
DEE (PARKINSON) MARCOUX

Date and place of birth (if available):

Date and place of interview: October 18, 2011, Alberta Chamber of Resources boardroom

Name of interviewer: Robert Bott

Name of videographer: Name?

Full names (spelled out) of all others present: N/A

Consent form signed: Yes

Initials of Interviewer: BB

Last name of subject: MARCOUX

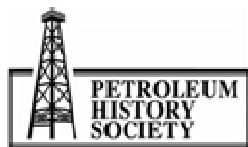
PRELUDE: This is an interview with Dee Marcoux who was known as Parkinson back in the oil patch days and we're in the Alberta Chamber of Resources boardroom, on October 18, 2011 and it's Bob (Robert) Bott doing the interview.

BB: So Dee could you just start with a sort of a three minute capsule resume or biography. Where were you born, where did you grow up, go to school, that kind of thing.

MARCOUX: I was born in Nova Scotia, in Halifax, although my family lived in Dartmouth. My father was in the Navy and we were transferred a lot and it was unusual for a naval family but we were transferred not just between Ottawa and Halifax, but overseas. So I probably went to 12 to 14 schools before I graduated from high school and went to university. And the experience in England and Scotland, which made me a very young expatriate, has served me well. So that early childhood experience of having to adjust, adapt, deal with change, changes in culture, I think really informed the way that I have worked, so I have always looked for the new challenge, different culture or something to change because that's what I became adept at as a child.

BB: And then where did you go to university?

MARCOUX: I chose Queen's University largely because, well one they gave me a great scholarship but most importantly they were next door to Trenton Air Base and now when you are 17 and you're making decisions about where you want to go to university, transportation back to England became critical and the Armed Forces would fly dependent children on pretty ridiculous aircraft, I might add, like the Hercules, and so you could get your flights home for Christmas. And so I chose



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Queen's because it was next door to Trenton Air Base and it turned out to be an excellent university and I did last my four years there without change, so that was going somewhere for me.

BB: And was that in engineering?

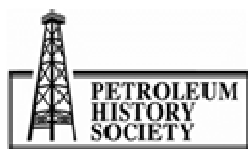
MARCOUX: Yes it was. I was determined, I wanted to do something, you know, I didn't want to be in a lab and a lot of people, smart girls went into medicine, I didn't want to go into medicine and I didn't much like being around people who weren't well so, I thought I wouldn't make a very good doctor. So I surfed around from where you could actually, frankly, just do something, like build something, like build something, look at something outside yourself and say I was part of it and engineering really did appeal to me, not that I really understood all the applications. My father is an engineer as well; he's got a degree in electrical engineering. We were in England because of a nuclear industry and he was in on the ground floor of that program with the British. And I used to, probably to get out of housework, I used to go in with him on Saturday mornings when he went to work and wander around submarines that he was building at the time and really became fascinated with that process. So that is why I selected engineering.

I liked geology a lot so I decided that mining, or metallurgy would be good fields for me because it would get me into the wide open spaces and deal with a real resource. And I found it a much more tangible kind of engineering than some of the more sophisticated, so I went into metallurgy, much to the shock of the University. Most women, well there were four of us that were in the class that year, six the prior year, but they tended to go into chemical engineering. There was no such thing as environmental engineering at the time, I just decided to join the hard rock boys, you know. It was good fun.

BB: Then where did you go to work initially?

MARCOUX: Well I had a hard time getting employed when I graduated in 1970. The employment opportunities for women in engineering were pretty small, so most women decided that they would continue their education. A lot of the women engineers that graduated would go on and do bachelors or masters or transfer over and get double degrees. I persisted, so for the first little while, I actually couldn't find a job and wrote a book instead. So I wrote a book called, "Capital Cost Estimation in an Old Processing Industry", funded by the government and the University and it was used as text book supplement for some time. And I modelled it after a book in chemical engineering, because the chemical engineers have that kind of information. And then I found a job not in engineering, but using my engineering background, and I don't want to go into what that job was and it was just a struggle. So finally after a few years of not having anything that was professional and really demanding, I took an MBA to kind of change the resume and then when I graduated with an MBA, the uptake was enormous.

Here they'd found a woman that was, by this time, mature, new mind and Esso hired me and that was the start of it. And then Esso offered, like I had job offers then because the market had become very sensitive to not having women. You know we were graduating them in professions but we



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weren't taking them up and I had quite a few job offers and I chose, well, let me see, Proctor & Gamble offered me a job but it was in diapers and I thought that was too much not what I wanted to do with my life, and when Esso offered me the opportunity, it was just a thrill because I actually worked for them as an engineer for some part of my career and really was able to prove and cut my baby teeth as an engineer. Esso gave me great opportunities.

BB: Where was the MBA from?

MARCOUX: Queen's. I went back to Queen's because they also offered me a job doing research, assistant's work and learning how to work in the milling and other equipment that most women never get a chance, we never took shop when we were at school, we took home economics and so that kind of supported me while I took my MBA, so I thought, fine I'll do that. And then subsequently Queen's gave me an honorary PhD, so I also have a PhD from Queen's, which was about 20 years after my first degree, which when you think about is the number of years it takes to get your first degree.

BB: Now when you say Esso, was that Esso Resources or, Esso Products?

MARCOUX: It was the downstream business.

BB: The downstream, the refining.

MARCOUX: Yeah, the refining and marketing. And so my first job was actually to study what we needed to do to take lead out of gasoline and then having decided how to get the lead out of the gasoline and what you needed to do for the refineries, I argued that in fact it was a perfect for me to go to one of the refineries and make it happen, so I was transferred to Dartmouth Refinery and I was there for the program when we upgraded to gasoline and found different ways to produce gasoline without lead and that was an exciting time.

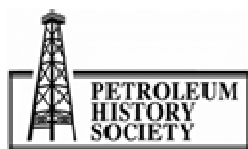
BB: Do you recall what year you joined Esso?

MARCOUX: It would have been 1976. I thought I was going to be there for life too. As if I didn't already know that I was, you know, in prison. But it really appealed to me because the company was so big and the opportunities were actually limitless if you performed well. And I thought I would be there like for a career, a lifetime, you know, 30 years, that's what people believed in those days. It doesn't happen anymore, people do move companies.

BB: Well Imperial does tend to grow its own.

MARCOUX: Yeah, it does.

BB: And when would you have gone to Dartmouth?



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MARCOUX: Dartmouth would have been in 1978, yeah, '78. And I was transferred back to the corporate office in 1982 for a broadening of my career and they put me into the finance world and mostly what you were explaining is why you didn't make your profit that was expected for the month and I found that extremely detailed and boring and not totally interesting and then Petro-Canada offered me an opportunity to do something much more exciting. And so, sadly, because I owe Esso a lot, I still wanted the bigger challenge. Explaining why, you know, you didn't make your profit, usually because it was crude-price driven, that could be highly boring exercise and if your numbers in the column didn't add precisely to the right total, most of these people in the audience were ex-CA's, you know, they catch you on it and I used to go, it's not even accurate to a decimal place, why would you worry. Needless to say, I didn't fit well in that part of the company.

BB: Well and that was a very tough year, after the National Energy Program and prices were starting to sag a little bit.

MARCOUX: From the oil company standpoint it was pretty disastrous, that perceived interference in the marketplace.

BB: And then when did you go to Petro-Canada?

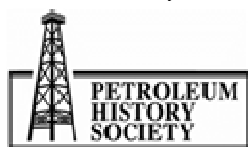
MARCOUX: Well that would have been, let me see, I left Esso in '83, yeah '83.

BB: And that was to here?

MARCOUX: No actually, it was to Toronto, which wasn't my favourite place, you know, like I'm not a big city person. I did enjoy Fort McMurray, you know, I enjoy being at the end of a highway. But so Toronto offered the opportunity though and then Petro-Canada had just absorbed BP, British Petroleum, and they were out hiring people who, you know sort of, knew the workings and they actually hired some people from Esso and its where the reach came from, somebody from Esso that said, you know, this would be a great opportunity. And really to go into a company that's suffering the consequences of a merger, you know, what all those things are, it really was a challenge to put the systems together and to talk sensibly about where we were going to take the company. So strategic and planning and managing that process. And so once again, plotting the future of a company, out of that future, I saw where the opportunities for me might be. I don't mean that in a selfish way, but if you have an idea, you should be willing to implement it. So we got to see a lot of the transformation and then we purchased Gulf and out of that shakedown, I kept on saying I really wanted to do something which is different than thinking about doing something and they gave me the opportunity to run Edmonton Refinery.

BB: So you were the General Manager or what was the?

MARCOUX: I was Refinery Manager at first but I became General Manager of Refining because then I had Edmonton, Moose Jaw, IOCO and the Prince George Refinery all reporting to me. In the western region I was General Manager of Refining Western Region and that was a lot of fun. And it's really where I cut my baby teeth, in a true sense of transforming what needed to be done,



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understanding how to make it happen and happen successfully, I can't say that there weren't some bumps on the road, you know. Like I'll talk about my failures as much as I'll talk about any success, not because I own them both, but it was an amazing opportunity. When you think what the climate was like for senior women in the oil industry at the time, for a company to say we're willing to take a bet, that was a pretty awesome moment and I took hit humbly. You know, there is no, you need the opportunity, you know, you might be wonderful but it somebody doesn't give you the opportunity its not going to shine. So I thank Esso for what they did and really, Petro-Canada was the other one that gave me a great opportunity.

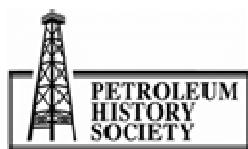
BB: So at both Dartmouth and then at the Edmonton and other refineries, you were working with real operational people?

MARCOUX: Yes, blue collars, you know, the guys that played tricks on you. Like, I found that, there were over 600 people at Edmonton Refinery and I like to address people by their first name and I suggested since they all wore their coveralls that we just put their name, whatever their nickname or what they wanted to be called on their names, on their coveralls. And so they all thought that was a terrific idea, probably not, and so some of the names that came up were like, "sir" and so they kind of played a joke on me, but I played along. So if they wanted to be called "sir", I just called them sir, if they wanted to be called whatever it was, as long as it wasn't rude and they didn't, nobody put in a rude name, it actually just became a little joke in the refinery. And, in some ways, because I took it well it ended up being a point of humour that let us work on much more important things that needed to be changed.

So, I've always found it a delight to work with people who actually can take the rag on management and you don't get upset by it, because there is no ill will there, right, it was just humour. But the people responded, people respond to a clear leadership when it engages them and what's important them, so my discussions with people wasn't about what was important to me, it was important to them. Because we needed to be more productive and more successful, but they needed it too, their livelihoods depended on it, and so you need to talk in those terms. And so it's not about what I want, but what they need, right. And that is a very different, and people are very receptive. I found that, but I also found operationally, just the technology, making sure that I understood what I was talking about, knowing the detail without managing people's detail, just so that you were confident that the right things were being done and gaining people's respect that you actually knew what you were talking about. That's a big challenge in a refinery, because there's a lot of people waiting not just for women, but anybody in a leadership position not do well. You are on watch, it's not exclusive to the sex, it's not gender related, the men got watched too.

BB: Did you have any big fires or crises, things like that?

MARCOUX: Lots, it's a refinery, we have lots of crises. I made the mistake of living on Saskatchewan Drive, in a condominium, where if I peered out the window I could see the flare. And you don't want to look at the flare just before you go to bed at night, because if it's bad, and you know, you learn how to read the flares of a refinery very early on in your career. Same thing in



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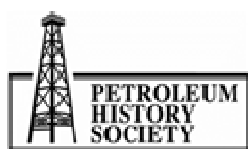
Dartmouth, I could see the flare from where I lived, but it turned out to be a useful thing. I think the worst event was a freeze up, you know, in one of the awful January, -40 degree weather where you had to get to the refinery and that drive out to the refinery was pretty scary. What was going on in the refinery, your first line was always good, you knew that the first line responders were going to do their job, you had to have that confidence in your people and make sure that they were trained and tested because it wasn't you that was going to be the first line responder, you were there to be the cheerleader. You know, and to make any of the decisions at your level that needed to be made, but you didn't need to be there to tell them how to put out a fire, if you need to be there to do that as a Refinery Manager you're already in trouble.

So it was a long drive out, but it gave me time to think, you know, what am I going to do when I get there and what's the intention, go down and see the crews and make sure that they know that you are aware and that you care and then you let the community know that you know what you know and what you don't know and what you're doing about it and all those things. But we also had a fatality, that's a very low point in my career, a low point in making sure I didn't take the guilt on, you know, because it's not what it's about, it's about how do you accept that, it was an awful thing to happen, what are we going to learn from it, how can we deal with that situation. But it was, it's one of things that you always dread when you're in an operating environment and it's hard not to want to blame, because you want to push away any of that accountability and dealing with that emotion, that's something really important for people to learn. Although we'd rather never learn the lesson, so lots of, my baby teeth were well...I had wisdom teeth by the time I left. Well maybe smart teeth, maybe I wasn't wise yet.

BB: How was the communication/interaction upwards with head office and division chiefs and so on?

MARCOUX: I have always found a great deal of support, when you went in there they'd made a bet on you, they didn't want you to fail. So there was lots of support but they were courteous too, they didn't offer it unless you asked for it. And they know me well enough, like if I'm out of my depth, I know I can learn to swim, so if I'm out of my depth I just ask for the help to teach me how to swim. I'm not afraid of doing that. You should be more afraid of not asking, because that is the path to failure. So to not know just means that you don't know yet, it doesn't mean you can't learn. So if I felt like I needed advice or counsel, you know, I'd pick up the phone. And I did that during the fatality, I did phone one of the other executives and said, you know what, alright, you've been through this, this is what I'm feeling, I don't want to go to a psychologist. Tell me about the guy on the ground, what did you do, how did you handle it internally, and he just gave me some thoughts about how to frame it.

So I thought good, now I've got some other grounding point that lets me understand what I'm responding to here, besides responding to the needs of the plant and the community, and the family, which are equally important and also have to process yourself, you know, the feelings that you have. So I would reach out. I know there was some, mostly people who didn't get the job, who coveted, because refinery manager's jobs were really coveted. I mean they're fun and exciting jobs, you largely



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get to do your own thing. You're in... I wouldn't say you're ever in control, but you're theoretically in charge. And so maybe some of them resented that, but the resentment never, it was never top of mind. I never felt it, I felt, you know the guy that was replaced was unhappy; I guess it was his best job ever. But he wasn't really unhappy with me when you think about it, it could have been anybody coming in he would have been unhappy with, so I never let that worry me very much.

BB: Were you there for the '86-'87 price crash?

MARCOUX: I went to Edmonton the year of the Tornado.

BB: What was that '85?

MARCOUX: '87 wasn't it? '87.

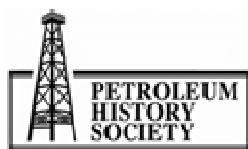
BB: Somewhere around there.

MARCOUX: Yeah, no I was living through that price crash. That was our big stress, in the refinery and how do you get your costs down. And we're not talking the goals are quarters, you know, it's what are you going to do. And the company's for the most part were doing some very bad things, like the concept of early retirement is fair from the standpoint of people who have worked but it is actually the worst thing you can do with a company is to strip out all of your experience. Because people don't run refineries by manuals, maybe that's where they do their learning. But when you're in a crisis you don't want the guy to have to go to the, you know, like you're on a plane, you don't want the flight attendant to be reading what to do, you know, they have to have it engrained in them. And to strip out that level of experience, that left refineries pretty vulnerable, but it was fair, you know, like how do you fire the young guys and all the guys that have worked so hard don't get these packages. But I'm not sure, so there was a lot of that issue, how do you manage that, how do you manage that transition. So like I said, cutting my baby teeth, lots of issues, inside and outside.

BB: So how did the Suncor opportunity come along?

MARCOUX: Opportunity arise? Well, I did have a couple of misguided years when I was sitting at my desk one day, starting the hydrocracker flare, wondering why I was sitting so close to it because the windows were vibrating. Shortly thereafter I got a phone call from Ontario and they said they wanted a change manager and I didn't believe them because, you know, it's a crown corporation, a provincial crown corporation. But they were very persuasive, talked a lot about the kind of skills they were looking for and I talked myself into thinking that this would be terrific, if they were serious, because like all utilities they were definitely in the wrong age about how to run their businesses, they'd become sloppy. When your price is guaranteed you become very sloppy on the costs side, because every year, you go to the government saying it costs this much and they say okay, you can up this and then your wages escalate, you know the story.

So I went down there and shortly after I arrived, too shortly, when I was giving speeches on uranium and why people should like the nuclear side of the industry and part of the intrigue was that



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it was the nuclear side of the industry and my dad's involvement in nuclear, I'd always been following the industry and I liked it. And then they had a change of government that was NDP and while I was on the platform giving my speech in London, which by the way wasn't so much pro-nuclear, it was anti to people that thought they could just tell people that made sense, you know, that doesn't work for the communities, it's got to do more for them than just make sense, it had to feel safe. And people don't like to use the word feel.

But when I was ready to deliver my speech, a little note came up from the audience saying, you might want to change some of your speech, NDP just got in, and you know, the NDP were running a platform that was going to shut down nuclear, or moth ball or whatever like that. "No, I'm not going to change my speech." And I went back to Toronto and the new chairman came in and all of the things that I wanted to do to change that company had just, you know, bang and he was telling me what he wanted to have done, he, not a strategic session dealing with executives or anything and I told him he confused rate-payers and tax-payers and he told me I'd confused who I was working for and so I decided that I was going to leave, so I actually wrote a letter of resignation and while I sat at my desk gazing at Queen's Park, I got a phone call, it was from a head-hunter and the head-hunter's son, "I understand you like the wilderness?", I said, "I do.", and he said, "How do you feel about Fort McMurray." And I thought, it's a little past wilderness isn't it? But he had me, because I used to buy Suncor's crude at Petro-Canada Refinery.

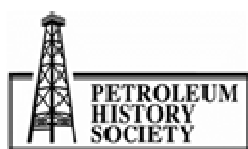
So a year and a half after I'd left, I was right back in the thick of where I wanted to be, and in fact, I was in deeper and had more fun in those five years at Suncor. Because I understood the crude oil from a customer's perspective and I'd visited Syncrude many of a times because we were big customers of both Syncrude, and little customers of Suncor when Syncrude had a problem, but Suncor was unreliable, you couldn't count on their quality, you couldn't count on anything and so I thought, they're a mess, this is great! But they wouldn't let me see the plant, I think they were afraid of upsetting the incumbent, so when I drove into Suncor, which would be in October.

BB: In 1990?

MARCOUX: 1991.

BB: '91.

MARCOUX: When I went there...see I started at Ontario Hydro at 1990. January 1, 1990. The 90s decade was my exciting decade. I went up there and as I drove into the plant and all the tailings ponds are up at, you know, at the high level and the plant is built at the low level and I had just been reading Amsterdam Refinery that got, you know, there was a flood and it took out the road and so the emergency vehicles couldn't get to it and I'm thinking tailings ponds above, great; Athabasca River down there, you know, plant below, not a good thing. But I can't change the design of the plant, what I'm going to do to deal with that issue. That was my first thought when I drove down that road, it wasn't about anything else, beautiful day, you know what it's like in the prairies, all the



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trees had changed their colour and the Athabasca River, I wasn't thinking about that, I was thinking about whether they'd built things properly.

BB: Pilgrim's base.

MARCOUX: And I thought, oh this is terrific, this really is going to be fun. It was a big challenge, but people were so ready, so ready for answers to questions and I didn't have to have the answers. You know, almost everybody up there knew what needed to be done, but there was no will to do it, you know, we had no history of success, we had no history of being properly supported, you know, insufficient capital, the baby's starving, so you can't feed it, so it gets even more starving, and then it just gets worse. Well we weren't feeding it, you know, it was never going to get better. And I spent six months actually talking and hearing what people had to say, not rushing any decision, because everybody knew we were in trouble, so I didn't have to tell them that, I just said, "What would you do about it?" So the ideas just started to flow, so my job became, well why aren't we don't that, what are the barriers, why aren't people actually...what's getting in the way of these people doing what they normally have to do? And the willingness for that change, ah, it was amazing.

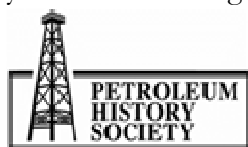
The only thing I might take some credit for is I knew the mine should be run by a miner because I know the oil, you know, the oil set, mind-set, oil engineers and petroleum engineers and miners, you know, they're a different creature. In petroleum you are dealing with an ore body but you don't even leave the reservoir behind, this is conventional oil. We had to do something about our reservoir which is unconventional and why weren't we using a miner to do that, they thrive on problems, they know that Mother Nature's going to throw them a curve ball every day and you know, and they just get up and say, well what's today's problem? Not, oh God, we've got a problem today, it's what is today's problem. So I hired a miner.

BB: Who was that?

MARCOUX: Cliff Britch.

BB: How do you spell that?

MARCOUX: B-R-I-T-C-H. And I read about Cliff in a newspaper article and his stand with a union and I realized that reading the article, if there was any truth in it, he was of the breed that was tough and fair, because there are some tough and mean ones and I interviewed people for that job and Cliff was absolutely the man and he made, I tell you, when you've got people you can rely on to have high principles, you know they're fair, they know where we're headed, they know what has to be done, you can relax at night. I didn't spend a lot of time worrying about what was happening in the mine after Cliff came along. And the people that were working for him, also, they were so anxious, they knew what they needed to do, they knew how to mine, it's just that people weren't letting them mine, switched to truck/shovel technology, that's, you know, it's road related. You know people always talked about the fact that trucks would sink, well you build good roads. I'm telling you Bob, you go into any mine, anywhere around the world, you don't have good roads, and you don't have a good mine. It doesn't matter what you're doing, so we started on a road building



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program and discovered that we had good limestone, we started solving some of the big environmental issues, and serendipitously we solved the tailings pond issue. So we did... what needed to be changed was obvious, how to do it wasn't obvious if you, and the barriers were invisible, people didn't, I mean if you can believe it, people were reluctant to change to truck/shovel, not just for the fears about sinking trucks and everything but because the bucket-wheel had become the symbol of the Great Canadian Oil Sands, all that turning, they were dreadful things. So there were good and bad moments there, we had terrible problems, we had freeze up at one time, we had a fatality there as well, at another time when I... it's just heart-wrenching to have something like that happen, for everybody. Family, that was here in Edmonton.

You know, I know, I've never forgotten the day that they died, I always...there's a moment and it always comes back to you, but you also focus on the successes and what people learned and where you have to go from that. But the transformation was really phenomenal and the energy for that change was there, you could tap into it, people really cared, you know, this was their place, this was their job and I would say that that really...although Syncrude had been successful, the transformation of being the white elephant, of being the darling, you know, of the universe, taking the company public and when we went public, nobody had much faith and promises and then within a year, we had all the transformation, the year that we switched from bucket-wheel to truck/shovel, we actually had the highest production numbers ever, like who can ever say that.

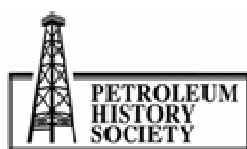
We brought it in on budget, we were innovative, the group was very innovative with their technology choices and every time we had a problem, they figured out how to solve it. And so when I went up there they asked me to take \$0.25 a barrel off the costs, and we took more than \$5.00, and you had to, because when I went up there crude price was around \$17.00 a barrel, and the cost, not just the operating cost which is what we used to report, but the cost including maintenance capital, that thing that we were starved to death on, where you could never get ahead of the eight-ball unless you were properly maintaining your plant and your equipment was around \$19.00. So my message was, this wasn't exactly sustainable and there wasn't anybody in the organization that hadn't figured that out. You might be a pipefitter, but you understand the basic economics and I never-never underestimate the power of anybody. All tradesmen are proud of what they do, it's not the purview of anybody else, you come in, you want to do a good job, you just tap into that energy and make sure that what's getting in their way from doing a good job, your job is to get rid of it. So, it was a terrific, it was terrific.

BB: One thing I find interesting is that Eric Newell, who was having the same problem...

MARCOUX: Across the road from me.

BB: ...maybe two years ahead of you, I mean he started, he took the same role in about '89 I think.

MARCOUX: Yeah, I did talk to Eric before I took the job and said, Eric what do you think, and he said you'd be terrific, meaning, its hell up here, but join us anyway.



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BB: But it's interesting you both came from refinery, refining backgrounds and then had minor sidekicks.

MARCOUX: The advantage for me, when I looked at that job, I understood mining, you know, as a mineral processor. I say I was in metallurgy, people think of physical metallurgy or steel production, I was a mineral processor, I'm the guy that the miners give the stuff to, you know, and then you do beneficiate it. So I had that side of the business, I understood it, I understood mines and we took a lot of our courses together with the miners, so that was an advantage. I had run an oil refinery, so the upgrader's just a front end of that, of a refinery, and by gracious good luck, although I didn't enjoy my experience in Ontario Hydro, I mean, I could have been successful but I was never given a chance, and that's probably a good thing for Suncor and myself, because then I had the job I really loved. I'd learned enough about power production during that time, so I had all the elements of what those three big pieces were and what it took to run them successfully, what it meant, and what you had to look for and so it was like by accident, I was sort of groomed for that job, and it made it a lot more fun for me, because I could speak the language of all three areas, with a comprehension of the issues and knowing when to just let people have their head. Because I didn't have all the answers, in fact, I didn't have too many at all. The one answer I knew is the people who work on the ground have the answers, a few of us.

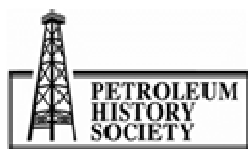
BB: Maybe we could sort of parse the different things that were wrong that were costing so much when you arrived; the mining is obviously the big one...

MARCOUX: The transformation is the big one.

BB: ...the bucket-wheel and...

MARCOUX: Because bucket-wheels, I always said to people, I think we had them off, for every so many hours that they ran, you know, we were fixing them another three hours, like the downtime had become incredible, maintenance costs in this harsh, harsh environment. You wouldn't run your car that way and there just had to be a better way. So truck and shovel was more efficient in a thousand different ways, it can selectively mine, you know, bucket-wheel is completely unselective, so we became much more sophisticated at dealing with the ore body the way miners do. You don't mine stuff that's lean; you mine the stuff that's fat. You don't high grade, but you make sure that you're actually processing for every tonne of sand and you want it to have that half barrel of oil in it. We were processing tonnes of sand that had nothing in it, so huge costs. So that was the easy pick area, the refinery was more challenged with lots of ways to become more efficient but more capital to do it, so it was an underleveraged asset if you want to think about that.

The other area that people never looked at was our product and our product quality, so it was like one size fits all. And I'm refinery manager, at one time in my life, and we had lots of equipment so that we could handle the diesel component and because of the demands in Edmonton, there was more demand for the diesel component than there was for gasoline in our own market, and so I knew that we used to take the three components, and blend them all into the same blend, and



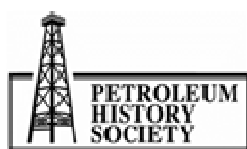
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because of my marketing experience, meaning I had produced the stuff as a refiner and I sat on a committee that worried about the marketing elements and I understood a lot about crude oil, you know, from my days at Esso and I said, “Well, why aren’t we blending? Can’t we blend to meet the customer’s need?” So instead of them buying or not liking our crude because its one-third, one-third, one-third, some people actually want a bit more of this and a bit less of that and some other people want it the other way around and so we started to create synthetic blends that actually were more in tune with, it didn’t cost us anything more to make, but we could charge more for it because it was more valuable to the consumer, so that wasn’t rocket science.

So we started to actually leverage that customer base to their net benefit and to our net benefit, so that worked. So we had lots of things to fix. And the power plant, you know we had a record of unreliability, that’s also related to underfunding, you know, all that kind of thing. So you just got the right amount of money to do the right things, become more efficient, so in fact you became less costly. You had to get ahead of that curve, you had to believe that you would get ahead of that curve which we did. We also needed to invest some time and energy in health, safety and environment and, you know, when I arrived the first thing I did was get a stop work order from Edmonton to Alberta Environment for something that had happened not on my watch, and for me to talk them out of the stop work order, meaning, there’s no point in stopping our work because it’s not going to cure what happened, what will cure what happened is for us to get to the root cause of this issue, and believe me, we will. And they were threatening the stop work order because they’d not seen us take any action, you see.

So there are all sorts of, you know, the government relations were poor, our attitude to the environment, I won’t say was disregarding, but it wasn’t ingrained in the way you do your job, safety wasn’t ingrained in our thinking, it wasn’t a value the way they talk about it today, it was an add-on. You know you don’t operate that way and you’ve got to be thinking about those two things in your job just like you’ve got to be thinking about your productivity. So we cleaned up a lot of stuff at the time. The power plant was also a challenge because we had a lot of sulphur, we burned that wretched coke, high sulphur coke and you know, Saskatchewan was a little tired of getting its fertilizer from us from the air, and there were lots of signs of stress in our surrounding area, and so we challenged, we tackled that problem, we changed that. And out of that change, that’s where we got the serendipitous effect, the bi-product of taking the sulphur out, using limestone that’s the base underneath the oil sands.

So we didn’t have to go far to get our product to solve nature’s problem, she was ready to give it to us, Mother Nature always does that, or often does that, we were also producing calcium oxide and we of course we had put this which is all okay stuff into our tailings ponds, and it turns out calcium oxide causes the clay particulars to flocculate, and get heavy enough to settle, because that was the problem, we couldn’t get these tails to settle, the way you do, you see, and so that you could take them out of service and reclaim them, and here we were solving one environmental issue and the chemistry resulted in solving the second one. Not a perfect solution, but certainly a step forward that people hadn’t seen for all the years that the plant had been operating, we just kept on building tailings ponds and hoping to find an answer. Well we started to find the answers and play with the



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chemistry in the ponds. So we solved that issue and that resolved a big liability issue for us, so there was, you know there was, and the people themselves, you know, the transformation in the mine also meant that we could reduce the number of employees, and my promise to them was, you know, we're going to have to change and at this production level, there are about 500 people of you who are going to lose their jobs, its either that or 2500 people that will lose their jobs, I didn't say it quite that way, but it's something you had to share with them and I said, "This is going to work, and when it works, people will want us to produce more and when we need to produce more, we'll have jobs again. So we've got to go through this phase first." And so there we were, and they've been expanding ever since, right? So I was right and I was confident with the people that I had and the ideas that they had, that if we made those changes and we were successful with this business, we'd be growing again right, and they believed me, thank God.

BB: Let's go back to the tailings, which is still an issue. How did that discovery or realization come to you? Was it people on staff or a consultant?

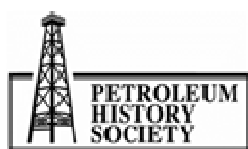
MARCOUX: Yes, we were constantly monitoring these ponds and we were constantly tinkering with the chemistry to see if there was any way we could solve this problem, so they understood what was happening and traced it back to the calcium oxide and that's something, that was one of the most stunning moments for me is that we were working hard on it, but we had our eyes wide open, which means when we found a solution that we were aware of it, we were monitoring what we were putting in the ponds, and we were seeing the ponds react to that and we were seeing things that we weren't expecting or having predicted and we were happy about it, and so that was an amazing, that's probably one of the things that never gets much talked about, you know.

BB: Was there any particular person, or team that identified that?

MARCOUX: I can't recall their names, you know that's...I hate to say that.

BB: But it was a team that had been monitoring that.

MARCOUX: We always, you know, people weren't in for personal glory. Interesting thing about people, people want to work for a company that's got purpose and does something meaningful and that their recognized for, they don't need to have the glory recognition and often if you've worked together with people, you don't really know where the germ of the idea or recognition came from, you know that somebody might have said something and then you get fired up and then it builds and I think it's pretty much that way with that group, you know people who were charged with that responsibility were collectively excited on their own behalves, and so that's what you recognize and reward is that people didn't, there wasn't one individual and it never had to be one individual, ideas very rarely, your ideas are always borne out of you, the chatter, if you will, at least I find that. So if you listen in that, you might think you've had a brilliant idea, but we just coalesced something that people were talking about and put light on it. So it's hard to take credit for an idea as an individual, for getting it recognized as something to get done, you can take credit for that, and so I had a lot of very forceful people working for me who would go, this is a good idea, but not saying because its



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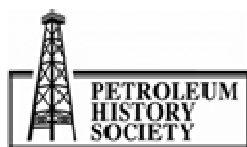
my idea, it's a good idea for these reasons. And I should have studied, I've got lots of stuff where I've got the names and I thought that I might recall them, but no, I remember the names of the people that reported directly to me and the level below them and after that, just sort of mists of time here, you know.

BB: Freeing up the capital to do these things that must have been, now you were still owned by Sun at that point?

MARCOUX: Yeah, Sunoil Company, big shareholders, with all that change we needed their approval, so first of all, I have to say, that I really think that Suncor, and it was wonderful that they gave me the opportunity. That's how I felt about Petro-Canada letting me run a refinery. They may have been feeling desperate, but I don't know, but they gave me the opportunity and they gave me free reign mostly. Now that didn't mean I didn't have to argue my case, now they just didn't say well whatever you want, but they were receptive and listening, you know, Rick always listened, he was always willing to take the bets. If you had enough understanding of what it was you were trying to do that you could convince them. And then I asked for the money for the transformation and the board accepted that. I understand a lot about capital cost estimation so actually I knew how to do one that wasn't going to backfire on me, right, so that I had what I'd say a 95% probability that we could bring the changes in for that amount of money, and that's not a number that's a plus or minus, like 10%, it's a 95% probability, with the contingency spent that we can deliver this product.

Because I'd written a book on capital cost and you know, I understood it was a technology in itself, if you will, a type of understanding of what you're really doing. So the board gave me the approval, I had great board support, I gave a lot of spontaneous presentations, I'm not a believer in, you know, a lot of wealth. You own the content of your material, which means you can stand up and deliver it without all these overhead transparencies, and you deliver what's of critical importance that the board should know to make a decision and you don't cover it up with a lot of stuff that just puts them to sleep, and you make your pitch and if you own your material you don't have to have all the cue cards and everything, in your back pocket, unless you want to assure people that you're not going to lose your way; and they accepted that. And when we had such a successful outcome, I actually took the time to thank the board for saying yes, and then I had the most enlightening moment of my life because the board said that they really appreciated my thanks but they'd agreed to it because they didn't know what else to do.

Because really they couldn't sell the company, we had an environmental liability greater than the cost of our assets, that there was no path forward and there was an opportunity to sell bits and pieces, but I told them if you sell bits and pieces, you'll kill the place. They were talking at one time, you know, having somebody else come in and mine for us, I go, "Why would you do that?" They just get to make all the changes and they keep the productivity and we'll have a fixed price, which we'll have to negotiate every year. Why would you do that? I don't think the mining company was too happy with me with for scuppering the deal, but I know that's the way it works. People need to belong to something that's meaningful and purposeful and I wanted all those people up there to believe that oil sands were their future. In fact, we were going to transform that from being white elephant and



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nobody in love with us, to being the darling, I mean the darling of the investors, right, that's okay if they want to think that you're a darling, that's not who it matters to, it matters to everybody, it matters to your community, the people that work for you, the customers that you have, they all get what they need and out of that profits flow, right, so.

BB: Now how long did it take, was it '93 that the big...

MARCOUX: Transformation?

BB: ...shift occurred?

MARCOUX: So I went up there in '91, it was in the middle of '92 we made the announcement and then the transformation started from then and by '93, you know, we had been fully, we were a fully different company; fully different operation. And it didn't take us long, the transformation was very smooth, like I said we went from bucket-wheel to truck/shovel, the only tragedy and I'm not underplaying it is that we had a fatality in the last few weeks of the bucket-wheels operating and it was a catastrophic collapse of the bucket-wheel that crushed a...

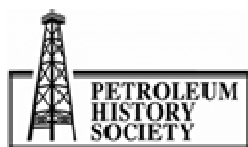
BB: I remember.

MARCOUX: Yeah. So that we were so close to the transformation and that he was under that wheel for all of about three seconds, every minute, and all the things that just...you just could not believe this accident had happened, including the catastrophic failure, and he was a lovely man, and it was just a very sad and tough for the organization to deal with. Other than that, we just...not to downplay it, it was truly an amazing transformation that we went through.

BB: Now, to an extent was that just made possible by the fact that big trucks were now available, the, you know, back in the...

MARCOUX: Well the truck technology had also changed as well. No there's no question that everything has its time and place right. So maybe five years earlier it wouldn't have worked, trucks would have been too small for the scale that we were operating on. What had happened though, is that people had dismissed trucks instead of watching the continuation of the technology. Like, I knew what was going on in mining around the world and I knew what the miners were doing in Australia. I knew that they were driving trucks the size of 737s, you know, like you just had to watch that and you also know that almost every mine in the world, at that time, with the input costs and all the rest of it, could move dirt for about a \$1.00 a tonne, well we were moving our dirt for around \$4.00 or \$5.00 a tonne, this is not good. So in a mining world, we were a disaster but because of the price of crude oil, people didn't realize we were a disaster if you will, from that standpoint. So we hadn't followed mining technology.

When I started to send some of the engineers that reported to Cliff off to conferences on mining, they just never did that. They sent people to conferences maybe on refining and upgrading, but we didn't send them on mining conferences and they came back and said, "We're looking at the wrong



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crushers, we should be doing this!" I say, "Yeah, sounds good to me, why do you think so, you know, come in and talk to me more about it." So I was letting people actually explore the mining world, whereas before they were just blind to it because they were in the oil industry. It sounds so simplistic, but that's what was actually happening and you know, when you're underfunded, you know, you think you can't afford to educate your people or continue to help them move in their industry. So people aren't actually blind, but they become blinded by, you know, do you spend a dollar on that, or do you spend a dollar on trying to make the plant safer. You know, how can you make those choices, you have to make the plant safer. So that becomes a luxury, this idea. So you've just cast away your future. So people weren't making those decisions because they just didn't know how to get, you know like I said, forget glass ceilings, bust out the glass walls and then you'll see what happens, you know, good things happen, so.

BB: Well there was a little price spike in what '91 I guess when Saddam invaded Yemen and all that, did that help to provide some of the capital?

MARCOUX: You know in the scheme of things we weren't asking for anything that was out of line, we weren't talking five billion dollar projects in those days and because the project was, in today's world the projects are so big and the concept of them are so big that to get to a 95 percent probability number, people would never build anything. So in fact they accept 50 percent numbers, I don't think necessarily knowingly, I think that every number they accept actually has a high probability of success when it doesn't, not for that level of capital and it's hard to forecast mega projects. Well we were just under, you know, we weren't...it was such a focused transformation, I wouldn't say that we were a mega project, and there was lots, I had good miners, the truck/shovel company itself had lots of experience, and lots of ore bodies, we understood that good roads were the answer, so I would say the risk in that project isn't anything like a green scale or anything. So getting money was not hard.

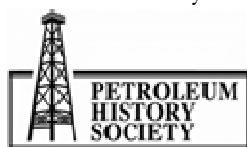
Secondly, they actually didn't have any choice, nobody was going to buy us and save us the agony and so you had to fix the problem yourself and here was someone saying, gee I think we can fix the problem, so they knew I was naïve, but truthfully I did believe it. I mean I never doubted for one minute that we wouldn't be successful.

BB: Do you recall what the price tag was on the transformation?

MARCOUX: In dollars of the then? No.

BB: I don't know for some reason \$300 million sticks in my mind.

MARCOUX: Yeah, see, between \$300 and \$500 million dollars were probably spent during that time in transformation and high grading and investing in a different plant, so that's probably what it was all about. And I suppose if you translate it in today's dollars, it would sound like a mega project, I guess I was naïve enough to think that it was manageable, but I also understood how we put the forecast together and I understood truthfully what was a 95 percent number and what wasn't, I knew where my risks were and I was properly covered on the contingency. A lot of people want to



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take a contingency back because they think they can control your spending if they're the ones that release it. A contingency is there on purpose, it says actually there are things we don't know and our estimate of what we don't know is going to cost us this much money, so when we find them out, I intend to spend that money. So when I give you a capital cost estimate this is just my undefined line but it doesn't mean it's not going to be unused. A lot of people don't get that, they think a contingency is some kind of like cover your whatever, and that somehow it's your comfort factor and I say, no if you want to put a comfort factor in, it's not the contingency, it's something else.

You can say I'll put in a buffer of another \$50 million dollars that you can control, that I'll have to come and beg for, but that's got nothing to do with the spend and a lot of people don't get that and they try and deliver you a project with a contingency number that's low so it looks reasonable, when in fact, given the amount of engineering that's done or the amount of understanding of your project, it's far too low. Your unknowns are way too high; project after project around the world is run that way because people won't accept. Like a 95 percent number for a lot of these projects up here would have told you exactly what you were going to end up spending and so boards don't seem to want to know that first, they want to wail about it afterwards, but you can always find it, so it's very strange.

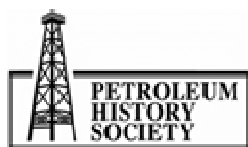
BB: Well it had come after a decade of penny-pinching, so you kinda...

MARCOUX: No it was hard to get the money.

BB: ...you knew that you had to be...

MARCOUX: But I was never going to spend it extravagantly, and people actually don't. Where we start spending money on projects that we shouldn't are surprises that nobody saw, also you start to scramble and generally speaking, you haven't done enough engineering before you put the shovel in the ground because people don't want to pay for the engineering until the decision's made, once the decision's made, they want to rush to the end and I says to people, we don't understand the risk in a project today, so what you should be doing is that you should be willing to lose. Like say you've got a project that you think is going to cost you \$5 billion, you should be willing to risk \$500 million dollars to get the engineering right, so that when you do your forecast, you're going to end up with a 85 or 90 percent probability number, that's what you need to do. And if at the end of \$500 million dollars, you know the project isn't economic, you write that off, boards don't want to do that.

So they go ahead, we sell the project on a number; we are unproductive because we're always playing catch-up with the engineering which means that you're probably wasting \$500 million dollars in any \$5 billion dollar project. And we always go back and say, well we wasted here and here, we won't do that again, but we always do it again because we don't do the project correctly because people are not willing to risk enough dollars at the front end, but they always cough up at the back end. We just don't do it right. Well we did it the right way on that project and the board accepted the number and it wasn't an outrageous number, but it was a path forward and if we were successful we were going to make all those lovely profits and we did and so the board made a good decision.



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BB: Now when they shut the...did the trucks, they didn't go all the way to the separation. How did they get the...did they still use a conveyer to?

MARCOUX: Yeah, we used a conveyer and then when they moved across the river after I left, then they used the conveyers to do that. So you always try to make your haul, the truck haul short because if you've got enough volume, the conveyer systems, if they work well in your climate, are a good solution. And so there was nothing, conveying wasn't the issue for us. It really was the roads, the oven mitt was just good roads. And the transformation to truck/shovel meaning we've got payload that's makes it economic. I don't know how much bigger the trucks would have gotten but all I know was, I wasn't going to be driving one anytime soon. Our best drivers were women though, because they babied their equipment, they weren't in it for some kind of road race.

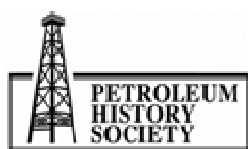
[BREAK]

BB: I was going back to the upgrading, how much of the difficulty was endemic to the whole design, the coking and the age of the plant and so on?

MARCOUX: The plant was fundamentally sound, the cokers are odd things that, you know, it's not a continuous operation, you actually have to take on offline, so that's a start and stop procedure which is not congruent with most refining, you like steady state, steady state, steady state. But it was okay technology and it's continued to work well. I'd say the biggest challenge that we had was two challenges that I saw, we were certainly under-maintained right which means you're always playing catch-up, so that leads to that unreliability factor so we had more downtime than was acceptable, but they just could not get ahead of the curve. So what was in their way, why weren't we getting enough money, etc.? So we solved those things. The second thing that was a challenge, which a lot of people didn't much think about, was that I already knew that CO₂ was emission, and the easiest way to tackle CO₂ was just become more efficient.

People don't like to invest in efficiency because it costs capital and capital is scarce, when in fact it will lower your operating costs big time. So I just got rid of that area, I said we are going to do every project in here that you can think of that will transform us as a good consumer of energy, when we start the wave and we are going to reduce our CO₂ simultaneously even though it's not prescribed product or anything, it's going to be our mindset, I don't want the engineers coming in and modifying any part of this plan, where they don't simultaneously take the opportunity to create a more efficient operation. So we did it by stealth, if you will. Every time we said we needed to upgrade this or we needed to spend more money on that, we simultaneously made it more efficient. What difference does it make, you ask for the money, you're doing the right thing and there's a payback and there was, and we just...as soon as people felt liberated and had the resources they needed, they didn't waste the money and this was never a matter of a waste, they just spent it where it needed to be spent, did what they needed to do and had that place humming.

We got more, we invested more in separate, building in some redundancy, and redundancy is always seen as very expensive. The minute that you need it and don't have it, whatever you thought you



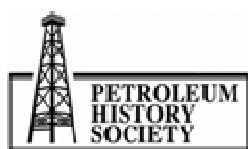
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saved, you lost. The rate of loss is greater when you've got an over-integrated plant than you do when you've got a plant with some redundancy and that. So we started to build some capability, stock-piling ore so that if anything happened in the mine, you weren't in trouble and then as you produced your extraction plant, if it ran into trouble you had lots of days to get through the problem on your refining side, because the closer you get to steady state, the more time you cause an interruption. Same thing in the power plant, the under investment in maintaining and then bringing the technology to kind of state of the art from where you needed to be, have your systems. So we just did a lot of investment there and in comparison to a mine transformation, it didn't look like much capital, and in fact it was as integral to the plan.

We did everything from beginning to end, there was nothing that was unexamined and we looked at it from the point of view, as I said from, our regulars, if they weren't happy with us, our customers were extremely unhappy with us, you know, we just didn't deliver quality and quantity and here we started to...we certainly made those metrics so that our crude price, which was discounted in the marketplace no longer became discounted, we became the premium crude, the one where you could ask for a special blend, how good is that. So we transformed that, I transformed...the people were, we were unproductive and low reliability plant, so what was in their way? Was it inherent in people? They weren't lazy people; they didn't have the tools, so you fix the tools. So our productivity went up, our reliability went from the low 80s to the high 90s, I started, even look at the fire hall, the entire fire hall was in one location in that plant, built over a pipe rack for heaven's sakes, so if there was a fire in the pipe rack well the first thing it'd burn down was the fire hall, which didn't make a lot of sense to me. So we started to satellite the services right, so that they were early responders.

If you did have crisis, you had a more instant reaction, you know, more capacity. As we expanded the plant, you needed to have those responders closer, you know it's ...for every minute that something isn't under control that costs, well in those days it was a million dollars a minute. So if we had a fire that went six minutes before the responders were there, we were talking six million dollars, and I figure you can change a little satellite(ing), you know, get that money back real fast. I mean those are some of the rules of thumb that I used to use, just, not rocket science, just rules of thumb about making the right decisions, like where do you invest the money and why. That argument about redundancy and integration, that's always a hard one; because people don't see the cost of integration, because it's always labelled with prices. They see the cost of redundancy because they're underutilized facilities most of the time. So it's an underleveraged asset. None sense, you know. So you just had to think from an operations standpoint to make your place more productive and for every barrel you produced and cost to develop, you know, what's better than that.

So, and then the change in the culture in the company about the safety issue and ingraining it, being able to say that you care, like it isn't all about being tough and it's not a challenge to your masculinity if you wear safety glasses. And changing that culture from the not feeling like a wimp to realizing that in fact what you really care about is, if you see Charlie, the guy you work with everyday doing something that isn't safe, you better tell him, right, so get over it and let's just start taking ownership and changing that culture. And realizing that when you change that culture it actually changes people's mind set about their job, the job becomes more meaningful. There's purpose, you care, and



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you're not afraid to say that and you just get on with what you need to do. And so I think, that's what I said, there wasn't anything from the time I drove in, except I never did get the plant rebuilt so that it was on top of the tailings ponds, but there wasn't anything that we didn't examine. And there was some, even to the point of, the way we communicated with the communities and then when we went public, how we communicated with the investors, investment communities, so they actually understood the nature of the beast. I used to say to people, mining oil is unconventional, but there's nothing unconventional about mining. So if you understand how to mine, you don't have to worry about it and I'm going to be here to show you that we know how to mine, and then you can start worrying about us being unconventional oil. And getting that confidence out there, speaking what might sound like simplistic terms, but actually terms that resonate with people because it isn't complicated right.

BB: You mentioned Alberta Environment and a stop order, was that about air or water?

MARCOUX: It was dam leakage.

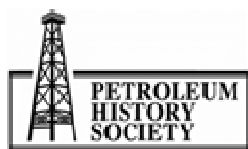
BB: Oh yeah.

MARCOUX: Those tailings ponds, they were not my happy moment right from the get-go. You know, I knew we needed to find a solution and it was not off my radar. I wasn't going to leave a legacy to the world of tailings ponds that were sitting and saying, well they'll settle in a thousand years. That's too many generations, I don't think you've got the right to do that, you know, that's your problem. And they didn't realize they were going to have the problem, yet we've been operating since what, 1968 and the tailings ponds were just getting bigger and bigger. And we kept on saying well we'll find an answer, we'll find an answer. And I said, "We will find an answer." So that's why I'm surprised I don't remember the names of the guys who were worried about the chemistry in those ponds, because we had lots of talks. I got a great deal of understanding of the issue that we were really facing, why it was complicated and what was needed to try and find a way to un-complicate it so we could get on with doing what you needed to do. But they knew I supported them, there was an interest. So when people have an interest in what you're doing or a purpose, people get really keen if they think that they're given the opportunity to do it, like they're not going to get starved to death.

BB: I've been told that part of the problem was that all the chemical engineers knew organic chemistry and the tailings were inorganic or something like that anyway.

MARCOUX: We didn't always hire the right people, but it was hard to get people to Fort McMurray. I mean my first reaction with that phone call was, "There's wilderness?" and then there's Fort McMurray you know, gosh, but that didn't last more than a couple of seconds. And it is wilderness, there was only one road out, there still is.

BB: No there's, well maybe one now.



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MARCOUX: Oh is there? Oh okay. But you did feel like you were on an island, so the opportunities for people, you know what, it's probably also that we hired a lot of petroleum engineers, so organic chemistry would be their bit. But tailings ponds, well we started to change out a lot of people, and I started to change out a lot of the attitudes, people used to be siloed, you know, if they were in the mine they didn't talk to the people in the refinery and I used to just say to them, why not? Well you know, because we report this way. And I said, "Yes, but you need to know what the two of you are doing, right, so why don't you talk to each other?" Well no one has set up a meeting, "Have you never heard of a telephone?"

BB: Was some of that because of being a union operation?

MARCOUX: No these guys weren't in a union, they just, the union guys did talk to each other, you know, of course they did, they travel on the buses in the morning. No, it's the way organizations silo their information, unintentionally, so when I talked about glass walls, I can tell you but we worry about glass ceilings a lot more than we should, it's the glass walls that keep those ceilings up and I always said to people, they're invisible, so tell me what the real barrier is that says you can't pick up the phone and talk to the guy on the other side of the fence here, because there is no fence. And that started to create this spontaneous recognition that no organizational structure should ever dictate who it is that you need for professional reasons to talk about what your job is and how what you're doing upstream was affecting the downstream, and I think that culture just changed. I also sat in an office where it was all glass on the interior, people could see whether I was working or playing games on my computer for all I cared. Just to give people that sense that they could access you, very few people took advantage of it, but everybody knew that my policy, my E.A., she wasn't there to guard me, she was there to make sure I was accessible to anybody that wanted to talk to me. And that openness and that sort of development of confidence that people knew how to manage their own time, really also is part of that transformation. It was an organization dying to do the right thing.

BB: Was that glass walled office already there, or did you?

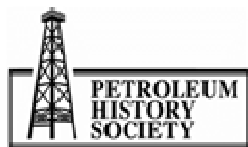
MARCOUX: Yes, with the curtains pulled!

BB: Ah!

MARCOUX: Never be critical of the person before, they faced different challenges and did for what the time was work. Remember, I've always had a bit of a Pollyanna view of life, like I always believed that anything is possible, so I didn't come in discouraged. I had been beaten up by the Suncor board for any period of time so.

BB: One other environmental issue that I recall from that era was the H₂S releases.

MARCOUX: We didn't have much of a problem with H₂S in the plant; it's something of course I'm completely paranoid about. At Edmonton Refinery, H₂S is probably what the gentleman, the fatality...we were in a turnaround and he opened a valve, he was on his own, which was the first no-



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no contractor, so we had no understanding of actually what happened, it's all hypothesis. We believe that he opened up a valve that had H₂S in it, and that caused him to stagger and fall and it was the...we're not sure if it was the fall or the H₂S, which one caused the other anyway. So H₂S if you...when I was a junior engineer working for Dartmouth Refinery, we were building a hydrogen synthesis plant, our trailer was right beside, you know, a plant that had H₂S releases, or the potential for it. And we had all our little throw-on oxygen whatevers because we were so hyper about H₂S, believe me. I would remember if we had a problem with H₂S in Fort McMurray.

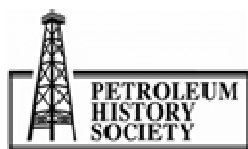
BB: Well it was more a community issue, the fugitive releases...

MARCOUX: Oh yes, well there was sulphur releases. Look you couldn't get your sheets out there without getting bitumen all over them, and you're windscreen if you took into the, parked it in the plant, your windscreen, the acid in bitumen just ate your windshield away over time. There were all sorts of emissions that were an issue, including the fugitive H₂S and SO₂, in particular, it's so high in sulphur. So we just started fixing that, like I just wasn't going to have it, that's not what we stood for, its not what we stood for as a company or in our community, we shouldn't be embarrassed about it. But when I went up there, if there was a bad smell it was never Syncrude, people just always knew it was Suncor and I would have to say, "Well, maybe." By the time I left, if there was a bad smell, it was necessarily Suncor anymore and that was one of the big transformations. But our community relations changed, because we just said, you know, we live here, this is our place, I'm not putting up with this, why would we put up with this?

BB: Now this same era with all this going on there was also when the National Oil Sands Task Force was doing its studies and leading up to, I guess it was '95, the official report and then '96 the generic royalty and all that. How involved were...right here actually in this boardroom, when ACR was...?

MARCOUX: You know I was very involved and Eric and I always agreed we worked very closely together; there was strategic reason not to on this issue. In fact, there was every good strategic reason to do that. And we spent a lot of time with Pat Black, in particular, educating and helping her understand what the issues with her. I was very composite to make sure that in fact it was still fair at the end. You know, when people aren't always as knowledgeable about what the plans or likelihood for your capital expenditure, your everything, is that it wasn't designed or should never be designed to be too rich sometimes, but it was the sensible thing to do for the development and the growth of the industry, but to make sure that it also never became egregious, so how do you set that up so that it would be effective and work properly. And I thought that maybe I'd done a pretty sound job. I know there's been some criticism recently, but lots of things have changed since 1996 and any agreement needs to be reviewed.

At the end of the day, were the relationships good, yes. Was the intention good, yes, and did both parties feel that they understood enough and that it was the right thing to do, the answer is yes. Any agreement for a contract should always be reviewed, you know, ten years later, or 15 years later, to see if the situations you predicted are still valid and whether or not the underlining principles of the



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contract are still valid and if they're not, then they change. Its never that it was wrong at the time. Well that's the way I operate in business anyway.

BB: Somewhere in there Suncor went public.

MARCOUX: Yes, we did.

BB: Now when was that, ninety...

MARCOUX: '93.

BB: Oh so that was, was it simultaneously?

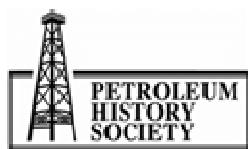
MARCOUX: Actually, it was before we actually finished the transformation. Right, we went out with the promises, but we hadn't delivered yet, which is why I got so severely criticized later when some of the investors said, "Well we should have believed you." And I said, "Well, why didn't you?" And they said, "Well we just didn't believe you, so we cut your forecast in half." And I said, "I'll remember that the next time, I'll double it for you, so that when you cut in half, you'll have the right number." I remember that conversation and I just laughed at them, and I said, "I'm a true Canadian, you know, peace, order and good government. I'm P.O.G., I'm prudent, I'm conservative, and I believe that things can be done, but I'm not a really big risk taker. You put everything in place that you think you need to put in place to be successful. I had good people, we had good ideas and we were confident that we could deliver, we were thorough." And I said, "That's...when I talk to you, that's what it's all about." And they go, "We'll remember that." I don't think in my heart I could ever have, you know, I'd never bet the company on a whim.

Either you really believe you're going to do it for good reasons, and my good reasons were that I had good people and good ideas and enough money to do it properly. So that's the perfect combination. And we had lots of good ideas. I mean people, the things that were stopping people from being creative and solving the problem was simply that somehow we had to get rid of the barriers, and old perceptions and be able to break through that barrier where people have enough confidence that you can do the right thing and we were able to convince the right people that we were confident that we could deliver, or maybe they were just desperate and then they gave us that opportunity and believe me, being given the opportunity, people did everything they could to make sure that they delivered. People were so proud of that transformation. And it wasn't just about cutting costs but it was actually investing in the way you wanted to run the plant for the rest of your career. It's such a different environment when you do that. So yes, we lost 500 jobs, but then we were able to grow and expand and we hired them all back. I mean, it's a wonderful story.

BB: And you actually got the costs down below the...

MARCOUX: We were about equal to conventional oil when I left.

BB: Down around about 15 or 14.



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MARCOUX: We were lower than that, we were in around 12, I think, 13.

BB: Yeah, I remember there were a lot of numbers bandied around then.

MARCOUX: But we were within striking distance of conventional oil. And that's another thing I used to say to people, in conventional oil you can make your bet in exploration, right. We know we've got an ore body. What risk capital do you put out for wells? I want you to think about why are people so willing, in this business, to put up money, up front, risk money, on looking for stuff, when you're not willing to give me up front money to do a good engineering job to tell you how much money it's going to cost you to get that oil. See that mind set of exploration attracts that risk capital mind set, but when you just want to actually build a plant, people suddenly think that you could, you have no risk right. You know what you're doing. All you have is many unknowns in the build, like you do in here when you're only guessing at what the geology is below, with the best information you have. Pardon me, but we still drill a lot of dry holes, you know, so I was always trying to get people to understand the risk profile in our operation versus what they thought they were familiar with and people are really not understanding their risk that much in the upstream anymore and they certainly don't understand the risk that in Greenfields sites, because I just continue to see us forecast in a completely inadequate way and if I was running the operation today, it would be done differently. But nobody's asked me, and I joined up with this board too late.

BB: Okay, so everything's going great.

MARCOUX: I was just offered another opportunity.

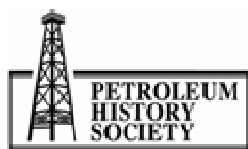
BB: Is that CS Resources.

MARCOUX: Yeah, CS Resources. Then you got to, you know, we'd done the change, I loved what had happened, I really admired the people, I thought that Suncor was a terrific company, they'd sure given me a great opportunity and as usual, I was my ungrateful self when somebody offered me something else, and I went, I'm grateful, maybe not. But there was a pause when the company wanted to consolidate all that success and kind of, just didn't want just wanted to sort of maintain the status quo and I'm not so good at status quo. I think that's the bottom line, I don't mean that as a criticism or a praise of myself, but I think I like, if you just look at my history, the new challenge, the new opportunity to see if you can just make something exciting happen. And so CS Resources looked like it needed something exciting to happen, and unfortunately, it got sold. Which was exciting for the shareholders, they made a bundle of money, but it wasn't my five year plan.

BB: Well it goes back to that title, "change manager". What was your title at Suncor, was it Vice-President or?

MARCOUX: Executive Vice-President.

BB: Executive Vice-President.



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MARCOUX: I was one of...we had three, the Executive Vice President of the Upstream, the EVP of Downstream, and the EVP of the Midstream. That's how I referred to it, or the oil sands. And so, we had Rick George and we had ...

BB: Was he the downstream initially?

MARCOUX: Rick was the President.

BB: Oh he was President.

MARCOUX: Yeah, he's the guy that had to make the bet, you know, should we hire this woman or not. You know I mean, I'm really amazed, it was a pretty, it's a tough call, even I would have to say, you're an unknown, relatively unknown. But he gave us all of our heads, you know, he liked to argue, but I meant argue to make sure that you believed in what you're saying, that you would stand your ground, you would ask the questions but never once felt like he wasn't...when he said yes, he was with you, he was going to support you. So once you'd made the decision, then the job is to make sure that its successful right, he's going to test your decision. But I like that kind of environment, because if you're not tested, you can start to believe your own myths and that's a very dangerous thing to do. And we're always susceptible to our myths, rewriting our history slightly to make it a little more glorious, that's why I said, if you ever want to talk about my failures, I haven't forgotten them.

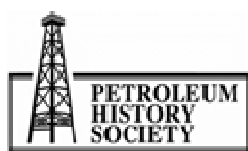
BB: So was it '95 or '96 that you would go...

MARCOUX: '96.

BB: '96. And now CS was a much smaller operation.

MARCOUX: Oh it was tiny, but it had such a big opportunity in front of it. It was right on the front end of the SAGD operations and satellite, if you will, satellite kind of mining operations using steam, so you could leave the reservoir behind. And they were struggling, they were...you know, they've had, they went out a great deal of money and they spent on this plant and it wasn't working very well. The conventional side of it is that they had been the forerunners of horizontal drilling, there is no question that they had been innovative and creative in bringing technology to the industry, they were connected to France where they were using, they had a good relationship with the institute in France that had done a lot of this development, horizontal wells, and I like that connection. You know people who generate ideas always get me excited. So I thought, "Oh, smaller company, but my own playground, if you will." I get to report to a board, yet held accountable in a slightly different way. And it just seemed like it could have been fun, I think it was going to be harder than I thought, mind you, but I wasn't ever given much of a chance to do anything. Seven months, I think.

BB: Was that all?



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MARCOUX: Yeah, you know that movie called Anne of the Thousand Days, well I was [?]

BB: I thought it was longer than that.

MARCOUX: No, I never had, I never really got my feet fully on the ground and it was a sad moment for me.

BB: So was that when they were sold?

MARCOUX: Yeah. The hostile came in about May of that year and then it was just a matter of finding a white knight and doing your best for your shareholders then, and then of course, Pan Canadian did offer me the opportunity to stay on and run CS sort of as separate thing, but you know, frankly, the way they put it is, you know, you can join us but there's room for only one leader. And I'm not too sure I understood the message quite, but I think I understood the message and so I thought I'd go off and do something else. And then later on, Gulf offered me the opportunity to run their heavy oil assets and to take it, you know, IPO it, so it was owned by Gulf as a major shareholder, but it was also on the market for me to have my other, you know, if you will, playground to do something with heavy oil assets and develop them for Gulf. And then JP Bryan got booted, he was not, I would say something here that was insider information so I won't share that, but when he left, the organization had changed its mind.

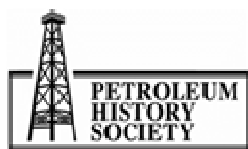
So they were no longer going to take the assets public, they wanted me to just be part of their executive team, rather than run the place independently and that wasn't my cup of tea. I mean, I didn't want a boss then. If I wanted a boss, I would have joined Pan-Canadian, and so I thought well, if I'm not going to be independent then I'll do something else. And by the time I was getting a little, you know, I take a step back and then I found a new technology that I thought, could be nurtured and something exciting could happen there. The oil shale people in Australia wanted me to go down and run that plant, I just started tinker. And I hadn't expected to end my career doing that, but I ended my career just tinkering. You know, just watching the technology, found other things that were just as exciting to keep me challenged and suddenly here it is, 2011.

BB: At some point in there you got married too.

MARCOUX: I was married when I went up to, when I was in Fort McMurray, you know Michel was with me but I hadn't taken his name.

BB: Oh! Ah!

MARCOUX: What I did do, when we moved to BC, I just thought, we're doing a lot of world travelling and there are still countries in the world that don't much like you having a different last name than your husband and it was becoming tedious, I hate double-barreled names anyway. I mean I hate them when people are introduced to me and I have to remember two last names. And I thought, you know, I'm going to make my life simpler. So, because in Quebec where we got married, you do not take your husband's name automatically, in fact it's the opposite way. And anywhere to



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get my name changed since I was married in Quebec was going to cost me \$1,000, unless I went to BC. In which case I showed them my marriage certificate, showed them my driver's licence and they issued my driver's licence with my married name and then I went to the passport office and as long as I had my driver's licence and my marriage certificate and they also issued my passport in my married name, and that's the story behind the name. So it's been easier, and it actually allowed me to go incognito for a while before people caught up that Marcoux was also Parkinson, so other than that. But no, I'm very happy, I'm very happily married.

BB: So you had moved to Canmore while you working for CS or?

MARCOUX: I moved to Canmore, yes, we had a home there that we'd built while we were at Fort McMurray and then when I worked for CS, I stayed in a condo downtown during the week and we'd go out to Canmore over the weekend.

BB: Oh so you weren't commuting?

MARCOUX: Sometimes, but it's an okay drive but you know, demanding jobs. And then after that, well that was part of the attraction of just mucking around with Ensyn, because when I believed in the technology, the bio side, the bio-wood side has been very successful. Petroleum has had its moments, it finally got sold to Ivanhoe Resources and I still have some interest in it and every once in a while they ask me for my help but the...a technology that just didn't have scale, enough scale to it, I think, to get the attention. And I didn't think that scale mattered, I'm one of those people it's like a truck/shovel operation, a small operation. You know, the idea if you make them small but very efficient, what difference does it make scale fools you. But there wasn't much uptake, the... you have to confess that the petroleum industry doesn't embrace new technology very easily, not the petroleum industry, hardly any industry does. After a while, because there are too many times when the technology fails and so people are not prepared to take that risk of money. And the people that do risk the money, usually lose, then they sort out the technology and the guys that bought you for almost no money, you know, they're the winners. That's the formula, right.

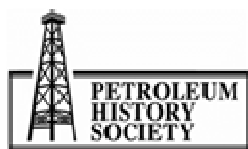
BB: Have you ever talked to Jerry (Gerry) Stephenson (Stevenson)?

MARCOUX: No.

BB: He's a mining engineer who designed the Underground Test Facility and actually built it, and he's been advocating for years using, doing the horizontal drilling from a mine tunnel so that you're working in a controlled environment and the oil is coming down rather than being pumped up. Anyway, the problem is of course, it's not what the oil industry usually does and that you would have to do all the investing before you start to see cash. But he makes a very...

MARCOUX: He makes a good case.

BB: He's in Canmore.



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MARCOUX: And I used to make good cases too and still ended up less than [?] you know, success behind you notwithstanding the mind-set. I must say that I'm a bit critical of the mind-set; we do not invest in technology development sufficiently in this industry. I think the government's tried.

BB: AOSTRA was great.

MARCOUX: Yes, but it's never really found its way, the way it should. And we talk about innovation in Canada and all the rest of it, but even the government funding doesn't tend to be in our resource sector, as it tends to go to the glitzy stuff, like information technology and the new wave. And yet most of our wealth at the end of the day, at the end of the day actually, all wealth comes from resources.

BB: One of our interviews talks about the "Valley of Death" between research and development and that venture capital fills the mistakes often and certainly in information but, Daniel Yergin's new book has some interesting insights on that.

MARCOUX: Well I worked for a while on the board of Sustainable Development Technology Canada and I know a lot about the "Valley of Death", it's deeper than you think. What's that deep trench in the ocean called?

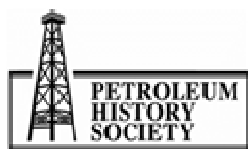
BB: Oh the Mariana Trench?

MARCOUX: The Mariana Trench, that's about how deep it is, yeah.

BB: Now, you're currently on a bunch of boards and things?

MARCOUX: SNC-Lavalin, I'm on their board, which of course is fascinating because they're, you know, they mine all around the world, their technologies are built for companies. So I've done quite a bit of travelling on behalf SNC-Lavalin, which is a delight. Fortunately, you know, we tend to populate our boards now with the finance experts so you can have them on the audit committees and now the compensation experts, so you can have them on your HR committees. That's not the purpose of a board. You know, the purpose of the board really is that general understanding of the business and the changing pressures on how to make money. Disclosure is important, but I've discovered that, to quote one of the employees I was talking to the other day, "We're so busy with the static, we're forgetting to listen to the music." And disclosure, more and more detail, doesn't actually disclose what investors want to know, which is are you a well governed company and do you follow good processes, and are you doing the right things and is it fair to everybody? You know.

So here I am, with an engineering background and that sort of an understanding of having hired and hearing (inhering?) companies and either being disappointed or not with their performance, I think that essence(essency or acescency) level might have been good, you know, I bring that perspective to the board, I've really enjoyed it. I am approaching something like 13 years with being on the board, and not because they've raised the issue, but in my mind, there's a point where a director has been around long enough. You know, you always think for yourself, it's never too long. One of the



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values of turnover with a director, is the fresh questions and the new challenges and people don't know their voices as well, when they know your own voice really well, then they start to second guess what's...okay, deal with this, you know, so I'm thinking about some change there. OPTI of course is, hopefully the closing will happen, you know, as expected and it will be good for the oil sands. It's an amazing outcome and it's actually precedent setting that in the circumstances that we got anything for the shareholders, I think probably for the first time in Canada. So, you know, we can stand tall with that. We were a great asset and a bad balance sheet, I mean, that's all you can say of OPTI. I joined just as we hit 2008 and that ability to finance just disappeared and OPTI's been '98, five or six, you know. Sadly...it's sad, because other than that, I only have an observer's observation on the oil sands, you know.

BB: They were in somewhat of a bind like, when you came to Suncor, there was no path forward, you had to do with what...

MARCOUX: Yeah, and too, the performance of the plant has been dismal.

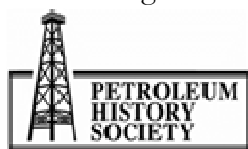
BB: Yeah. Well first time you do anything.

MARCOUX: I agree with you, but it has been dismal. But I'm not in a position to fix it, nobody's been asked me to go up there and fix that one. I'm not sure I could, so don't take me the wrong way. But it is a greater challenge than people realized, one more time, not enough redundancy. The amount of integration and dependency between SAGD, which is so unpredictable and a surface facility where all the bits and pieces are not new technology, but running them all together is new, don't underestimate that. And in efforts to cut costs, redundancies were taken out and the client became much more integrated and so we were vulnerable to just kind of a start-up issue, like times ten. And a little bit of investment at the front-end, because the upgrader was ready to start before we were producing enough bitumen. But there was no way to bring in off-site product and heat it properly and get that upgrader running, so then it was a smooth operation by the time they brought in their... that, you know, that's the kind of.

So we had this good investment, but with no cash flow coming in early enough, we couldn't sustain the situation and investors had long since decided that this wasn't such a good thing anymore, you know but people were getting pretty pessimistic. It will solve itself, I mean it's a great facility, but, too bad. I'd like to be around, I'll be very curious to see, CNOOC, you know, they've got the money, they have a 30 year view of the world, you know, they're not going to hurry, they're going to do the right things and then someday that place will be humming and then what people will be saying about that operation, they'll be saying about Suncor.

BB: In the big picture do you think that the greenhouse and well their almost image issues, will be and can be overcome?

MARCOUX: I don't know that we're talking to people in the right way, right. We've polarized it...when I worked with the Pembina Institute and other environmental groups, because we were under the gun from the very beginning. And I remember talking to Rob McIntosh, always in an



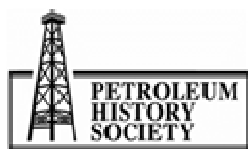
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environment where I figured it was never about, and it was just listening. And he said to me something very profound one day, because I'm strongly in favour of, for the environment, I always go, maybe we think as engineers, we've got all the unintended consequences understood and that any of this stuff that we're talking about is a low probability event but if it happens, you know, has a high impact. So low probability and very high impact means you should take action, right. Whereas a lot of people get lulled into it being a low probability and they think it stops there, so I've always been arguably in favour, right from the get-go, '91, get on the CO₂ issue, get ahead of the curve, do the right things, if this was your planet, what would you be doing, you know. Always that was the challenge. And Rob said to me when I was talking to me, he said, you know you and I actually agree on what needs to be done.

You think though, you've got 25 years to do it and I think you've got five. So he condescend that, we weren't misunderstanding each other's objectives but the time frame, and I said well if I work on the time frame, and he said well then we'll start to support you. If you bring your time frame closer where we can see action and have reasons to believe you, then we will start to believe you. But if you don't pull that time frame in, then there's a belief that you actually don't care. And I thought, that's what I'm working on. So I said, is there some things where I can't pull the time frame in, its just beyond my ability, although we've solved the tailings ponds, they still will take 20 years to come out of service, you know, what else can I do to speed that up, but if I've exhausted all the ways I can think to speed it up, will you accept that? He says yes, as long as you monitor and they show progress and that you are confident and continue to be confident. So it was that recognition that people perceive time as well. And I think that a lot of the thing that we face in this industry is we think we're in the right place.

We think we have time, and that sense of urgency by environmentalists, concerned citizens, they think we're running out of time. There's also a tendency for people who are in the industry to say, well people are so naïve and don't they know where their energy comes from and don't they... well know they don't, because we've divorced our infrastructure from your day-to-day experience. Take the pipeline, small villages used to be glad to have a road because it meant commerce right, however, when people built roads in those days, you as the community, because you benefited from the commerce it brought, were told, you know, you paid a road tax, but you were getting back because people now travelled through your community, and you had to maintain your bit of road. And I'm not saying that we should do that with pipelines, but people in communities became proud of their road, because it was their economic, it was an economic value to them. Now we just go through, and we put our pipelines through, and we bought the land and we've isolated it and you have nothing to do about it except worry about that, you know, that someday you're going to have a fire, or an explosion, or you're going leak and you're going to **[move your box or million bucks]**.

So how do we re-engage people to recognize, you can't figure out that just because you're pipelining gas all the way to Chicago that actually has an impact eventually through the economic system in the U.S. and make you happy, but they do. But we talk about it as if it should be obvious to people, well it's not. And then we talk down to them as if it should have been obvious to them and then that just pisses them off, right. So I don't think we're communicating how to get people to realize the true



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economic benefit, or even change our model. So maybe what you do is that for every kilometer of pipeline goes through an effected area, they actually don't pay you a toll, because they don't see any commercial activity, but you pay them not the taxes you pay to the government, but you pay some kind of community tax. Then the community can say, well actually that's of economic value to us to have a pipeline going through our property, it's not just a concern. And by the way, part of our community has what they call a pipeline watch and they're paid for by the company and they go out and, you know, keep their eyes on and have an emergency number to phone us the minute they suspect anything, whatever it is. I mean I just don't think we're communicating properly. So that's around pipelines.

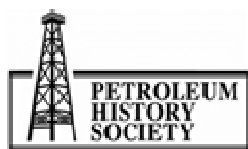
What about oil, how are we communicating to people in a way that actually relates it to your day-to-day, without sounding criticizing, because what we do say is well, you know, the problem really rests with you as a consumer because you buy too much? So do we really want people to buy less? Don't they buy that argument from us for one second? So we're not finding a way to communicate why this reserve and this asset, and this resource are meaningful to people and why we take the environmental question seriously and how we can show that we're trying to compress time around the issues that they're worried about. We just don't seem to do that. So we get at this impasse. Is it with the newspapers? You know, we can blame everything on the reporters, we usually do, you know. But reporters will tell a story that needs to be told, if you give them a story to tell, right.

BB: Well maybe you should go on a speaking circuit on the capital replacement cycle.

MARCOUX: Yeah, maybe I should do that. Anyway, I don't know if I'm making sense, but I've observed that and I'm very worried about it, because the oil sands, I think for the large part, has been very responsive. It started with Suncor frankly, you know, we embedded that into our, we engrained it, and that was supposed to be the legacy. And to see the industry still so under attack, is very sad for me because I'm not in love with oil, I do think there are consequences to using it, I think that we have built an infrastructure around it for reasons that go back 60 years, but what did you know 60 years ago? It's like blaming yourself for something that you didn't know about, now that we do know, every effort is being made to deal with the problem effectively, I know there is lots of the jurisdictional issues and everything, but there are still lots we can do.

Even the government tax people on capital differently than on costs and revenues, our whole capital structure, the way we set things up actually causes people not to invest in energy efficiency. I mean we have lots of perverse systems in our country and it isn't just about the individual resource industry. Those perverse systems flow through our country and I've talked about that, but the people who are in the business of making difference won't take action, so we need to coalesce that discussion, and it needs to be broader than the oil sands, right.

BB: Well we were talking about the task force, the National Oil Sands Task Force, you mentioned Pat Black and another key player then, of course, was Anne McLellan, I find it fascinating that three of the, probably four, most important people in that exercise were women.



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MARCOUX: That's why it prevailed.

BB: Because apparently Chrétien just said, well if Anne says it's good!

MARCOUX: Anne was and is a person who owns the content of her material. She impressed me from the get-go. She does not speak without actually owning and understanding the topic and she's a quick study, and she's thorough. And she had a good grasp of what was really important and what was at stake here. But at no time were you ever dealing with someone who didn't own their portfolio, and that's Anne McLellan. I have a strong and high regard for her. And Pat Black knew what she didn't know, she had a good instinct about people, she knew who to trust, and she learned and she became knowledgeable and I would say that, but she, Anne I would say is less likely to trust individuals and rely more on her understanding and Pat brought to the table an ability to trust people and have sufficient understanding, a more than sufficient understanding of what was going on. But she had, that dynamic at the table if you wanted to talk about the dynamic. Eric was very good in that negotiation area, because I partnered everywhere we could. I think it became comfortable because we think much alike, but we don't think entirely alike.

I know that a lot of women make value based decisions as opposed to sensible, logic based decisions, so to have those two voices is always important, because they're both valid, you have to do what makes sense, and you have to do the right thing. So, Pat's a value based decision maker, is this is the right thing to do, I would say that Anne leads properly, you know, sense, it makes sense. So it comes down to the same thing, you know, you just use different language, which means at the end of the day they were both good judges. Something needed to happen; I think that it was thorough and well thought through for the time. I do think it needs to be re-examined, but like I said everything does. I don't know any contract that doesn't eventually need to be re-examined. Nothing can stay forever, in 15 years, there's too much other change. Too many other demands, too many other situations that you want to take a look at and make sure that you balance the priorities properly.

I like the way we do business in Canada, you know, the relationship is more important than the contract and that means that we're not litigious, contracts become more important than a relationship, you're in trouble. Because no lawyer can think through all of the nuisances of a contract, at the best, a promise that you're meant to keep, right, so.

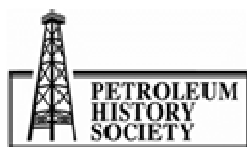
BB: How are we doing on time?

MARCOUX: It's a 11:30. I'm sure I've talked your ear off.

BB: No, it's really interesting. I guess the other question is well after you left, I guess was when the Millennium Project?

MARCOUX: Yeah, well shortly after I left. I took them a couple of years to decide to really expand.

BB: So had that been initiated then?



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MARCOUX: No, no because we were expanding, but I don't think it was the Millennium Project, I think it was just a, sort of, more grassroots extension. The Millennium was actually replicating part of the plan, doubling whatever they did. So we were on a growth pattern then, we were sort of like, keep it the same, and then there was this suggestion of growth and I think that decision was made, I was going to go into the development side of the business and see if we could do anything with the oil shale in Australia, in like some uncharted course, which of course intrigued me and but, wrong technology, well probably the right technology, wrong time.

BB: Is that also a carriageen?

MARCOUX: Yeah.

BB: Much more challenging.'

MARCOUX: Much more challenging, our stuff was easy, like I said, we wash money, and we wash the oil off the sand basically. See we launder money in Fort McMurray, just a joke. We can't, the chemistry, the sub-straight, you know...the chemistry and you know, the sub-straight and the oil that you want are actually chemically bonded and you can break them apart through high heat and it is a tough thing to deal with and it is a tough technology to deal with and I wasn't sure that it would be successful, but they'd made the bet. And once you've made a bet, you can be a little more creative about what you want to do. But too much cost, totally underfunded, so it was the "Valley of Death", it was undercapitalized for what you really needed to do to get that to be a reliable demonstration of the technology, but that's the trench right there in the middle of the Pacific Ocean, and that's just a white elephant now sitting there and doing nothing. You would think after that lesson, that I would, never would have joined this other company. No, see in 2008, in the summer of 2008, we didn't know the capital markets were going the freeze and the world as a whole had never seen anything quite like that before and if you're not nervous about it happening again and I am. Just say, we're in the most unpredictable turmoil here economically.

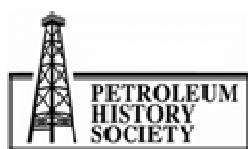
BB: Oh the next few years.

MARCOUX: I can't think of one, not gloomy scenario. Frankly because our world population and our consumption levels are so high, continuing to feed that animal and grow that animal, I just can't. And we don't have any other economic model in North America on a consumption model.

BB: You should definitely read Daniel Yergin's book, it's called, "The Quest", it's his successor to the, "The Prize", and it's very current, right up to Fukushima and Libya, it just came out in September and its superb, 800 pages.

MARCOUX: And what's his bottom-line?

BB: I'll let you...



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MARCOUX: You have to tell me. I always read the last chapter of any book first, you have to tell me.

BB: He doesn't really give one, he outlines all of the issues and he suggests... well there are some good things happening in the energy world, natural gas especially as a transition. The oil market is certainly shifted, he talks quite a bit about Venezuela, Kazakhstan and other places and you can keep oil going as well as the oil sands, the climate - big challenge, whether we address it.

MARCOUX: So the "The Quest" is how do we get energy that is acceptable? Is that what it says?

BB: And he talks a whole lot about all of the alternatives but you know, I mean wind and solar and tide are all intermittent, but that's where natural gas can balance them off. They're not really good at storing energy except in oil tanks.

MARCOUX: Well that was always the beauty, liquids. That's the beauty, they're easily transported and you can store them.

BB: Or behind depths, I mean BC, you're very lucky, Manitoba, Quebec.

MARCOUX: Well water, same thing, its liquid right? Liquids are wonderful.

BB: Yeah! On that note!

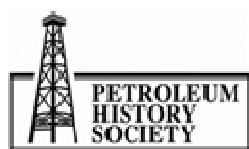
MARCOUX: Oh, would you like a glass of wine for lunch, because I guess that's the way we end on liquids. Well that was great.

BB: That's a wrap.

MARCOUX: I just hope that it comes through that I honestly believe that the energy of the people, it was the people and the people in this Province still have the energy to do the right things. That's what I believe.

BB: Yeah, well, we've certainly got the money and we've got a new Premier who is going to invest in education, I hope.

[END OF INTERVIEW]



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