

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. In this newsletter, I have more good news to share with you about the ACTL project.

Our recently announced partnerships with the governments of Alberta and Canada will allow us to move ahead with the construction of our ACTL project. This will be Alberta's first large-scale, commercial carbon capture and storage project that will store more carbon than any other CCS project in the world.

We hope to soon receive regulatory approval for our ACTL project from the Energy Resources Conservation Board and the Alberta Environment. Depending on approvals, we expect to begin construction of the project in 2011 with the project being fully operational in 2012.

The ACTL project will be instrumental in reducing greenhouse gas (GHG) emissions associated with refining bitumen, or oil sands, to fuels. The system will initially gather, compress, and store 15,000 tonnes of carbon per day. At full capacity, it will gather, compress and store 40,000 tonnes of carbon per day or 14.6 million tonnes per year. This safe a proven technology could potentially store more than two billion tonnes of carbon.

A typical car emits 5.6 tonnes of GHG emissions 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 project will also create advanced technical jobs in Alberta. As well, the royalties on oil produced using CO₂ will benefit all Albertans in important areas such as health care and education.

We believe our ACTL project is a win for the citizens of Alberta, a win for the environment, and a win for both government and industry. We look forward to receiving our regulatory approval in the coming months and starting construction on this first-of-its-kind CCS project.

“Royalties on oil produced using CO₂ will amount to more than \$15 billion and those incremental royalties and additional tax revenues stand to 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 the 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 Inc. 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, AGRIUM



COREY KUSCH,
Surface Land Manager

Enhance Energy Announces Appointment of New Surface Land Manager

Enhance Energy Ltd. 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 need and concerns of the landowners are being addressed during the development of the project.

Corey started with Enhance Energy in September 2009 and is a great asset to our team. “I’m very excited about being part of the new Carbon Capture and Storage 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 Kusch.

Corey brings eight years of surface land experience, previously as a partner and Regulatory Manager for LandSolutions Inc. and four years experience as President of Kodiak Structures Inc., also related to the oil and gas sector.

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

Enhance Energy’s application for its 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