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## BP finally relents, counts oilsands in global tally

### Long-Time Skeptic

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CALGARY - Oilsands skeptic BP PLC has finally caved after years of ignoring Alberta's oil-soaked dirt in its influential tally of world energy resources.

The oil giant, one of the few super-majors in the world without a significant oilsands project under development, has long been reluctant to count the number of potential barrels in the unconventional, economically challenged oilsands in its annual Statistical Review Of World Energy.

The London-based company pulled a quiet about-face late last month, however, and its highly regarded publication now lists Canadian oilsands as containing 163.5 billion barrels of undeveloped reserves -- oil that could be produced using today's technologies and in today's economic climate -- among a total of 1.37 trillion barrels worldwide.

Recognition from BP, alone, is a significant change from the past and continues "momentum" that began four years ago when such influential entities as the United States Department of Energy; the Oil & Gas Journal; Cambridge Energy Research Associates and the International Monetary Fund began including Canadian oilsands reserves as mainstream, said Greg Stringham, vice-president of the Canadian Association of Petroleum Producers.

"It's a big step for BP and it's a world-renowned publication," Mr. Stringham said yesterday.

"The earlier steps by others allowed the international community to recognize the movement of the oilsands into mainstream oil and gas production, instead of being off to the side as a frontier development. They created a lot of international interest.

"This keeps that momentum going."

BP has been the lone holdout in recognizing the oilsands despite more than \$125-billion worth of planned investment for the sector by many of its chief rivals, including Royal Dutch Shell Plc.

BP sold much of its oilsands position to Canadian Natural Resources Ltd. in the 1990s, but it retained some land in the Athabasca region, where the oil is buried too deep to mine.

The large U.S. refiner said last year it would spend billions redesigning its refinery in Whiting, Ind., to take Canadian heavy oil from Alberta's oilsands.

Mark Finley, the head of energy analysis within BP's economics team, said the company's tune changed as it got consistent data over time from the Alberta Energy and Utilities Board, the Alberta government regulator that estimates the oilsands hold 178.7 billion barrels of recoverable oil.

In a sign of caution, however, BP also separates out the Canadian reserves and lists its final world tally as "proved reserves and oilsands."

In a footnote to the list, BP further breaks out an additional 10.3 billion barrels of Canadian oilsands reserves now under active development.

"We've always said that the statistical review does not report how much oil is there," Mr. Finley said.

"We added [oilsands] as a line item because our expectation has never been if the resource is there, it's always been around the economics of it. "

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