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News Release

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Government Supports Innovative Technology, Invests in Saskatchewan Economy

Regina, Saskatchewan – Today, the Honourable Lynne Yelich, Minister of State for Western Economic Diversification, announced a $2.5-million Government of Canada investment towards the research and development of new technologies in enhanced oil recovery. Natural Resources Canada will provide $1.5 million and Western Economic Diversification Canada will provide $1 million to the Petroleum Technology Research Centre (PTRC) in Regina, who will be undertaking the research until 2011.

"Our Government is committed to ensuring that Canada is at the leading edge of developing clean energy technologies to reduce emissions and adapt to environmental change," said the Honourable Lisa Raitt, Minister of Natural Resources. "This research project with PTRC will help to achieve these goals by developing new technologies which will improve Canada's competitiveness."

"Today's investment in enhancing oil recovery acknowledges the leading-edge research being conducted here in Saskatchewan," said Minister of State Yelich. "By advancing technologies that will strengthen the competitiveness of the Saskatchewan economy, we are building on our record of results for the West."

The Government of Canada investment will enable the PTRC to conduct two research projects that will result in the development of new technologies that will enhance oil recovery in the Saskatchewan and Canadian petroleum industry. Both projects will focus on developing technologies that will get more oil out of the ground, while at the same time lessening the environmental impacts of the process.

The first project will aim to eliminate the use of steam in the extraction of oil sands. If applied to all steam-assisted oil extraction operations in Canada, solvent vapour extraction technology could reduce $C0_2$ emissions by 85 million tonnes. The second project will help improve oil recovery by recycling flue gas, a gas that is often produced when extracting oil out of reservoirs and re-injecting the gas back into the reservoir.

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“The continued support of the Government of Canada in our enhanced oil recovery research is instrumental in helping the oil industry monetize increasingly more difficult to access reserves,” said Dr. Carolyn Preston, Executive Director of the PTRC. “At the same time, they are also providing the financial support to develop technologies that will mitigate environmental impacts.”

Western Economic Diversification Canada, works with the provinces, industry associations, and communities to promote the development and diversification of the western economy, coordinates federal economic activities in the West and represents the interests of western Canadians in national decision-making.

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A stronger West. A stronger Canada

Backgrounder

Petroleum Technology Research Centre
Funding announcement for the enhancement of oil recovery

Project 1: The project seeks to eliminate the use of steam in the extraction of oil sands bitumen by using solvents rather than water. Solvents (like propane and butane) injected into a reservoir do not require heating to extract the oil, and so there is no $C0_2$ produced. Solvent vapour extraction technology, if applied to all steam-assisted gravity drainage operations in Canada, could potentially eliminate 85 million tones of $C0_2$ from being emitted over the life of bitumen and heavy oil extraction in Canada.

Project 2: This project seeks to improve oil recovery while reducing greenhouse gases by recycling flue gas back into the reservoir. The flue gas often produced when extracting oil out of reservoirs and other gases, will be re-injected into formations to improve oil recovery, while at the same time eliminating this waste gas from entering the atmosphere. Most flue gas is currently burned off at oil recovery operations and this adds to greenhouse gases.

The $2.5-million Government of Canada investment will help the Petroleum Technology Research Centre reach its overall goal to increase oil recovery, particularly within the heavy oil reserves. The current recovery rate of heavy oil reserves is 10%. The current unrecoverable resources are worth at least $1-trillion. An increase of only 1% is estimated to yield 350-million additional barrels of oil worth approximately $17-billion for Saskatchewan and Canadian economies.

The Regina-based Petroleum Technology Research Centre was founded by Natural Resources Canada (NRCan), the Province of Saskatchewan, the Saskatchewan Research Council and the University of Regina. The non-profit research and development corporation initiates and supports projects aimed at enhancing the production and recovery of Canadian petroleum resources through applying innovative technologies and engineering solutions.

For more information, please call: 1 888 338-WEST (9378) or visit: www.wd-deo.gc.ca