

Our purpose is to be the regional market leader in processing,



transporting and marketing finished energy products, as well as offering complementary products and services, to consumers. We will work together to achieve our purpose by focusing on our core competencies of customer service and supply chain management. We will succeed by consistently adding value to our knowledge and physical assets, creating mutual value with our human resources, and for our customers. We are a principled organization in which all stakeholder relationships appreciate over the long term. We are distinguished by our belief in the worth of an individual and in the meaning of a promise.

### **An Introduction to Irving Oil**

- We are a family owned and operated refining and marketing company, established in 1924.
- We operate Canada's largest oil refinery in Saint John, New Brunswick (270,000 barrels per day).
- We market gasoline through a network of over 800 service stations and convenience stores in Atlantic Canada and New England.
- We provide residential and commercial energy services including home heating oil, propane and natural gas through over 40 retail offices.

### **Irving's Market**

- 24 hours by ship from Saint John to Boston.
- 36 hours by ship from Saint John to New York.
- Irving Oil supplies more than 20% of all US gasoline imports in 2003.
- Northeastern US market imports 3 million bpd and consumes 5 million bpd.

- Irving Oil imports ~ 200,000 bpd into the Northeastern US market.

### ▪ **Addressing the Competitive Market**

- Ensuring that we are the low cost provider of energy products while maintaining our safety and reliability performance
- How will we do this
  - Through a productive, engaged workforce which includes Irving employees and employees of our strategic alliances such as Jacobs
  - Focus on reliability and productivity
  - Measure our performance and compare to Best Practices with Continuous Improvement as a cornerstone to our operations

### **Addressing the Competitive Market**

Embarking on a Maintenance Excellence Program  
The Maintenance Excellence Program is a refinery-wide program that will impact many areas of our refinery and how we work together. This program will look at all aspects of our day-to-day maintenance work and compare our current practices to Industry Best Practices to see where we can make improvements and increase efficiencies.

### **Addressing the Competitive Market**

Maintenance Excellence Program con't..  
Although we are very much in the initial stages of this program, here is what we want to achieve:  
We want everyone, in all areas of our refinery, to be part of a dedicated and progressive team  
We want to become more cost effective and competitive in maintaining our refinery  
We want processes in place that will help us stay competitive now and in the future

### **Our Expectations of our Alliances:**

- Working with us to develop and sustain an engaged, productive workforce and creating a positive work environment focused on continuous improvement
  - Development of cross functional skills training, more indepth safety training, supervisory training, apprenticeship & recruitment strategy;
  - Development of maintenance career strategy to enhance high level of ownership and commitment
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- Develop flexibility in the contracts we enter into, to allow most efficient utilization of the workforce to meet our objectives
  - Work with all stakeholders including Jacobs and the Building Trades as well as all areas of the refinery to ensure success of our Maintenance Excellence Program

## **SUMMARY**

- The market continues to become more global with economies of scale becoming larger as companies continue to merge
- Irving Oil is a small company competing in a very aggressive, ever changing market
- Continuous improvement is not just a “Buzz word” – it is the key to ensuring long term growth
- Contractors and the Building Trades organizations need to get on board with the changes now, so that they will be prepared to meet the challenges that owners will be asking them to
- Owners have choices and will make the decisions that are right for their situation