

December 2009 Lament:

Well we said that the turning point was going to be \$75 a barrel for crude, and likely not until April or May of 2010.

Well I guess the number was right but the timing a little off.

Three or four months ago there was only one power engineering position at the higher certification levels being sent around, no one else was looking or at least being forced to advertize to look and about the middle of November the flood gates opened up again, with 17 new positions in only a week, and more coming on daily, usually one or two a day. Our tally shows about 232 positions open at of the end of December (43 firsts, 121 seconds and 68 thirds) from across Canada.

We thought that the return of the shortage of First and Seconds was likely due to a couple of factors, but which or a combination of all of them my crystal ball has been rather vague. Likely a reversal of the causes of the slow down.

1. **Stock Market woes**: The stock markets have rebounded, not to where they were but certainly enough for those holding off on retiring to get back to retiring.
2. **Contract PE's returning to full time**: Contract work is starting to pick up. Lots of my contractors are looking for that type of work again, and will be leaving their full time positions to take a run at the big money again, as the outlook for plant expansions, although not looking rosie it is certainly looking better.
3. **New plant start-ups**: Slowing down of commissioning and start-up work as the planned plants completed and the proposed plants went to what the Oil Review would call TBD (to be decided) instead of being included
4. **Amalgamations**: The largest effect was likely the Suncor / Petro-Canada deal. Both companies had rapid expansion plans in play for both heavy oil and upgraders. Once the deal was announced both companies pulled back and put their proposed or partially constructed projects on hold.
5. **Shelved Projects**: The biggest being Imperial Oils Kearl Lake Project. An estimated eight billion \$ and lots of manpower needed. Since the manpower both for construction and operations were in a hopeless state, driving both costs and plans into the ground.

The Lament is a "rant" by Allan Lanctot and the content is solely his. Access to Laments are available on the website [www.lakelseconsulting.com](http://www.lakelseconsulting.com) . Comments are welcome.