or completely dissatisfied.

Interestingly, satisfaction levels were highest among employers with unionized workforces.

As far as eligibility rules for EI are concerned, about half the respondents said they thought the rules were fair. Some 23 per cent said the rules are too generous. Twenty-four per cent said they are a hindrance to their company's operations.

"And if you look at the comments, people were saying, 'Given the choice between taking the benefits and working, there's really not much difference to the employee, so why would they work?' So the incentive is not really to go back to work because the benefits really are overly generous in that case," Mills said.

The biggest negative im-

fact that employers see with the system is that it negatively affects workers' attitudes. For instance, said Mills, some laid off workers are reluctant to return to work for a single call-in shift.

Employers say the system also negatively impacts employee turnover and absenteeism.

Very few positive impacts were reported. "One of the things that we heard is that the insurance program is not really an insurance program anymore, it's really an income supplement, and it's extremely difficult to break that cycle," Mills observed.

And that's in a province with an unemployment rate that is higher than 17 per cent.

Even with such a high unemployment rate, about a

third of respondents said the EI rules make it harder to find employees. Forty-one per cent said people have turned down job offers because they were on EI. And a whopping 60 per cent admitted they had been asked by an employee for a pink slip so that the person could collect EI.

"There's something seriously wrong with this," said Mills. "I mean, really."

Mills noted the layoff requests were made more often in unionized workplaces than in non-unionized workplaces.

As far as the workers compensation system is concerned, employers are even more dissatisfied.

"The level of satisfaction is really quite low - only 36 per cent," said Mills. "We have 50 per cent that have some level of dissatisfaction. I think this is information that needs to go to Workers' Compensation... and I'm pretty sure they can use this information to help them with their work."

Dissatisfaction levels are higher for employers with unionized workplaces.

Mills said about half the

companies didn't have any workers on workers compensation when the survey was conducted. Of those that did, most of them were unionized. In fact, only 21 per cent of unionized workplaces reported having no workers on compensation.

Some 40 per cent of employers think the current system is a hindrance to their operations. Forty-five per cent cite the system as having a more negative impact on employee attitudes than EI. Some 37 per cent of employers felt workers compensation negatively affects employee absenteeism and 33 per cent said it hurts productivity.

"One of the comments that was reoccurring was, 'How do you get injured workers back to work as quickly and safely as possible?'" Mills said. "And there is some sense that even though the system is meant to do that, it is not working as well as it should."

Some of the blame was placed on doctors who won't cooperate, Mills added, while others said case workers side more with the employee than the employer.

CIVC and Shoal Point create blocks to attract more partners

Millan expressed a similar view.

"I am delighted with this agreement, which has enabled us to increase our interest in the prospective Green Point play from 22.5 per cent to 38.5 per cent while enhancing our ability to move ahead rapidly with its development," said Millan.

Shoal Point Energy will be the operator in the explo-

ration of the shale formation. Meanwhile, CIVC has brought McLaren Resources of Toronto in as a partner on part of its stake. McLaren will have the right, on a well by well basis, to participate in a planned three-well program slated to start in 2010. McLaren will pay 32 per cent of the cost of each well to earn a 16 per cent working interest in the block on which each well is drilled.

Provided McLaren participates in all three wells, it will have the right to pre-empt and match the terms of any third party offer on remaining blocks in EL 1070. Shoal Point Energy and CIVC have divided their portion of the exploration licence into 15 blocks with a view to attracting partners for the various phases of exploration.

Millan said Shoal Point

Energy, CIVC and McLaren have also agreed to establish an "Area of Mutual Interest," comprising some 1.5 million acres, for lands outside of Exploration licence 1070, which are potentially prospective. Millan said the companies intend to acquire more acreage in that area through land sales and farm-in deals with other parties that hold rights to the properties.

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