

April 18, 2012

## **OIL SANDS INFORMATION BULLETIN 2012-07**

### **Subject: BVM Statement**

On June 30, 2008, the Department of Energy published a statement outlining the Bitumen Valuation Methodology (BVM) which it proposed to implement on January 1, 2009. That statement has remained on the Department's website:

<http://www.energy.alberta.ca/OilSands/pdfs/BVM.pdf>

The BVM outlined in the statement for implementation on January 1, 2009, is essentially the BVM methodology now established by the [Bitumen Valuation Methodology \(Ministerial\) Regulation](#). However, the statement indicated that the "density-based" methodology would be an "interim" approach and would be replaced by a Gross Product Worth (GPW) based BVM effective January 1, 2010.

Following additional review and study, the Department elected to defer the implementation of a GPW-based BVM. However, the fact that the statement dated June 30<sup>th</sup>, 2008 remained on the Department's website has led to questions as to the status of the existing BVM methodology and the timing of a move to a GPW-based BVM.

Through this Information Bulletin, the Department wants to clarify the BVM situation for industry.

1. The present methodology set out in the [Bitumen Valuation Methodology \(Ministerial\) Regulation](#) is not an "interim" approach, except in the sense that all legislation may be amended from time to time.
2. The Department has no plans, at this time, to introduce a GPW-based BVM to replace the current methodology. Should the Department decide to implement a GPW approach, or otherwise amend the BVM at some future date, industry stakeholders will be contacted as part of the normal consultation process.
3. To avoid any further confusion, this statement will be removed from the Department's website on April 30, 2012.

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