



## NEWS RELEASE

### **ALBERTA CARBON TRUNK LINE RECEIVES SIGNIFICANT FUNDING BOOST Enhance Energy Inc. benefits from federal, provincial environment initiatives**

Edmonton, Alberta – FOR IMMEDIATE RELEASE – The world’s largest carbon capture and storage (CCS) project received a significant funding boost today.

Executives at Enhance Energy Inc. (Enhance) and North West Upgrading Inc. signed the letter of intent offered in June by the Government of Alberta. The Government of Alberta has awarded the Alberta Carbon Trunk Line (ACTL) project \$495 million. The ACTL was also awarded a total of \$63.3 million from the Government of Canada’s 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," says Enhance President and CEO Susan Cole. "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 governments’ investment is an environmental win for Canada," adds North West Upgrading Chairman Ian MacGregor. "Canadians will see world scale environmental benefits, and our project will create employment for thousands while providing increased revenues to the government in the form of taxes on the margins we create by adding value to Alberta’s raw materials."

Enhance and North West Upgrading Inc. submitted a joint proposal for monies from the province’s \$2 billion CCS fund, which was developed to encourage construction of Alberta’s first large-scale CCS projects. North West Upgrading is building the world’s first green upgrader, which combines gasification and an integrated CO<sub>2</sub> management plan.

Cole says leadership by both governments has been the catalyst for the development of the CCS industry and enhanced oil recovery (EOR) development. "Their forward-thinking on CCS is going to make Canada a world leader in this increasingly important field and will generate thousands of advanced technical jobs."

Enhance is building the ACTL, a 240 kilometre pipeline that will capture, transport and distribute CO<sub>2</sub> for EOR. The project will safely and permanently store up to 2 billion tonnes of CO<sub>2</sub> in depleted oil and gas reservoirs. The initial project will occur at a field in Clive, Alberta under a joint venture with Fairborne Energy Ltd. which will act as the operator.

The environmental benefits of the project will be significant. While operating at full capacity, the amount of carbon stored will be equivalent to removing 2.6 million cars from the road.

"The advantages of our project extend even further than that," Cole says, pointing out that the pipeline provides an opportunity for industrial facilities to substantially reduce CO<sub>2</sub> emissions. This infrastructure is critically important in providing upgrading and refining industries an economic way to reduce their greenhouse gas emissions. "As a result of this infrastructure, Alberta will offer a competitive advantage for industries looking for environmental solutions. As more and more industries look for a way to effectively deal with their CO<sub>2</sub> emissions, we are offering them a solution, a destination for their emissions that will keep them out of the atmosphere while at the same time using the CO<sub>2</sub> as a feedstock to take advantage of Alberta’s geology. It’s a win for the environment, a win for industry and a win for all of Canada."

The initial suppliers of CO<sub>2</sub> for the ACTL project are North West Upgrading and fertilizer manufacturer Agrium Inc. (TSX and NYSE: AGU).

“We are proud to be partners with Enhance on this important project,” says Michael M. Wilson, President and CEO of Agrium. “We realized the environmental benefits of the ACTL immediately, and we are looking forward to further reducing Alberta’s carbon footprint through this project.”

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**About Enhance Energy Inc.**

Enhance Energy Inc. is creating the world’s largest carbon capture and storage system in Alberta. The private, Alberta-based company specializes in polymer flooding and in enhanced oil recovery involving the permanent, secure storage of CO<sub>2</sub> in mature oil and gas reservoirs. Enhance will construct and operate the province’s first large scale carbon distribution pipeline, with operations expected to commence in late -2012.