



**For Immediate Release**

## **ENHANCE ENERGY ANNOUNCES CO<sub>2</sub> PIPELINE SYSTEM**

### ***Proposed Pipeline Project will be First in Alberta***

**Calgary, Alberta—July 10, 2008** - Enhance Energy Inc. ("Enhance"), a private Alberta-based energy company specializing in enhanced oil recovery (EOR), today announced plans to build a new CO<sub>2</sub> transmission system through the central part of Alberta.

The Enhance CO<sub>2</sub> Pipeline System will be capable of gathering CO<sub>2</sub> from several sources in Alberta's Industrial Heartland and transporting the CO<sub>2</sub> to existing mature oil fields throughout South-Central Alberta. These oilfields will see significant increases in production as CO<sub>2</sub> is permanently stored in the reservoir. The capture and permanent storage of CO<sub>2</sub> will result in significant reductions in emissions of greenhouse gases in Alberta.

"Besides the enormous environmental benefits to Alberta, the pipeline system will benefit Albertans through the jobs it will provide and the incremental royalties and taxes it will generate through enhanced oil recovery," said Susan Cole, President of Enhance. "Environmentally, the completed project will be equivalent to taking 1,600,000 cars off the road, so it's positive for Albertans on many levels. It's one of the largest projects in the world and it's not experimental, it's based on proven technology."

"We have been able to make rapid progress because of the leadership shown by the Government of Alberta in establishing regulations on CO<sub>2</sub> emissions in the Province. This week's climate change announcement to support Carbon Capture and Storage will provide tremendous momentum for this project."

The initial supply of CO<sub>2</sub> will be provided by North West Upgrading Inc. and Agrium Inc. This project shows how an eco industrial complex, where one industry relies on the waste products of another, can become a reality in Alberta. Because the CO<sub>2</sub> emissions that North West Upgrading and Agrium produce are permanently stored in the oil reservoir, they have the lowest CO<sub>2</sub> emissions profiles for projects of their type in the world.

Contracts for the design and project management of the new system have been awarded to Sunstone Projects Ltd. Other technical and support contracts have been awarded to Synergas Technologies Inc. for facilities engineering, Scott Land and Lease as land agent and Worley Parsons for environmental services.

"We are excited to be involved with this industry leading project," said Barry Bauhuis, President, Sunstone Projects Ltd. "This system will offer CO<sub>2</sub> producers in the Heartland Industrial Area an economically viable way to deal with CO<sub>2</sub> emissions and can be in service relatively quickly."

The system will be designed for capacity expansion and delivery flexibility. It's the first world scale project for dealing with greenhouse gases and we're glad it's happening here in Alberta."

The system will have a design capacity of 25,000 tonnes per day with the initial throughput planned at 5,000 tonnes per day.

The Enhance CO<sub>2</sub> Pipeline System will consist of:

- drying and compression facilities at the north end in the Heartland Industrial Region on the Agrium and North West Upgrader sites, which will process the CO<sub>2</sub> that will be collected and bring the product up to pipeline specifications;
- a pump station east of Fort Saskatchewan in the Heartland Industrial Region, to be called the Elk Island Pump Station, that will boost pressure on the pipeline system;
- the pipeline operations and control centre located at the Elk Island Pump Station;
- receipt facilities at the south end of the system near Clive, which will allow distribution of the CO<sub>2</sub> to the conventional oil and gas fields in the area; and
- a high vapour pressure (HVP) pipeline between the source and the delivery point, connecting the north and south facilities.

Enhance anticipates regulatory applications for the proposed project to be completed by spring of 2009, and depending on the timing of regulatory approval, construction is expected by the end of 2009, with operational startup in 2011.

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#### **About Enhance Energy Inc.**

Enhance Energy Inc. is a private Calgary-based company that specializes in EOR involving the permanent sequestration of CO<sub>2</sub>. Enhance Energy uses CO<sub>2</sub> to recover oil that would otherwise remain in the reservoir. Enhance is the operator and 100% owner of Rowley Mannville water flood in Central Alberta. To learn more please visit [www.enhanceenergy.com](http://www.enhanceenergy.com).

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