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CBC News

Irving Oil plans second refinery for Saint John

CBC News has learned that Irving Oil is planning to build a second oil refinery in Saint John, doubling its refining capacity there.

The first Irving refinery in Saint John is the largest in Canada.

Residents of the Red Head area, in eastern Saint John, told CBC that Irving Oil has approached nearly every landowner in the neighbourhood in recent months with offers to buy property.

Irving is already in a partnership with a Spanish company to build a Liquid Natural Gas (LNG) terminal in the area, and is spending millions on an access road through Red Head, between Saint John and Mispec.

Three separate landowners confirmed that the company bought several hundred hectares in the Red Head area in the last couple of months.

Irving spokeswoman Jennifer Parker also confirmed the purchase of the land, but would not say what the company wants to use it for.

"Our company is always looking at opportunities to grow our business. And certainly we've talked about the fact that the refinery upgrade project and the LNG project are foundational investments that will make future investment possible," she said.

However, two government officials have told CBC News the company has plans to build a new refinery that would eventually have the capacity to process 300,000 barrels of oil a day and employ about 1,000 people full-time. The target market for the product would be the United States.

To accompany the expansion, Irving Oil would also build a new corporate office tower, most likely in uptown Saint John.

Irving Oil already operates a large refinery in Saint John, and its output accounts for 75 per cent of Canada's gasoline exports to the U.S.

The company is likely to say more about its plans on Thursday, when Irving Oil's director of refining growth Kevin Scott is due to talk to a sold-out Board of Trade luncheon. The topic of his talk is the potential for further development of Saint John as an energy hub.

Members of the new provincial cabinet are reacting to the CBC report that Irving Oil wants to build an entirely new refinery.

The new Liberal government, sworn in on Tuesday, has pledged to make New Brunswick an energy hub for the eastern seaboard.

Rookie Energy Minister Jack Keir says a new oil refinery would help achieve that goal.

"If it is a fact that they're looking at building a second refinery, I think it's wonderful news for greater Saint John," he said.