

Note from Susan Cole, President of Enhance Energy Inc.



ACTL Receives Significant Funding Boost

In our first newsletter dated May 2009, I shared with you the renaming of our CO₂ pipeline to the Alberta Carbon Trunk Line (ACTL). In this newsletter, I have more good news to share with you.

Both the Government of Alberta and the Government of Canada recently announced support for our project under three funding mechanisms – the Carbon Capture and Storage Fund, the ecoENERGY Technology Initiative and the Clean Energy Fund.

This project has been in the works for more than four years and our team is excited to have this support which will allow us to bring it to completion. This is an example of industry and government working together on a long term vision for Albertans. We appreciate the governments' confidence in the ACTL and look forward to working with them as we move ahead.

The ACTL will be Alberta's first large-scale, commercial CCS project that will store more CO₂ than any other CCS project in the world. At full capacity, it will gather, compress and store up to 40,000 tonnes of CO₂ per day or 14.6 million tonnes per year. This safe proven technology could potentially store more than two billion tonnes of CO₂.

A typical car emits 5.6 tonnes of CO₂ per year. With the amount of CO₂ that the ACTL project will store, it will be the equivalent of removing 2.6 million cars off the road in Alberta annually. That's about a third of all registered vehicles in the province.

The ACTL will create a much needed economic stimulus. This means thousands of jobs for Albertans. New growth for communities. New economic activity in the municipalities along the initial route and the expanded system that will follow. The revenues generated by this project will be for Albertans. More than one billion barrels of oil potential translates to more than \$15 billion in royalties to the province.

We are very excited to continue moving ahead and look forward to keeping you informed as our project progresses.

“Royalties on oil produced using CO₂ will amount to more than \$15 billion and those incremental royalties and additional tax revenues will benefit all Albertans.”

– SUSAN COLE



ACTL

Project Overview

The Alberta Carbon Trunk Line (ACTL) project will include a 240 kilometre pipeline that will start in Alberta's Industrial Heartland and end at Clive. The ACTL project will capture, transport, and distribute CO₂ for enhanced oil recovery.

The project is expected to recover 1.1 billion barrels of light oil through CO₂ injection while safely and permanently storing up to two billion tonnes of CO₂ in depleted oil and gas reservoirs.

About the Company: Enhance Energy is a private, Alberta-based energy company founded in 2005. Enhance Energy specializes in using CO₂ to recover oil from existing reservoirs that are reaching the end of their lives under conventional production techniques.



“We realized the environmental benefits of the ACTL immediately, and we are looking forward to further reducing Alberta’s carbon footprint through this project.”

—MICHAEL M. WILSON, PRESIDENT & CEO, AGRIMUM



COREY KUSCH,
Surface Land Manager

Enhance Energy Announces Appointment of New Surface Land Manager

Enhance Energy is pleased to announce the appointment of Corey Kusch as our new Surface Land Manager for the ACTL project. Corey will be working to ensure the needs and concerns of the landowners are being addressed during the development of the project.

Corey is a great asset to our team. “I’m very excited about being part of the CCS industry and being part of a team that has done such an exceptional job of selecting a route for the ACTL project that is landowner friendly,” says Corey.

Corey brings eight years of surface land experience to the project, previously as a Partner and Regulatory Manager for LandSolutions Inc. and four years experience as President of Kodiak Structures Inc..

Please feel free to contact Corey with any questions, comments, or concerns that you may have at ckusch@enhanceenergy.com or phone at 403-984-0212.

Note from Blair Eddy, VP Operations of Enhance Energy

ACTL Project Update – Alberta’s first large-scale, commercial carbon capture and storage project

Our application for the ACTL project is currently in the regulatory approval process. This process has been ongoing for the past eight months and we hope to receive approval by early 2010. Once received, we will be able to move forward with the construction phase of the project.

We have worked with many landowners in planning the pipeline route to minimize its impact. The environmental assessment work is complete for 2009 and we will not conduct any more assessments until the right-of-way (ROW) agreements have been signed with the landowners. We anticipate the ROW acquisition process will start in early 2010.

Detailed engineering of the pipeline will start in early 2010. Construction of the pipeline and related facilities should begin in the summer of 2011. We expect the ACTL project to be fully operational by the end of 2012.

We continue to work on the engineering design of the CO₂ capture facilities at the Agrium Fertilizer Plant in Redwater. Construction on this portion of the project is also expected to start in 2011 and the facilities should be fully operational by the end of 2012

Please feel free to contact Blair with any questions, comments or concerns that you may have at beddy@enhanceenergy.com or phone at 403-984-0208.



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To learn more about Enhance Energy or the ACTL project, please visit our website at www.enhanceenergy.com