

Economic development achieved by unique partnerships

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FROG LAKE FIRST NATION

Frog Lake Energy Resources Corp. and Twin Butte Energy Ltd. of Alberta were honoured recently for their joint venture partnership that saw the creation and operation of a successful oil and gas company. The businesses received the Alberta Chamber of Resources and Alberta Aboriginal Relations Rewarding Partnership award at a February banquet at Edmonton's Shaw Conference Centre.

The enterprise originally began in 2000 when chief and council at Frog Lake First Nation formed the energy company. Early attempts at partnership proved unsuccessful and the venture struggled initially. Eventually Twin Butte and FLERC joined up to develop a disciplined exploration program, said Joe Dion, president of Frog Lake Energy Resources Corp.

"Today, we've grown from a small company to a major entity that produces 1300 barrels per day," said Dion. This accomplishment is not an accident or merely the result of high oil prices, but instead the result of solid and consistent business practices that are

sustainable.

"We are the only true operating First Nation energy company in Canada," said Dion. "Now we are seeking financing from outside sources to combine with our own and looking at working with other First Nations in Alberta and Saskatchewan."

FLERC believes that Aboriginal residents need to be developing the resources themselves rather than leasing out their lands to non-Native companies. "As a result, income from royalties will benefit our own people directly and, through our company income, provide a double whammy of benefits."

Employment on reserve includes positions hauling oil and on service and drilling rigs, to name just a few, and the skills learned can be transferred to other ventures. FLERC revenue has also been used for a community centre and new offices, creating more jobs and providing a source of recreational programs for the members. As well, \$4 million to \$5 million of FLERC profits have gone into housing.

"The award has been given out for the past five years or so and reflects the work we've done on Aboriginal engagement. We were attempting to form partnerships rather than see each



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The Alberta Chamber of Resources awarded a unique partnership that has seen success (from left): Barrie Robb, ACR chair, Aboriginal Relations Committee (Vice President, Business Development - Mackenzie Aboriginal Corporation); Joe Dion, Frog Lake Energy Resources; Maria David-Evans, Deputy Minister, Alberta Aboriginal Relations; Chief Clifford Stanley, Frog Lake First Nations; Jim Saunders, president and CEO of Twin Butte Energy Ltd.; and, Bill Trickett, former president of Twin Butte.

company do its own thing, creating duplication," said Brad Anderson, executive director of the Alberta Chamber of Resources. "We need to recognize the people working in this area."

As a geologist himself, he knows that it's not an easy accomplishment to produce heavy oil, and even when the price of oil is high, it's a tough business. Companies in partnership also learn from each other, and the people involve do a lot of sharing, including the

Frog Lake Elders who were part of the consultation and planning process.

"There is a lot of respect from both Twin Butte and Frog Lake," said Anderson. He noted that the major developments in the resource industry are located away from the larger cities, and the people who live there need to be involved in the process.

The Edmonton-based Alberta Chamber of Resources has 187 members that create billions of dollars worth economic activity in Alberta every year.

"What has impressed me about these two organizations is how they took the venture from nothing, to the success it has achieved today, with future growth and increased shareholder value inevitable," concluded Anderson. "The award recognizes that they stuck it out together through the formative stages and they've become successful. They are creating new economic development opportunities for Aboriginal people in Alberta."