

Edmonton, Alberta, Canada Air Service Development 2007



Edmonton International Airport World's Gateway to the North



Edmonton Profile



**Capital City
of Alberta**

Population	1 million & growing
Workforce	585,000
Annual GDP	\$41 billion
Regional Capital Investment	\$81.5 billion
KPMG Cost-Competitiveness Ranking	#1 in North America Midwest
Universities & Colleges	10
Lifestyle Quality	Superb

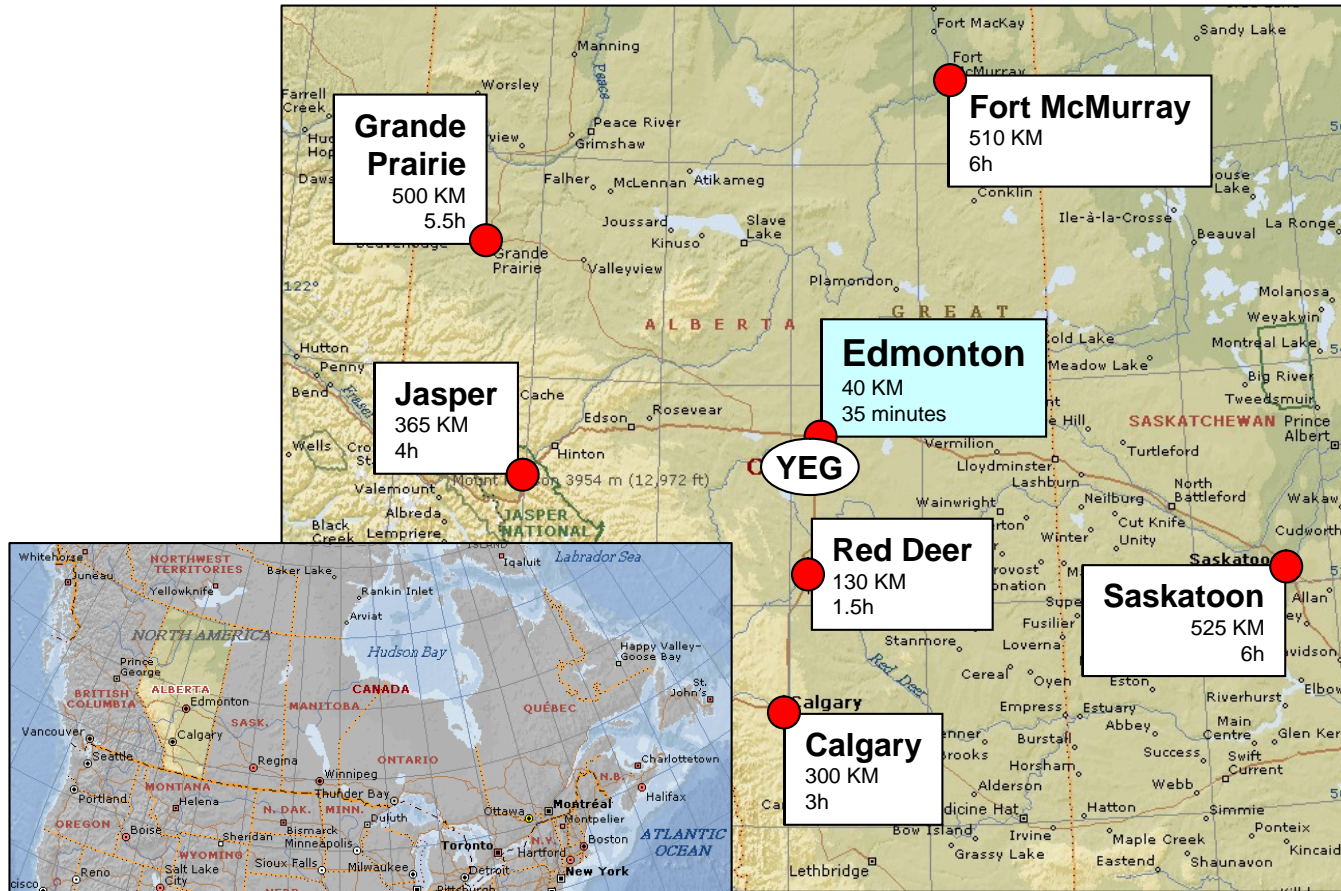


“Edmonton has the **best economic potential** of any North American city”...*London Financial Times (April/07)*





Edmonton Profile – Location, Distance, Drive Times



1.4 million people live within two hours drive of EIA.



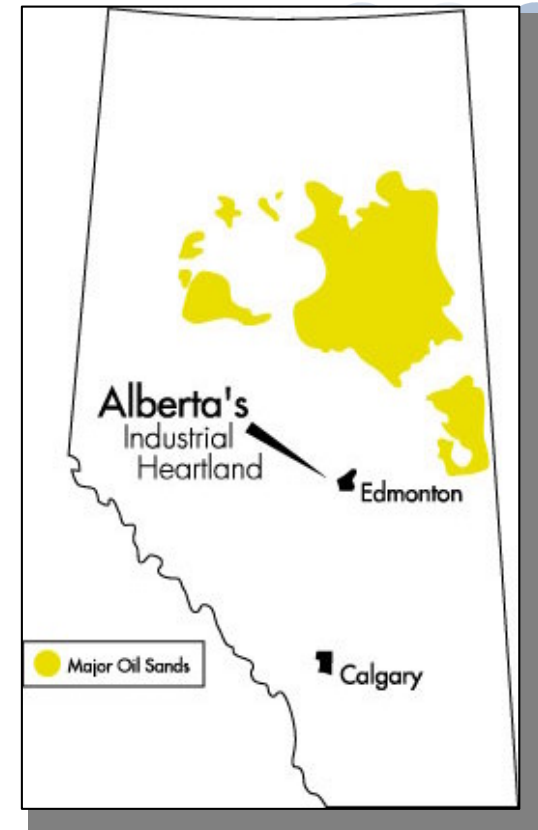
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Edmonton Profile - Industrial Output and Energy Sector

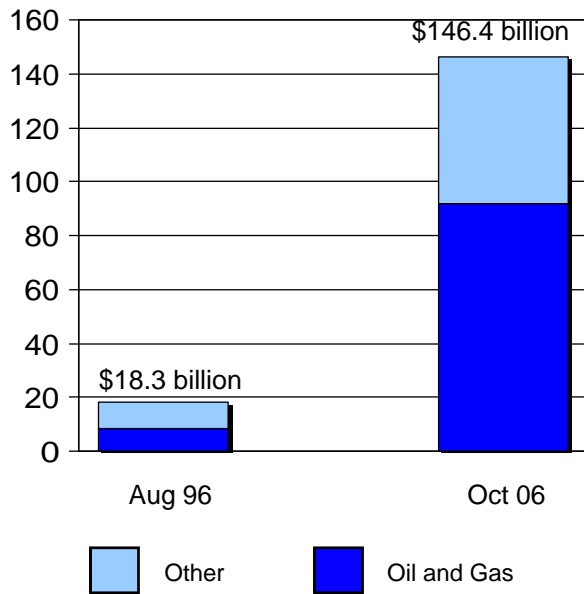
- The **oil sands**
 - 176 billion barrels of proven reserves
 - **2nd largest** in the world next to **Saudi Arabia**
 - One million barrels of oil per day production
 - Upgrading of bitumen in Edmonton is “phase three”
- Edmonton is positioned near, and is the **transportation hub** for, all of Alberta’s resource industries – including the oil sands and heavy oil industries, natural gas, pipelines, forestry, and agriculture.
- Adjacent to the airport lies Nisku Business Park where 500 diverse businesses manufacture and supply equipment and services to the global Oil & Gas industry.
 - 2nd largest oil and gas equipment manufacturing park in NA
 - 16,000 highly skilled workers and professionals
 - 65% of production is for export
 - 70% of all Alberta exports originate from the YEG region.



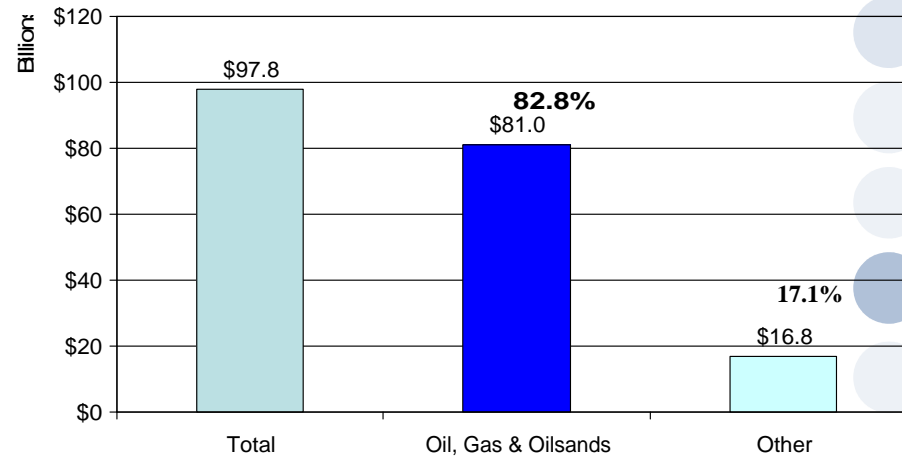


Edmonton Profile – Major Projects

Major Alberta Projects



Northern Alberta Projects



Of the \$146B CAD in major construction projects in Alberta, two-thirds (\$97.8 B) are located in the northern half of the province

Source: Alberta Economic Development



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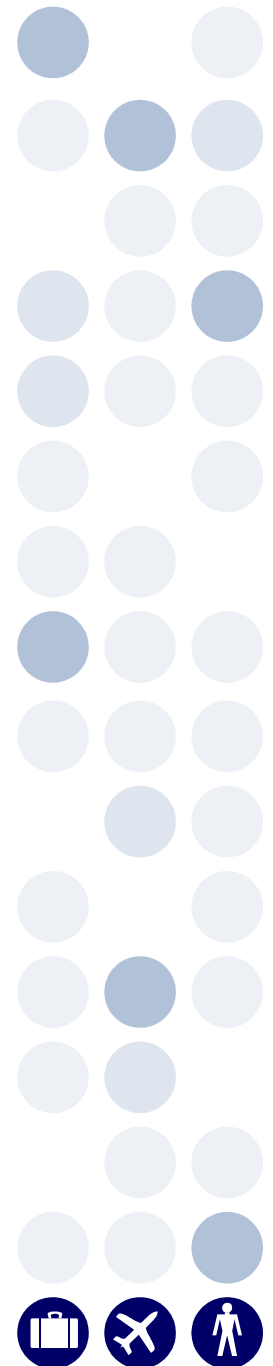
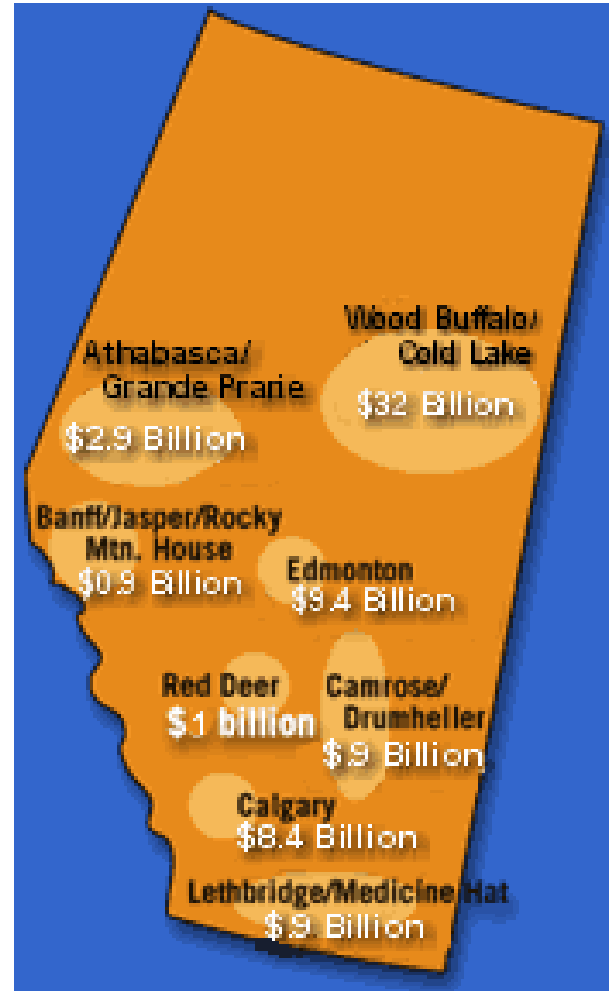




Edmonton Profile – Major Construction Projects

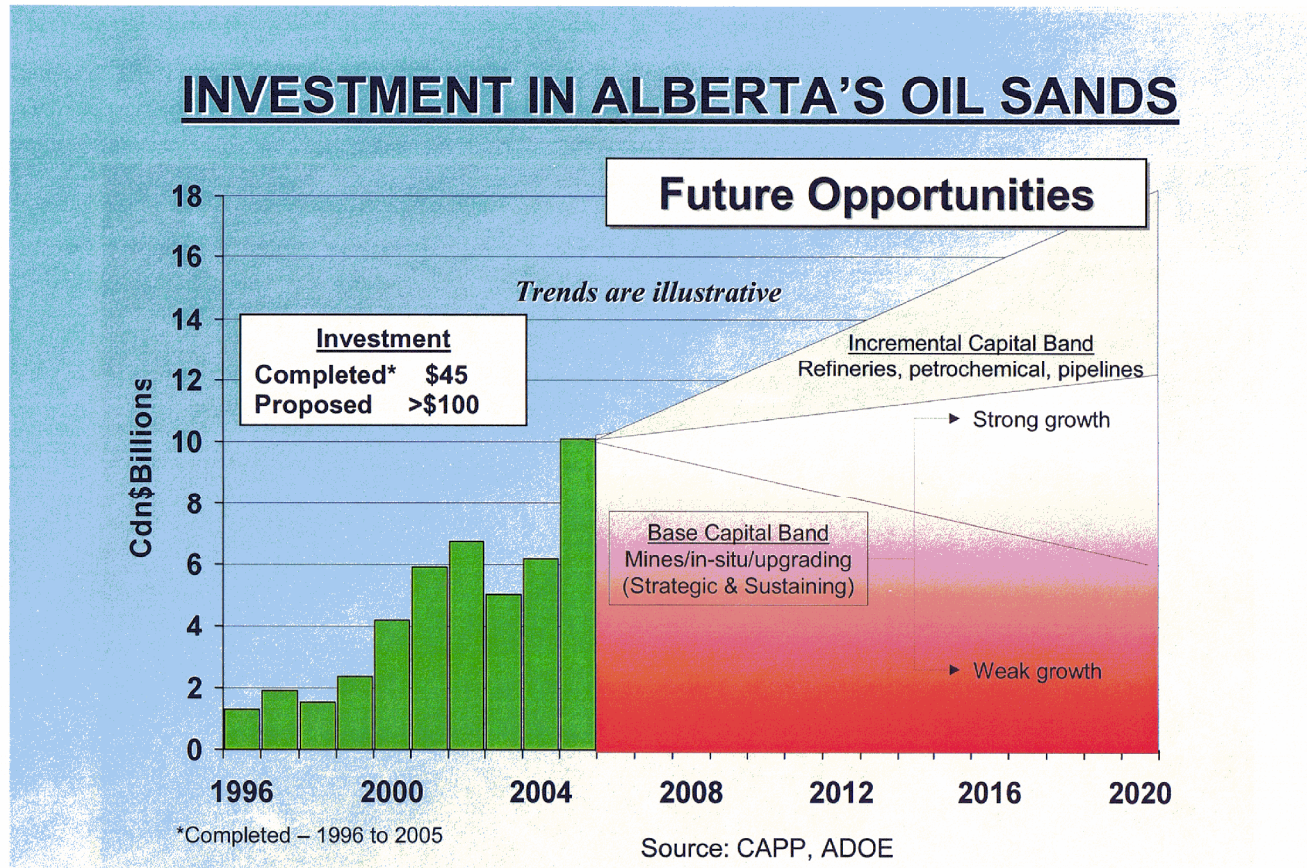
- This map gives an idea of where the major construction projects will be in the next few years. The map includes projects valued at over \$56 billion. The largest share of investment is in the northeastern Alberta region. It accounts for more than half of the share of all construction in Alberta, followed by the Edmonton and Calgary regions.

Source: careersconstuction.com





Edmonton Profile – Economic Investments



October 3, 2006

17

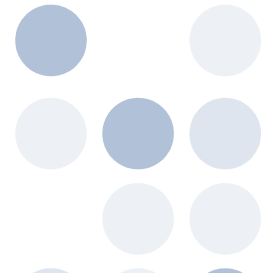


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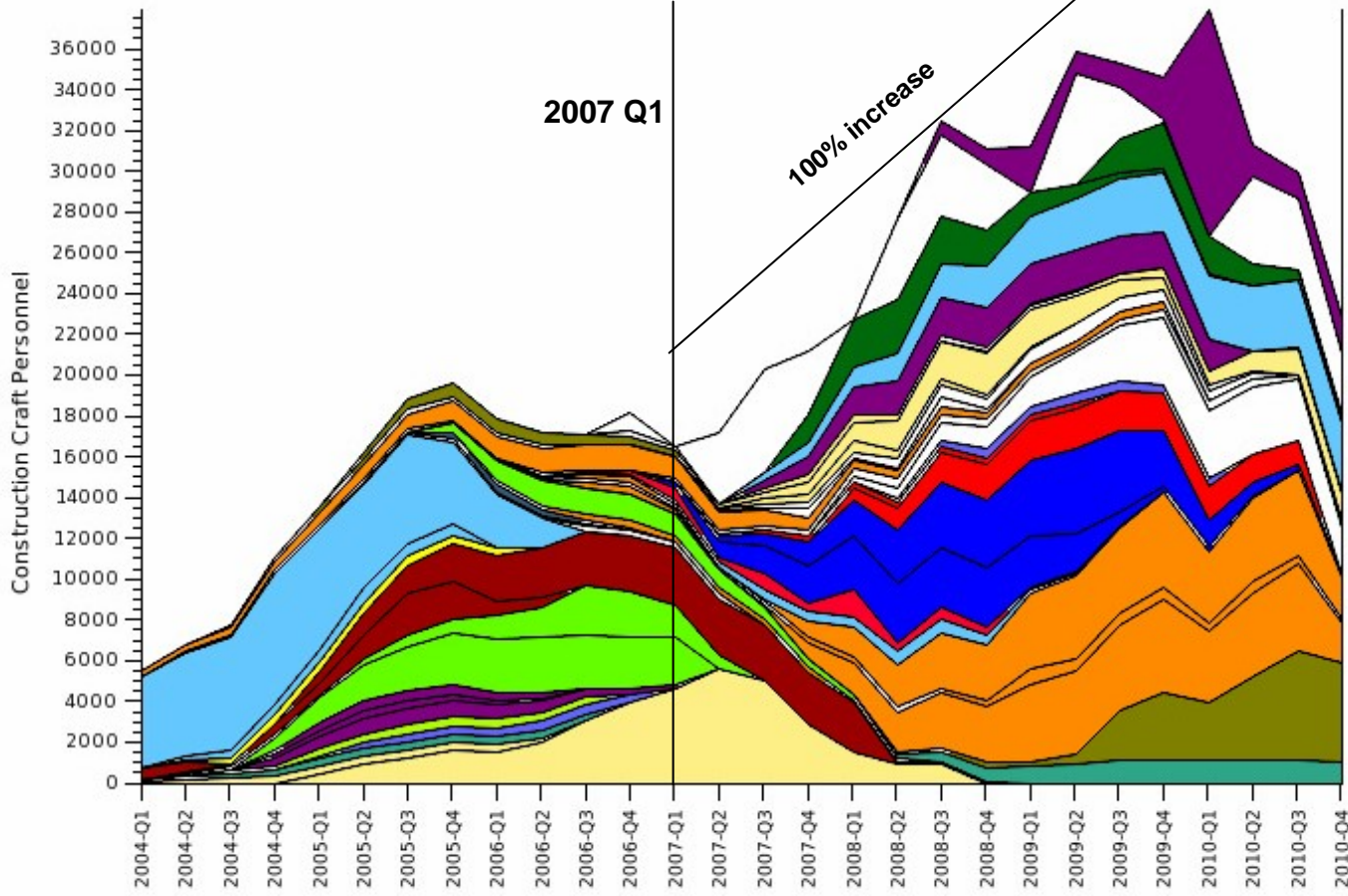




Edmonton Profile – Investment Drives People



Industrial Construction Projects
 >100 MM Cdn (2004Q1 - 2010Q4)
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- | | |
|---|--|
| 1. CNRL
Horizons Project Phase 1 | 2. CNRL
Primrose North Plant, Pipelines, Pads 31, 54-57 |
| 3. Conoco Phillips
Surmont Phase 1 | 4. Devon Canada Corporation
Devon Jackfish SAGD Project |
| 5. Husky Energy Ltd.
Tucker Thermal Project | 6. Imperial Oil
Cold Lake Expansion (14-16) |
| 7. Imperial Oil
Cold Lake Expansion (9-10) | 8. Imperial Oil
Prism ULSD |
| 9. OPTI Canada/Nexen
Long Lake Commercial SAGD | 10. OPTI Canada/Nexen
Opti Canada Inc. - Long Upgrader Project |
| 11. Petro Canada
Edmonton Diesel Desulphurization | 12. Petro Canada
RCP 1.1 |
| 13. Petro Canada
SIG - Sulfur Gamp; Gasoline Requirement | 14. Shell
Ultra Low Sulphur Diesel (ULSD) |
| 15. Syncrude
Southwest Quadrant Replacement Project | 16. Syncrude
Upgrading Expansion - 1 |
| 17. Terasen Pipelines (Trans Mountain) Inc.
Trans Mountain Pump Station Expansion | 18. TransCanada
Edson Gas Storage |
| 19. Insworth Lumber Co. Ltd.
G.P.2 OSL Project | 20. Suncor
Suncor Firebag Expansion |
| 21. BA Energy
Heartland Upgrader | 22. Conoco Phillips
Surmont Phase 2 |
| 23. Petro-Canada, UTS, Teck Cominco
Fort Hills Oil Sands Project | 24. Suncor
Firebag Program |
| 25. Suncor
Mining and Extraction | 26. Suncor
Voyageur Phase 1 |
| 27. Syncrude
Syncrude Emission Reduction Project | 28. Terasen Pipelines Inc.
Corridor Pipeline Expansion |
| 29. Alban Sands-Shell/Chevron/Western Oil Sands
AOSP Jackpine Mine Expansion | 30. Alban Sands-Shell/Chevron/Western Oil Sands
AOSP Downstream Expansion |
| 31. CNRL
Wolf Lake Expansion, Wolf Lake Pad Z11, Wolf Lake 4 | 32. Connaacher Oil and Gas Limited
Great Divide |
| 33. DCEL
Joslyn North Mine Project | 34. DCEL
Joslyn Project SAGD Phase III |
| 35. Devon Canada Corporation
Devon Jackfish 2 SAGD Project | 36. Imperial Oil
Oilsands Mine Project |
| 37. North American Oil Sands Corporation
NAOSC Kai Kos Dehseh Project | 38. Suncor
Upgrading Projects |
| 39. Terasen Pipelines (Trans Mountain) Inc.
Trans Mountain Expansion Phase 1 (Anchor Loop) | 40. TransAlta/EPCOR
Keephills 3 |
| 41. CNRL
CNRL Thermal Projects | 42. CNRL
Horizons Project Phase 2 |
| 43. CNRL
Horizons Project Phase 3 | 44. CNRL
Primrose East Plant, Pipelines, Pads |
| 45. Encana
Foster Creek SAGD - Phase 1C | 46. Encana
Foster Creek SAGD - Phase 2 |
| 47. North West Upgrading Inc.
North West Upgrader | 48. Suncor
Voyageur Phase 2 |
| 49. Syncrude
Stage 3 Debottleneck | 50. Synenco Energy Inc.
Northern Lights Project Phase 1 |
| 51. Synenco Energy Inc.
Northern Lights Project Phase 2 | 52. TransCanada
Dickins Lake and Vardie River Pipelines |
| 53. TransCanada
Fort McKay Area Pipeline Projects | 55. Various owners across the Province
ROSE Committee Maintenance Shutdowns |
| 56. Imperial Oil
Mackenzie Gas Project | |



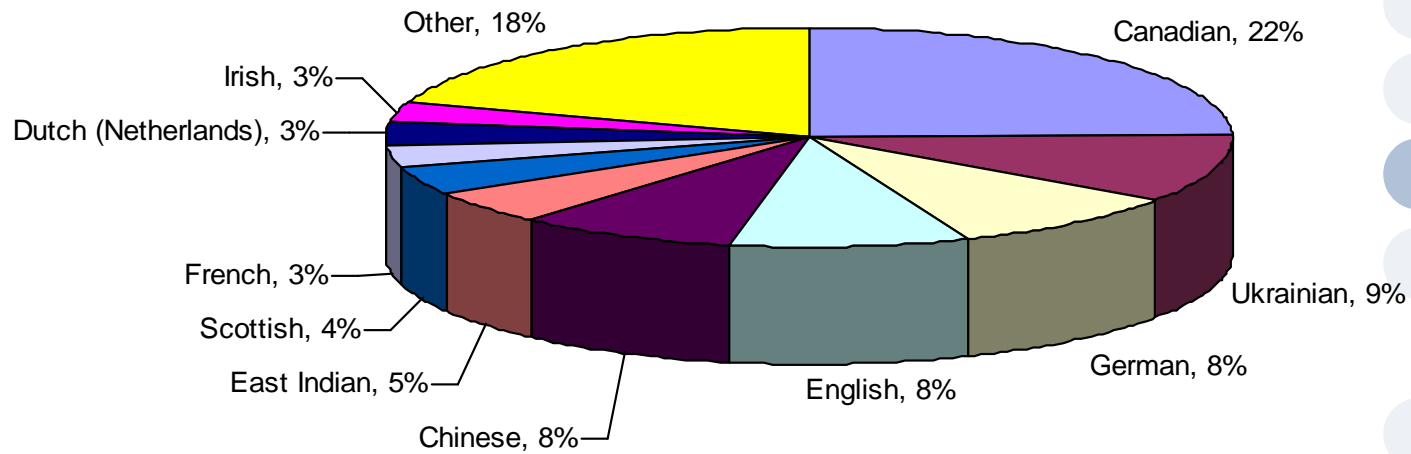
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Edmonton Profile - Ethnic Diversity

47% of Edmonton's population is of European descent



European:	47%
North American:	26%
Asian :	18%

Source: Statistics Canada 2001 Census



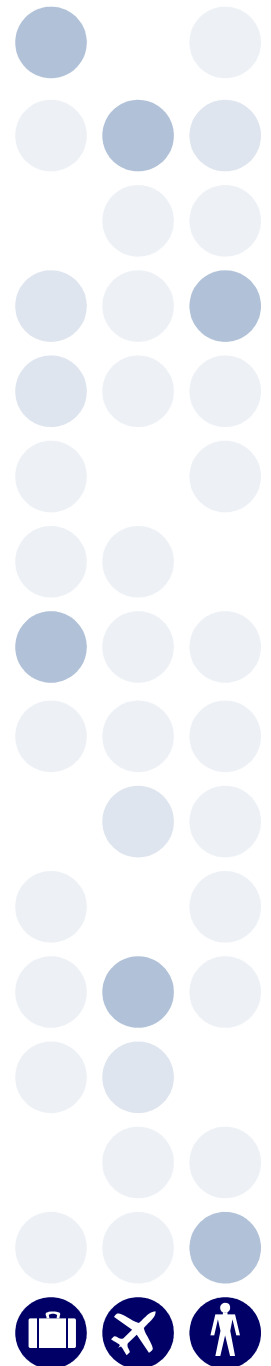
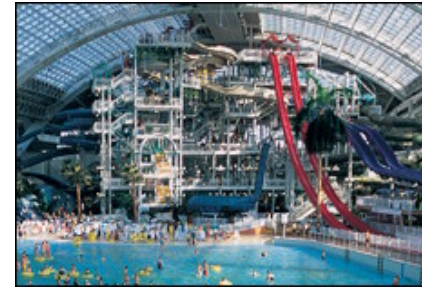
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Edmonton Profile - Tourism

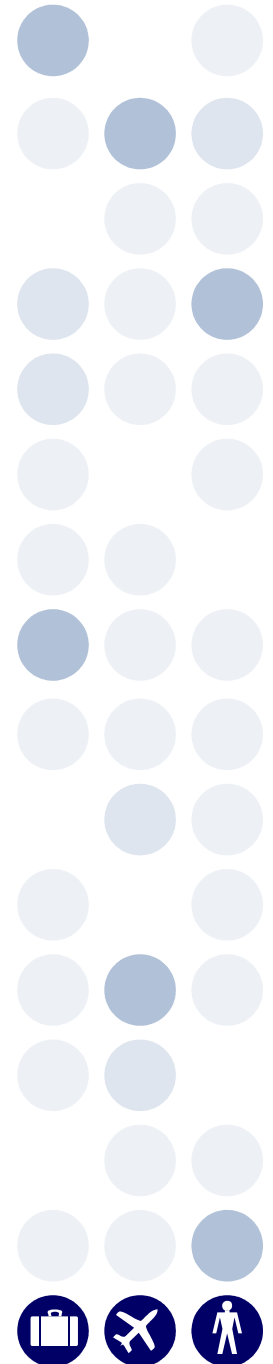
- West Edmonton Mall
 - 20 million visitors per year
- Banff National Park
 - 3 million visitors per year
- Jasper National Park
 - 2 million visitors per year
- Tyrell Dinosaur Museum (Drumheller)
 - 325,000 visitors per year
- 30+ Major Festivals – “Culture Capital”
- River Valley: Largest Urban Park in North America (18,500 acres)
- Sports: NHL Oilers, CFL Eskimos, Pro Baseball and Lacrosse





YEG - Airport Profile

- **Airline Rates and Fees**
 - No increases expected for next five years
 - Comprehensive review underway
- **Parking**
 - 2,500 new stalls added in last 18 months
 - New 1,100 stall Parkade opens late-2007
- **New on-site Hotel (Marriot)**
 - Construction start Summer 2007
- **Common Use Check-in and Gates**
 - Optimizing current facility (completed mid 2007)
 - Additional pre-board screening points added
- **Air Terminal Re-development**
 - \$280,000 completed in 2003
 - Traffic triggers hit eight years earlier than projected
 - Food and Beverage expansion underway
 - Next phase ATE currently under review

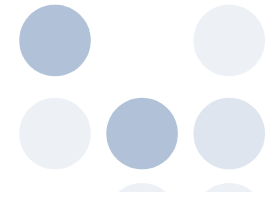




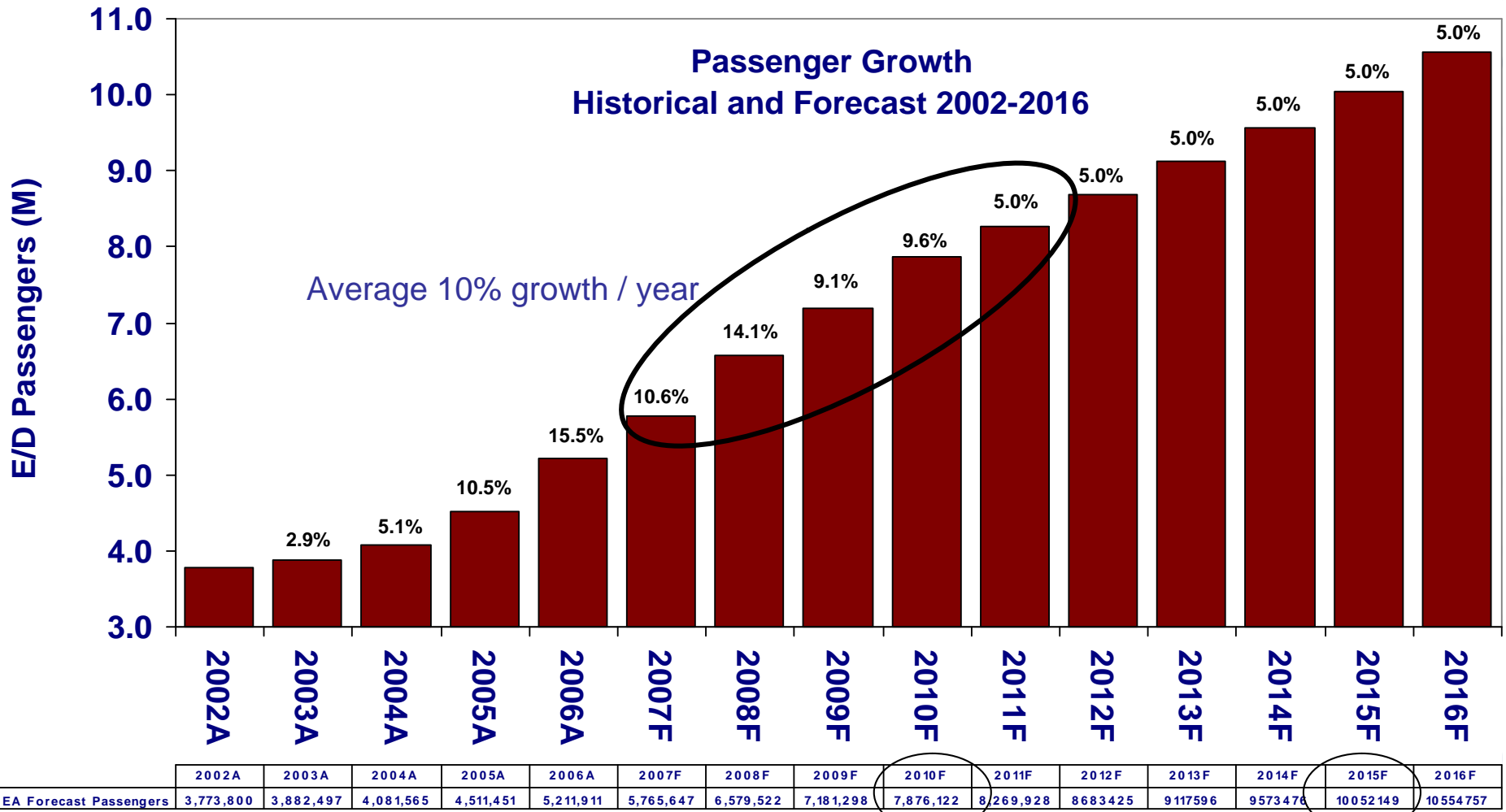
YEG Profile - Milestones

- Edmonton International Airport is **Canada's fastest growing major airport** and fifth largest in terms of passenger movements:
 - **2004 = +5.5%**
 - **2005 = +10.5%**
 - **2006 = +15.5%**
 - **2007 (Q1) = +18%**
- 2007 passenger forecast - 6 million
- 13 new destinations launched in last 18 months
- Edmonton is linked with **50 destinations served from Edmonton**, including **10 points** in the US.
- In the 2006 peak travel period, Edmonton's two largest carriers, **Air Canada and WestJet, increased capacity to Edmonton by 12% and 31%**, respectively





YEG Profile – Passenger Forecast

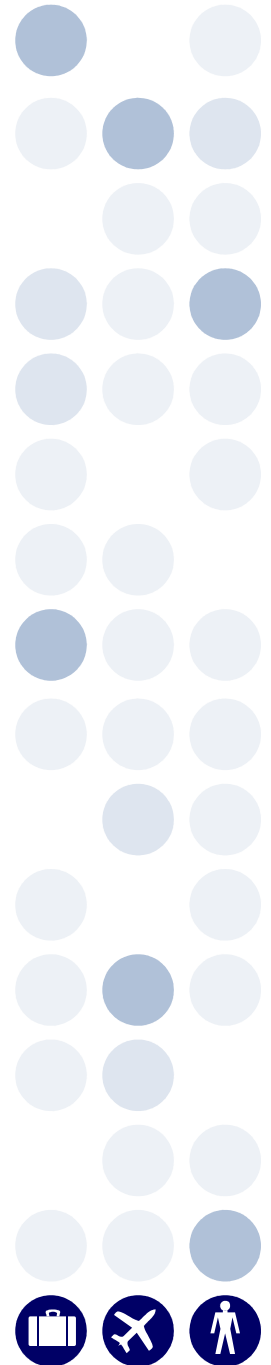
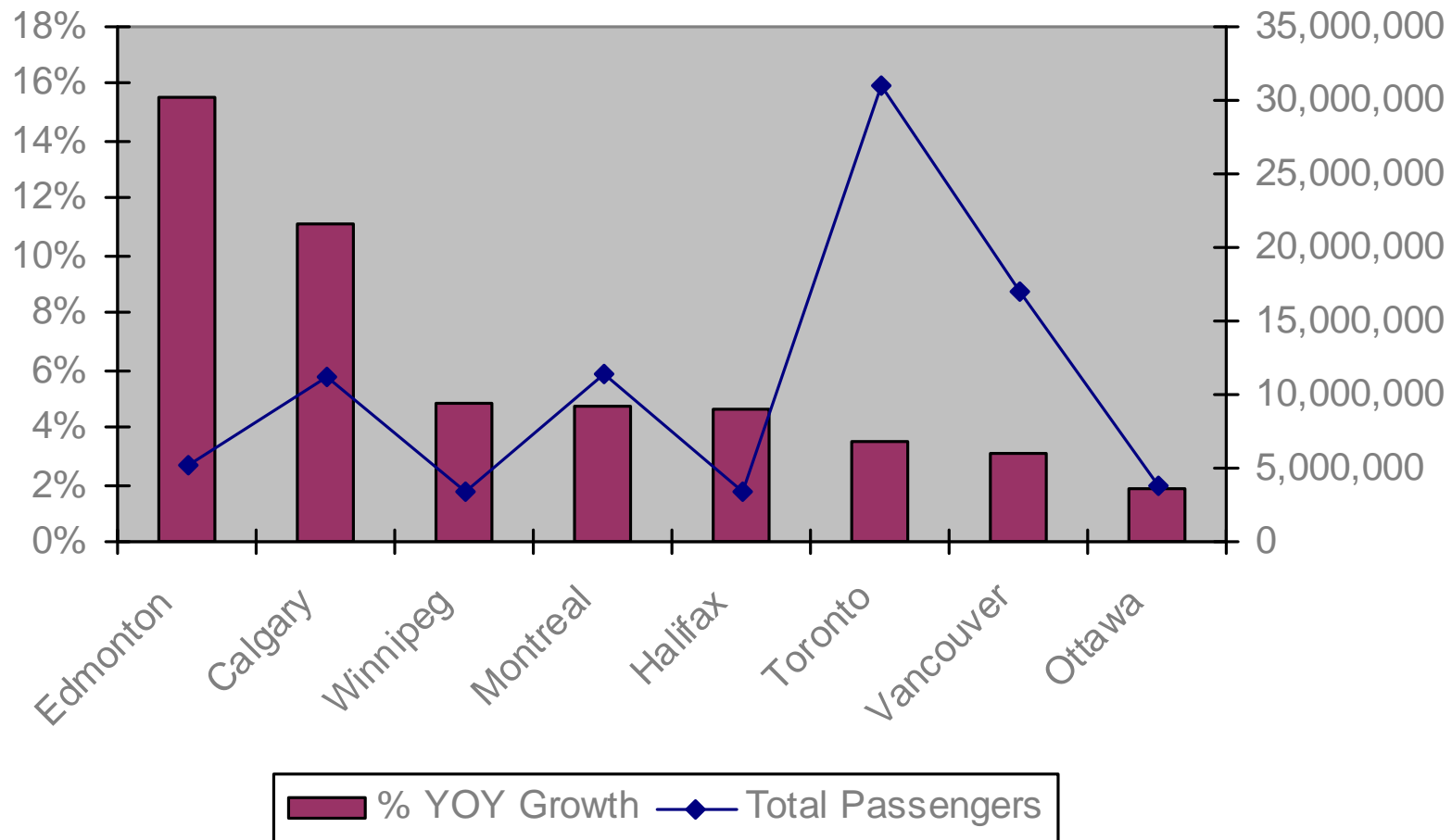


Edmonton International Airport World's Gateway to the North





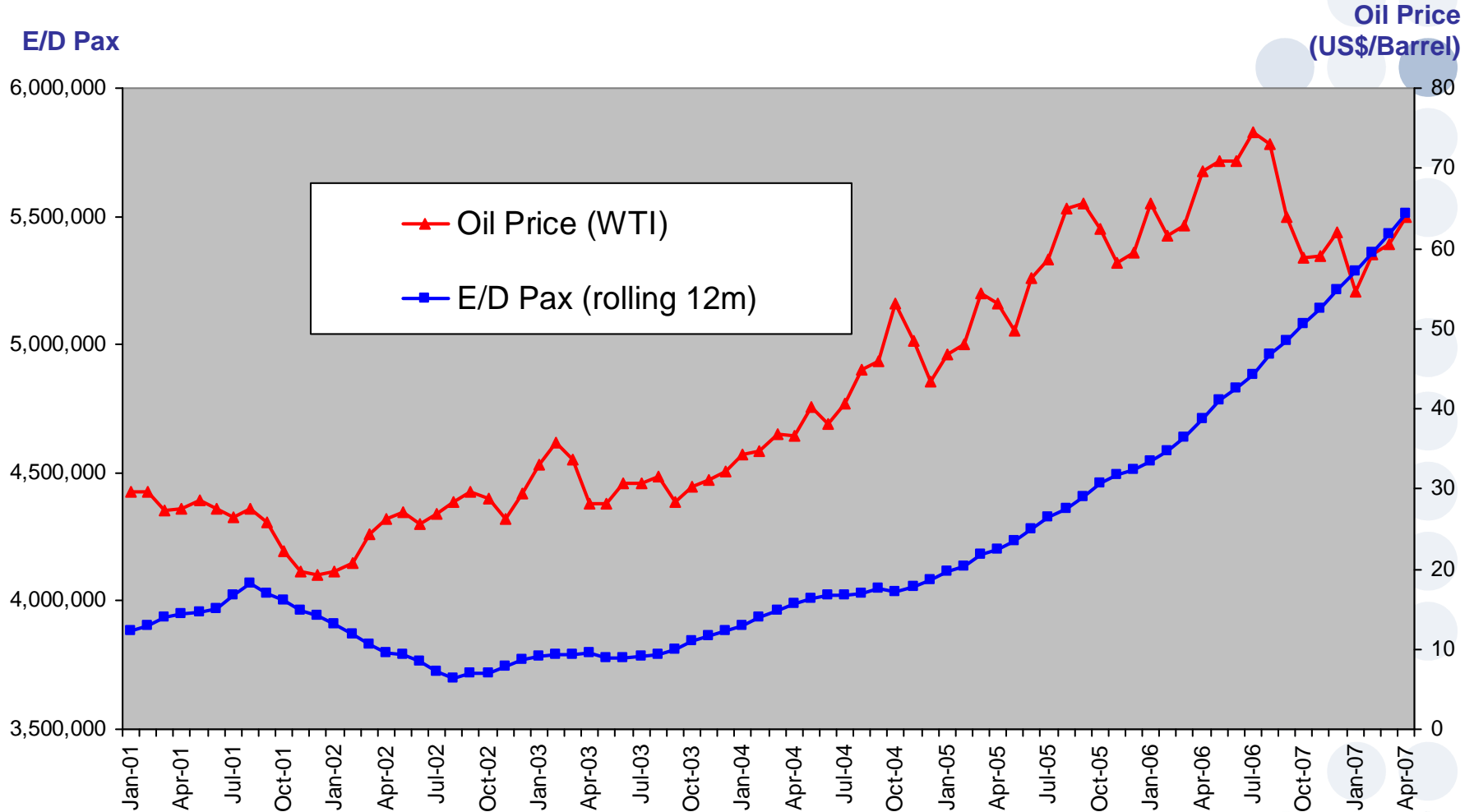
YEG Profile – 2006 Growth vs. Other Airports



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YEG Profile - Passenger Traffic & Oil Price

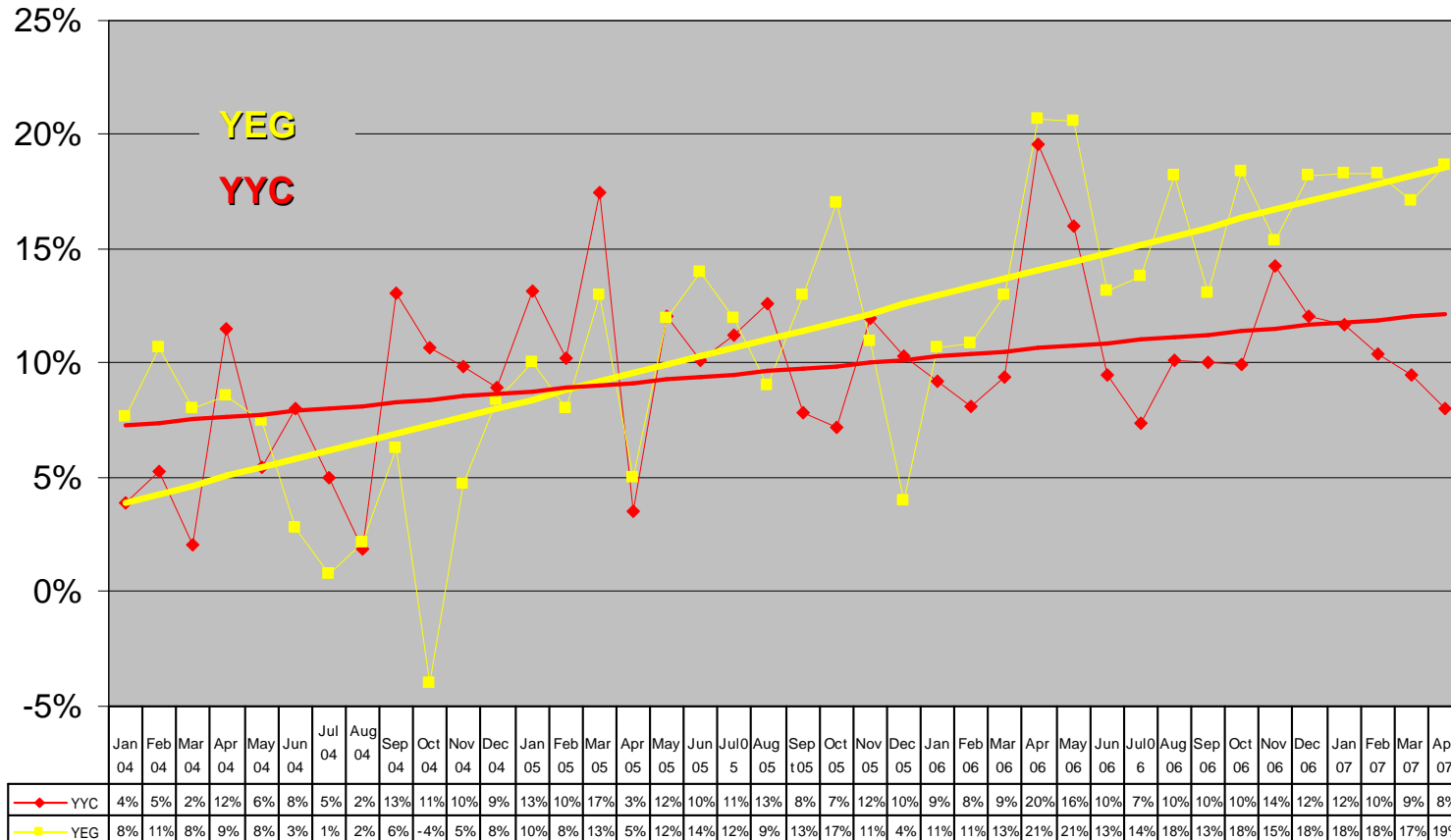
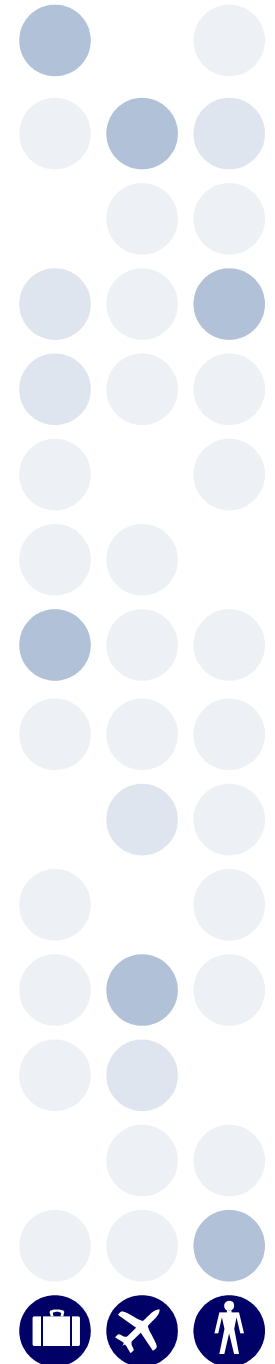


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YEG Profile - \$150 billion of Oil Sands investment...



16 straight months of double digit growth

24 of last 28 months have shown double digit growth



Edmonton International Airport World's Gateway to the North



2007 AIR SERVICE

Edmonton, Alberta, Canada

EDMONTON INTERNATIONAL AIRPORT is the fifth busiest passenger airport in Canada.

Over 200 flights per day
50 total non-stop destinations
10 non-stop destinations in the United States.



Legend:
 DOMESTIC SCHEDULED SERVICE
 TRANSBORDER SCHEDULED SERVICE
 INTERNATIONAL SCHEDULED SERVICE
 CHARTER SERVICE
 CHARTER SERVICE (INBOUND ONLY)
 (All flights are non-stop)

flyedmonton.com
It means the world.



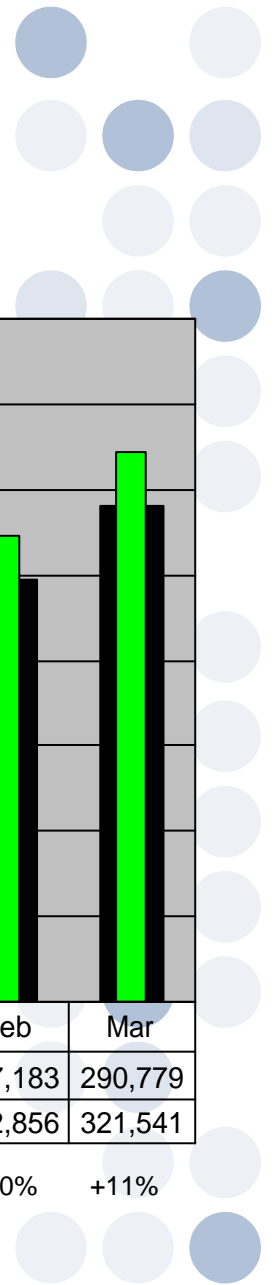
www.edmontonairports.com

REV. APRIL 11, 2007

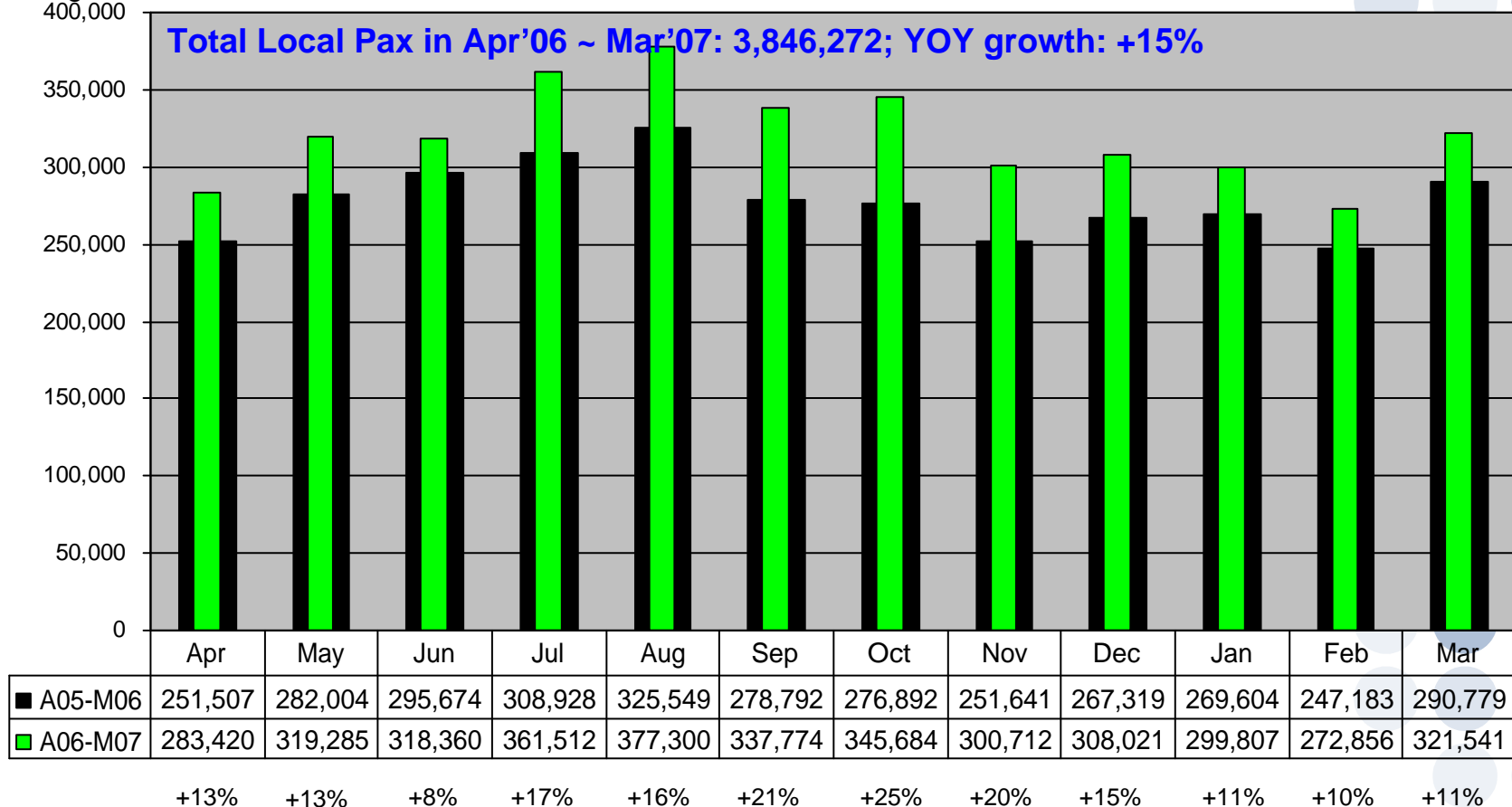




Local Traffic Growth for YEG ↔ Canada Apr'06-Mar'07 vs. Apr'05-Mar'06



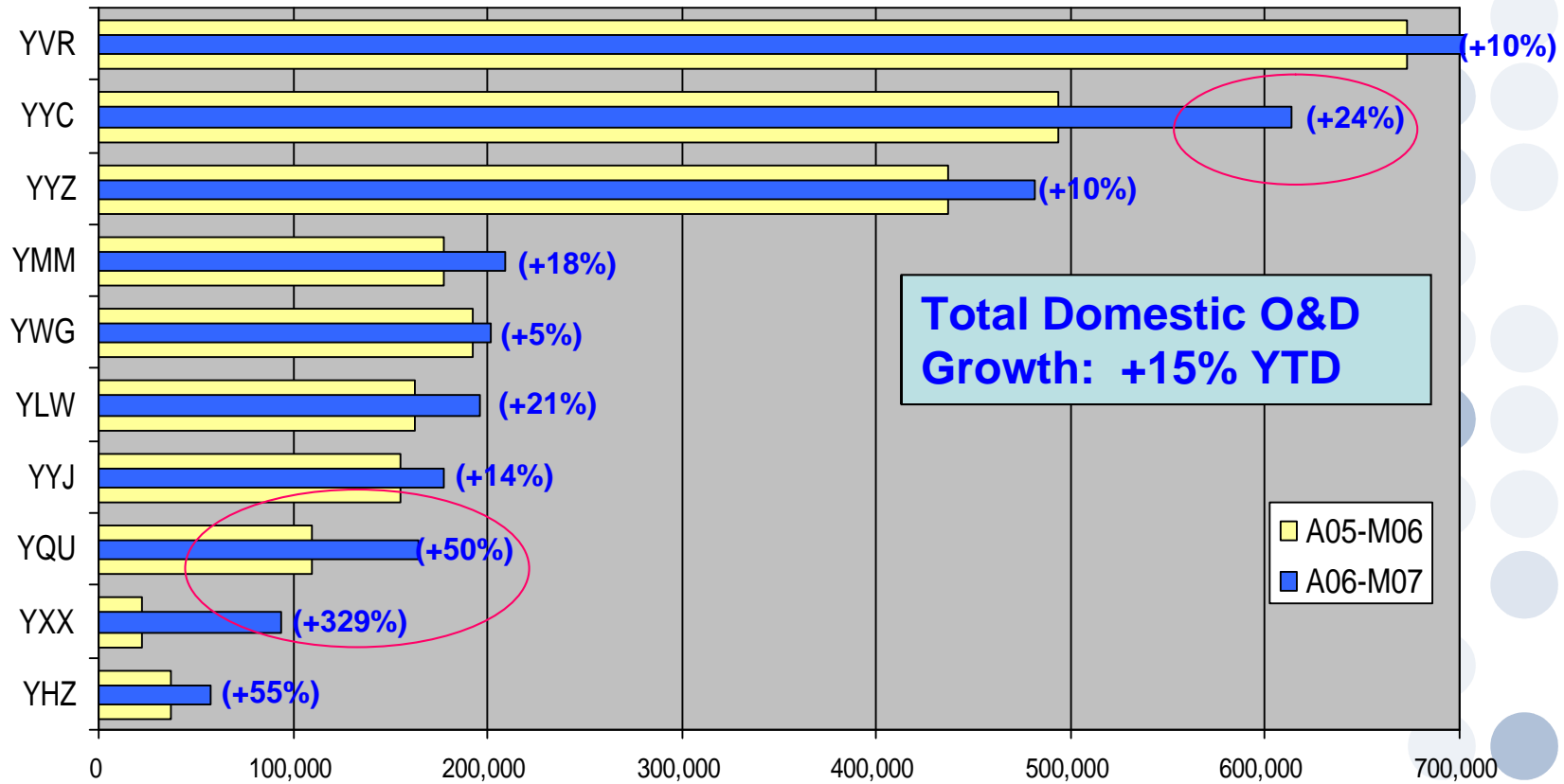
Passengers:



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YEG Local Traffic* for Top 10 Growing Domestic O&D's Apr'06-Mar'07 vs. Apr'05-Mar'06



**Total Domestic O&D
Growth: +15% YTD**

■ A05-M06
■ A06-M07

	YHZ	YXX	YQU	YYJ	YLW	YWG	YMM	YYZ	YYC	YVR
■ A05-M06	37,535	21,881	109,746	155,226	162,717	192,249	177,863	437,142	493,285	672,729
■ A06-M07	58,039	93,891	164,911	177,121	196,279	201,615	209,618	481,408	613,746	739,281
Growth:	20'504	72,010	55,165	21,895	33,562	9,366	31,755	44,266	120,461	66,552



Source: APGDat

(*Local Traffic --- Pax for 2 directions total for YEG ↔ Canada)

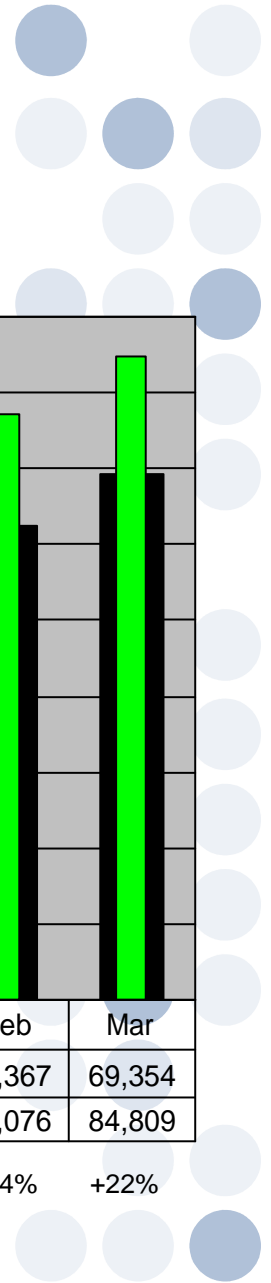
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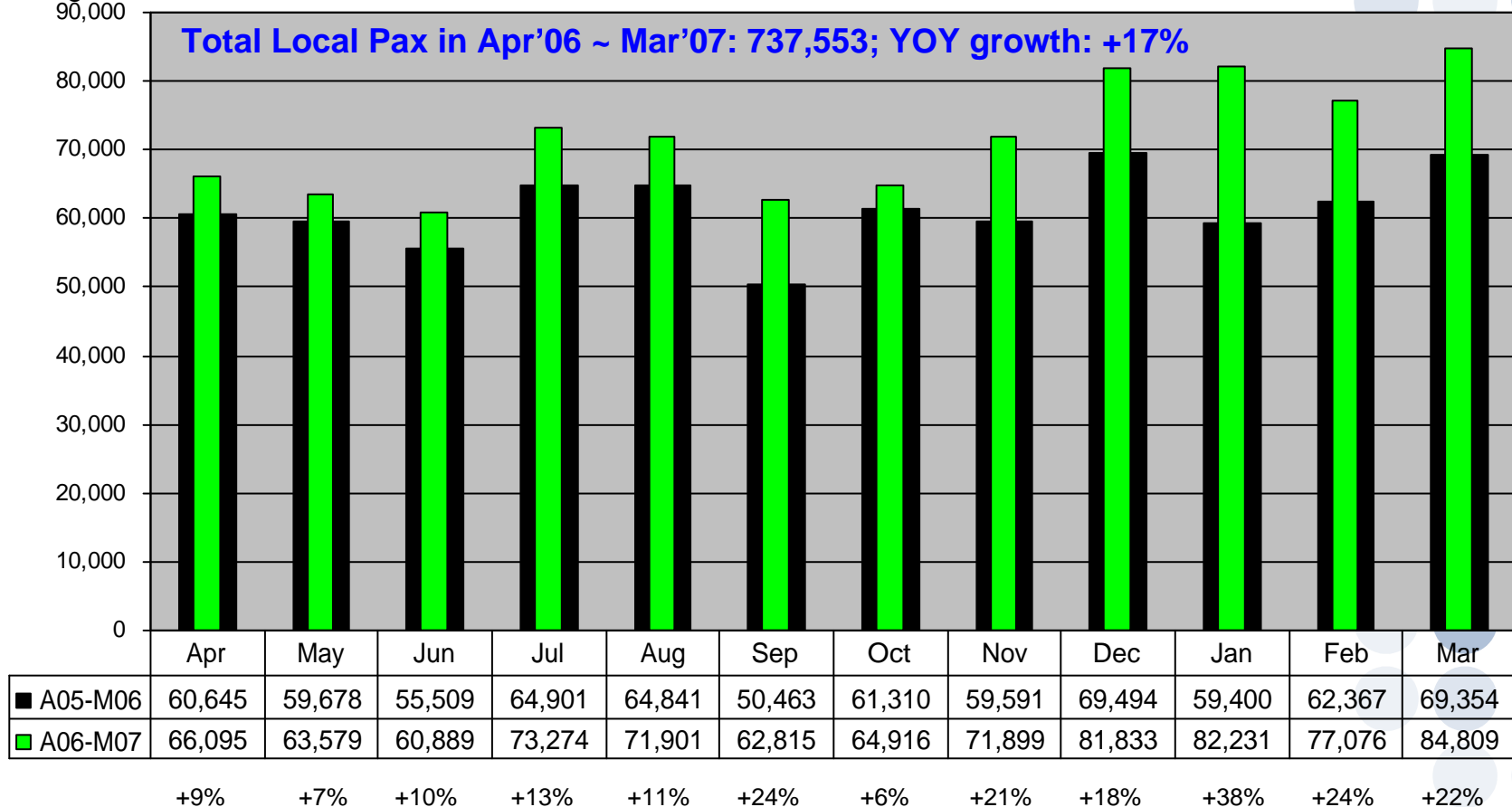


Local Traffic Growth for YEG↔US

Apr'06-Mar'07 vs. Apr'05-Mar'06



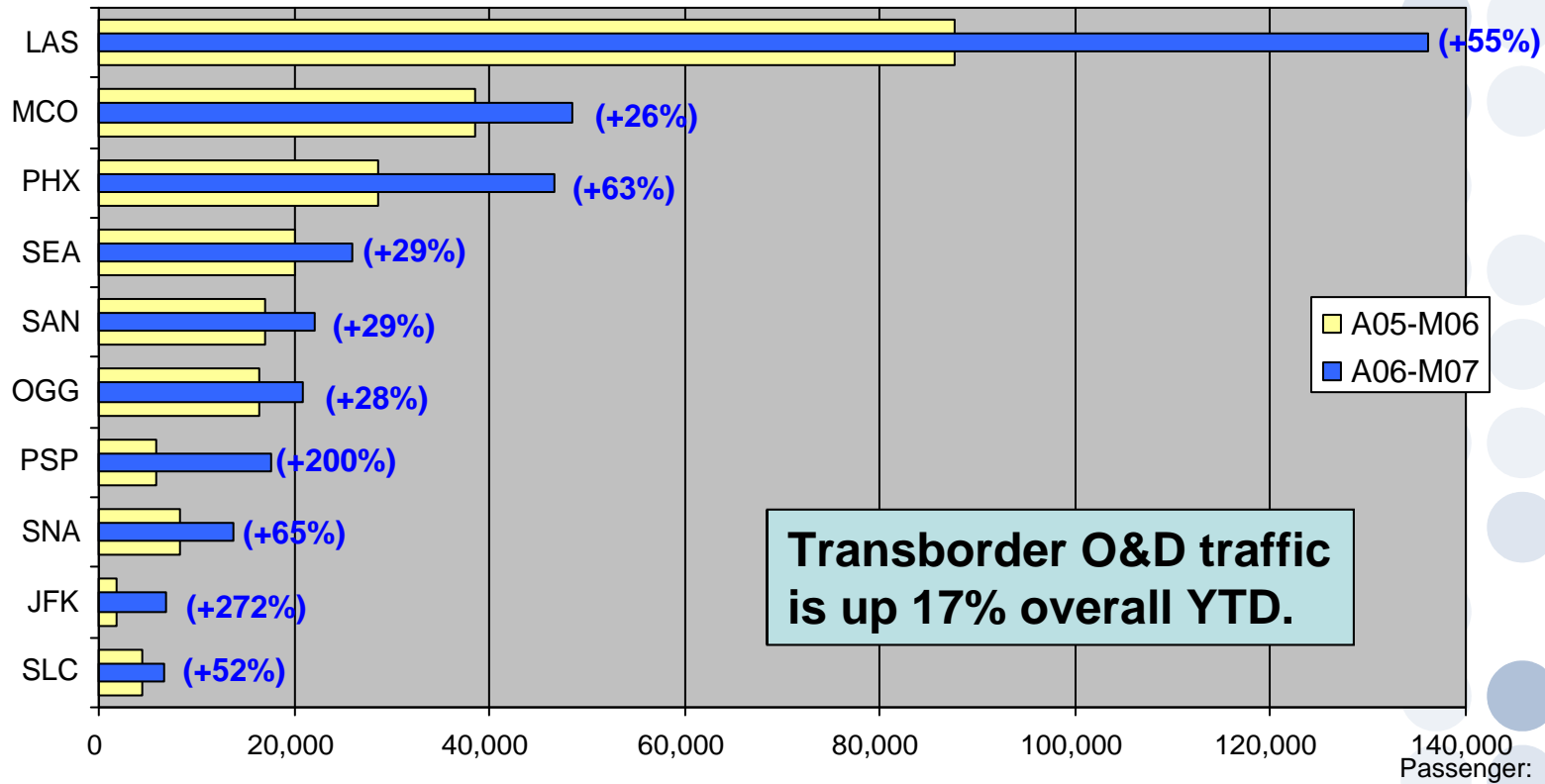
Passengers:



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YEG Local Traffic* for Top 10 Growing Transborder O&D's Apr'06-Mar'07 vs. Apr'05-Mar'06



Transborder O&D traffic is up 17% overall YTD.

	SLC	JFK	SNA	PSP	OGG	SAN	SEA	PHX	MCO	LAS
A05-M06	4,389	1,848	8,340	5,894	16,335	17,128	20,106	28,644	38,585	87,644
A06-M07	6,660	6,879	13,737	17,690	20,925	22,099	25,930	46,646	48,451	136,057

+2,271 +5,031 +5,397 +11,796 +4,590 +4,971 +5,824 +18,002 +9,866 +48,413
 (*Local Traffic --- Pax for 2 directions total for YEG ←→ US)



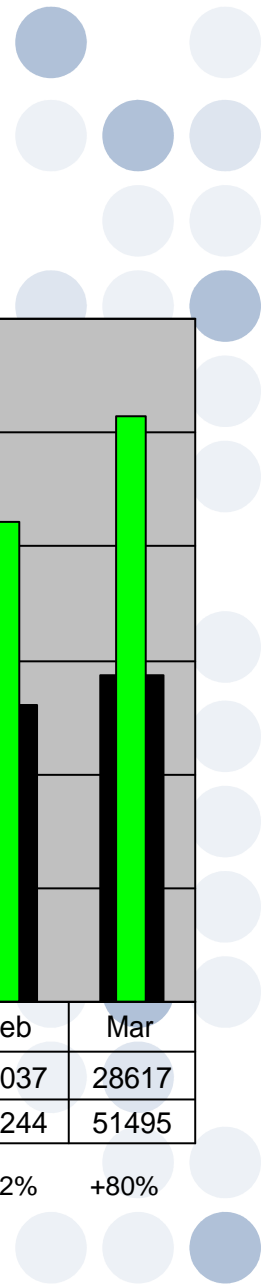
Source: APGDat

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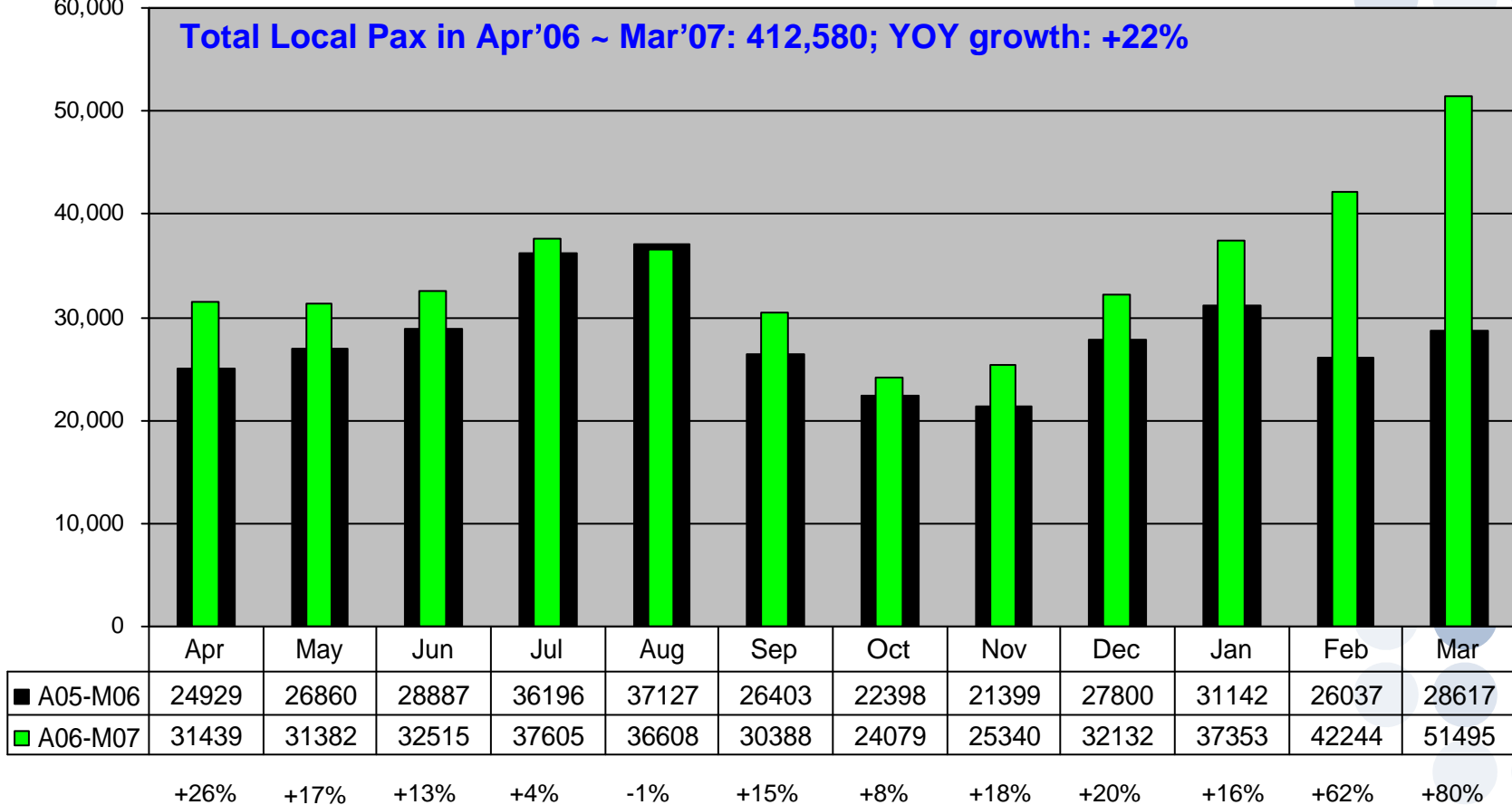




Local Traffic Growth for YEG ↔ International Apr'06-Mar'07 vs. Apr'05-Mar'06



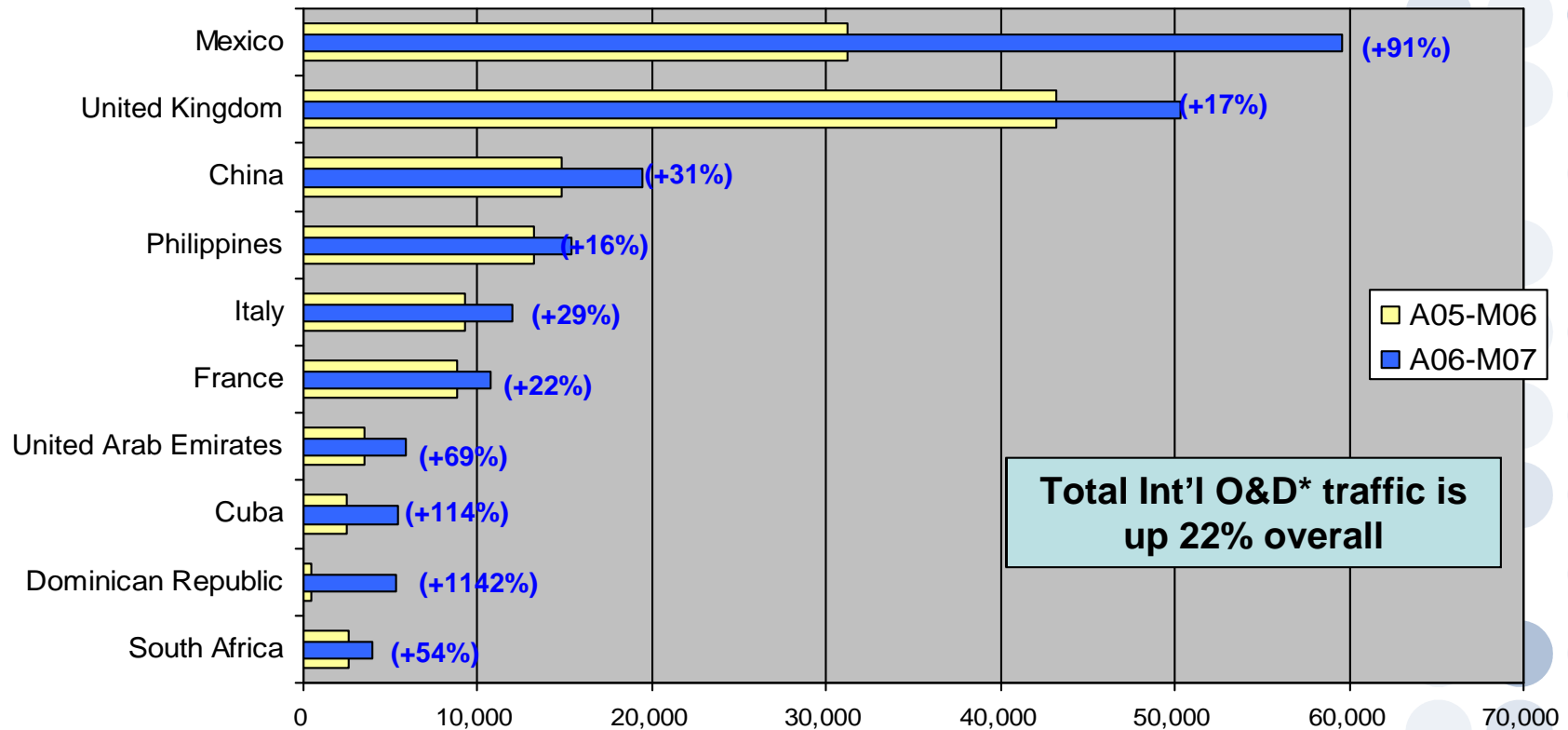
Passengers:
60,000



Edmonton International Airport World's Gateway to the North



YEG Local Traffic for Top 10 Growing International O&D Countries* Apr06-Mar07 vs. Apr05-Mar06



Total Int'l O&D* traffic is up 22% overall

	South Africa	Dominican Republic	Cuba	United Arab Emirates	France	Italy	Philippines	China	United Kingdom	Mexico
A05-M06	2578	428	2532	3505	8765	9237	13212	14785	43177	31257
A06-M07	3976	5315	5408	5921	10737	11953	15375	19414	50315	59553
	+1398	+4887	+2876	+2416	+1972	+2716	+2163	+4629	+7138	+28296



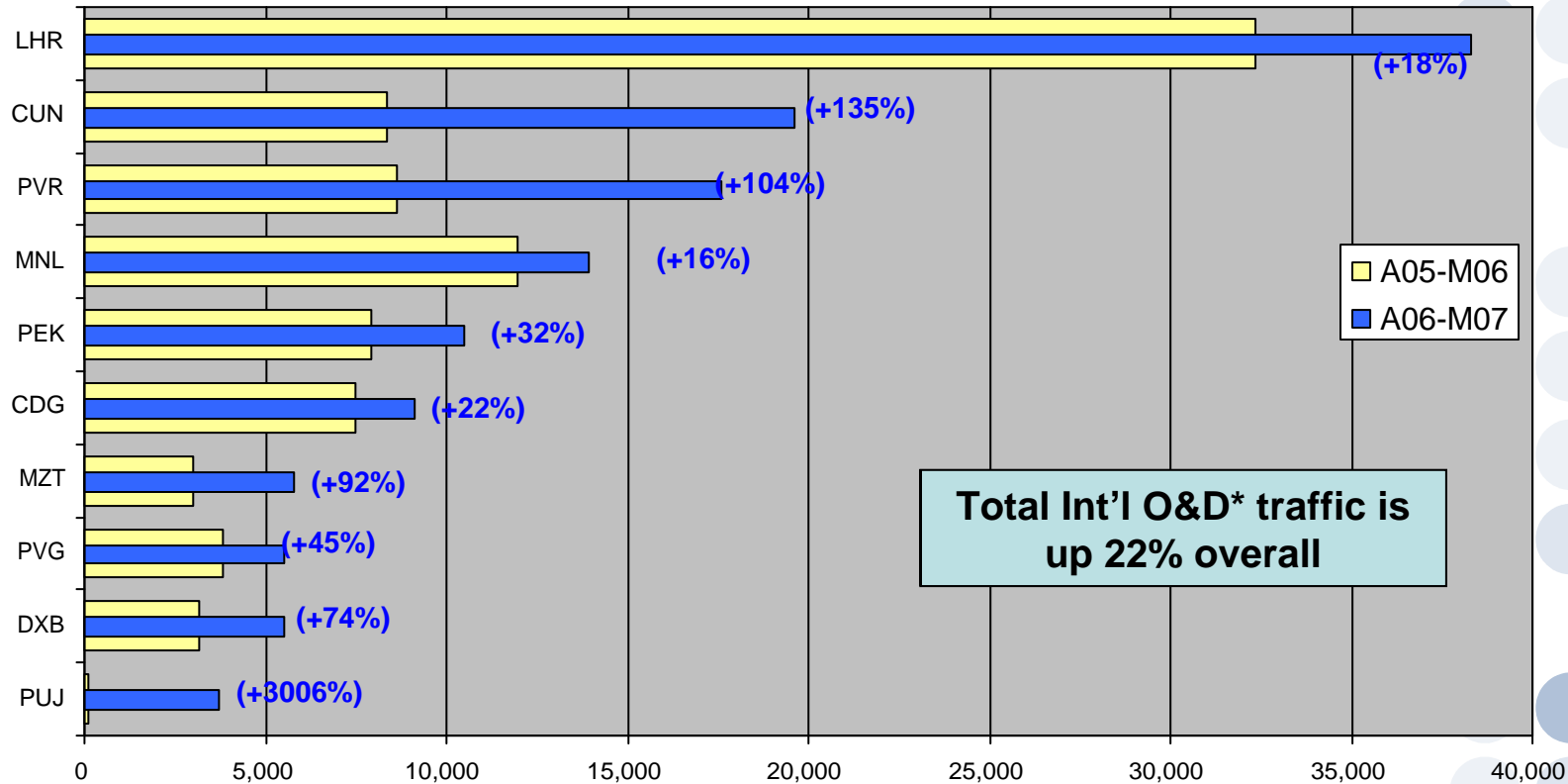
(* -- excluding US)

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Source: APGDat



YEG local Traffic for Top Growing International O&D Markets Apr06-Mar07 vs. Apr05-Mar06



	PUJ	DXB	PVG	MZT	CDG	PEK	MNL	PVR	CUN	LHR
A05-M06	120	3,181	3,828	3,005	7,477	7,931	11,959	8,617	8,366	32,329
A06-M07	3,727	5,523	5,544	5,771	9,118	10,499	13,909	17,599	19,629	38,305
	+3607	+2342	+1716	+1766	+1641	+2568	+1950	+8982	+11263	+5976



(* -- excluding US)

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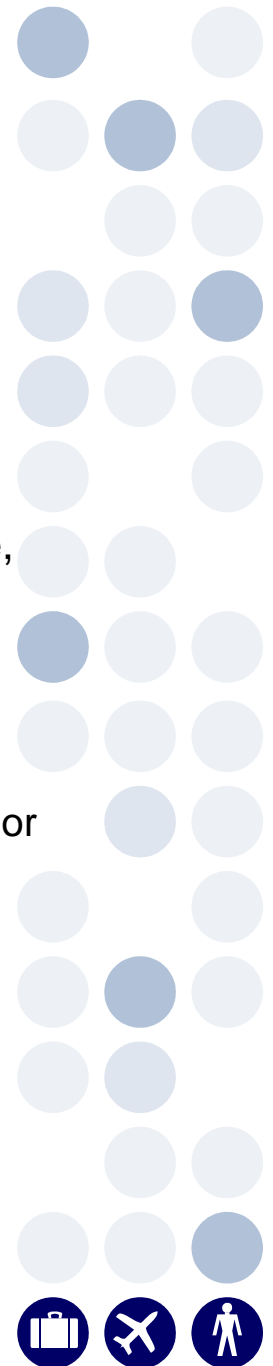
Source: APGDat





YEG Air Service – International Opportunities

- With the success of the new YEG-LHR, YEG continues to pursue additional non stop International services
- Between March 2006 and February 2007:
 - over 123,000 passengers travelled from YEG to W. Europe, E. Europe, Middle East, India and Africa
 - These destinations would be best served with a connection over continental Europe
 - Over 95,000 passenger travelled from YEG to Asia
 - These destinations would be best served with a connection over HKG or mainland China





YEG Air Service - Incentive Program (Base)

- Edmonton Airports in cooperation with Edmonton community stakeholders, work jointly to support the launch and development of new Edmonton air services.
- Edmonton Airports Marketing Support
 - Year 1 – up to \$250K
 - Year 2 – up to \$100K
 - Year 3 – up to \$ 50K
- Airport Fees and Charges

Airport charges generated from new non-stop scheduled air service including landing, terminal, aircraft parking and bridge fees will be waived for the following periods:

 - Year 1 – up to 100% of fees
 - Year 2 – up to 50% of fees
 - Year 3 – up to 25% of fees





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