

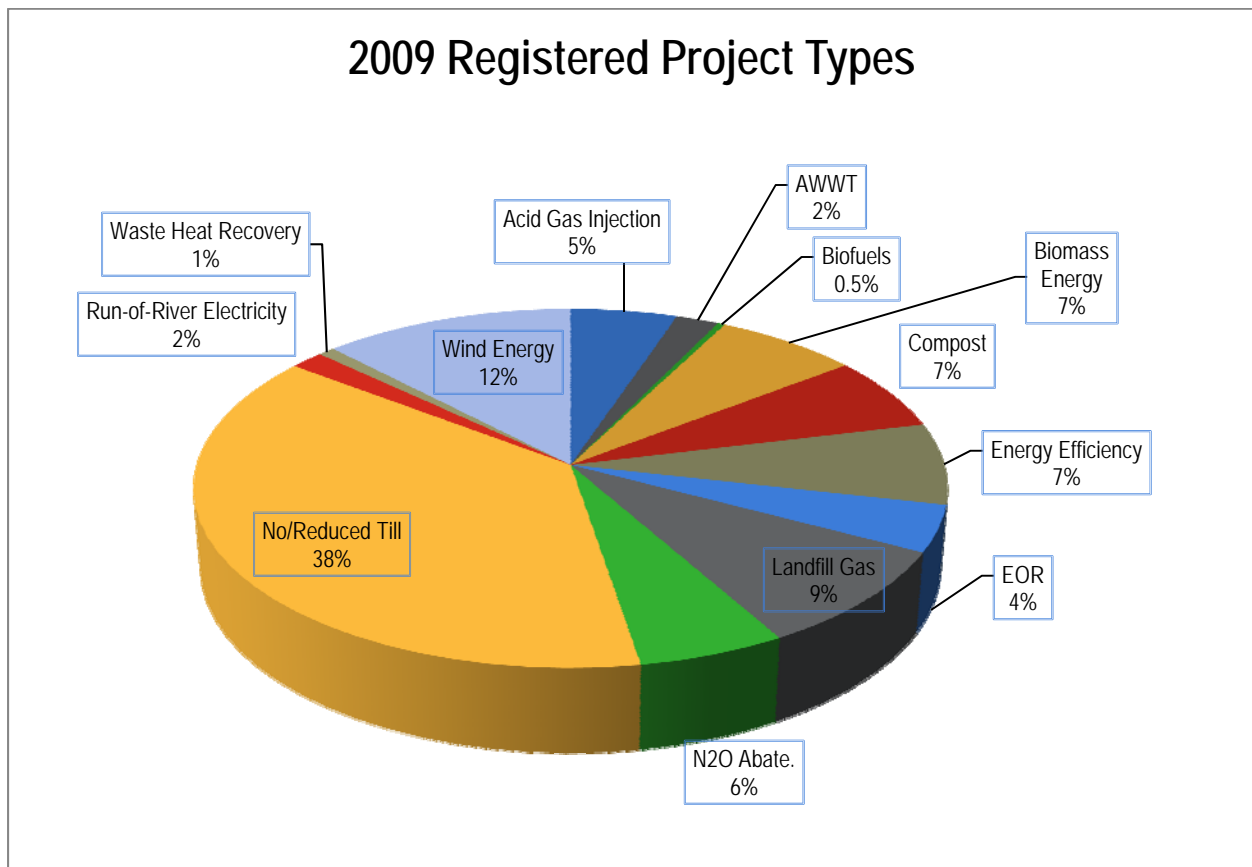


Alberta Emissions Offset Registry - 2009

The Alberta Emissions Offset Registry registered 4.43 million tonnes of offset credits through the province's greenhouse gas reduction program in 2009, a 28 per cent increase from the previous year.

Since 2007, Alberta has required mandatory greenhouse gas reductions from all industrial sectors. Facilities emitting more than 100,000 tonnes of carbon dioxide equivalents per year must improve emissions per-unit performance by 12 per cent, compared to a baseline measurement. Companies that don't meet their targets comply with Alberta legislation by purchasing offsets from Alberta-based projects, paying into a technology fund called the Climate Change and Emissions Management Fund or by using Emission Performance Credits (EPCs).

Offset credits must follow one of the Alberta-government approved quantification protocols, be verified by a third party and registered on the Alberta Emissions Offset Registry. In 2009, the registry processed 26 new offset projects, covering 13 types of protocols, as well as additional vintage claims to 17 existing projects.

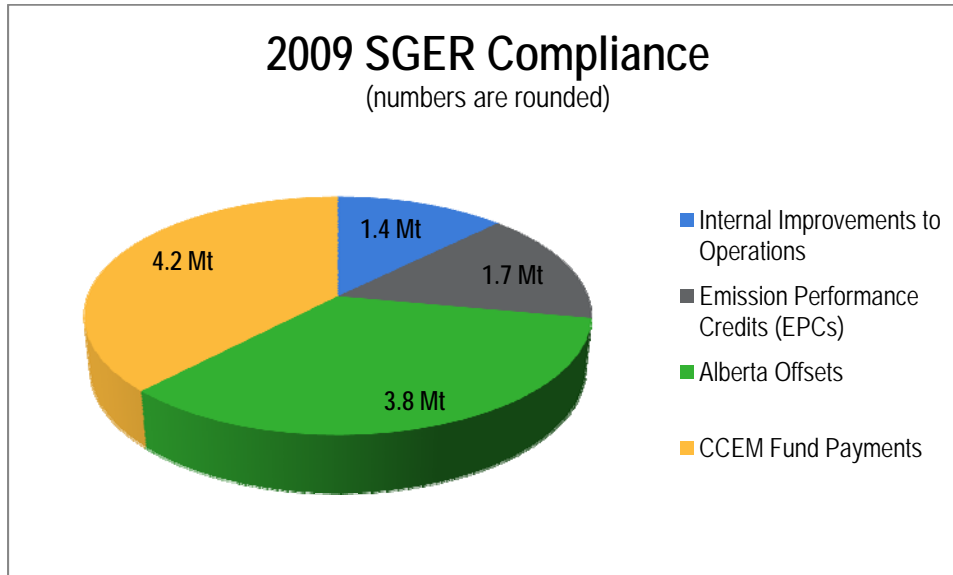


Fifteen of the new projects were based in the agricultural sector and others include biofuel energy generation, nitric acid abatement and waste heat recovery.

At the end of its third compliance year, the Alberta offset system has registered 58 projects and serialized over 9.4 million tonnes of greenhouse gas emission reductions.

Alberta Environment released results of the third compliance year for the Specified Gas Emitters Regulation on May 5, 2010 showing the following:

- Improvements to Operations 1.4 Megatonnes
- CCEM Fund Payments 4.2 Megatonnes (\$62.9 million)
- Emission Performance Credits used 1.2 Megatonnes
- Alberta-based Offset Credit Usage 3.8 Megatonnes



Improvements to Operations – 1.4 Megatonnes

Companies made improvements to their operations that resulted in 1.4 Megatonnes of reductions. For example, a facility could have installed a more efficient boiler or more effectively use energy such as steam that would otherwise be released by the facility.

CCEM Fund Payments – 4.2 Megatonnes (~\$62.9 million)

Companies chose to pay approximately \$62.9 million into the Climate Change and Emissions Management Fund (CCEM), which will invest in projects and technology that reduce greenhouse gas emissions in Alberta. The CCEMC is a not-for-profit, independent organization with a mandate to expand climate change knowledge, develop new 'clean' technologies and explore practical ways of implementing them.

<http://ccemc.ca/>

Emission Performance Credits – 1.7 Megatonnes

A facility was able to purchase EPCs from others or use earned EPCs from reducing their emissions intensity beyond the 12 per cent target. In 2009, 1.7 Mt of emission performance credits were generated, with 1.2 Mt submitted for compliance purposes.

Alberta-based Offset Credit Usage – 3.83 Mt CO₂e

Regulated facilities purchased and used almost 3.83 Mt worth of offset credits for 2009 compliance. Offset credits were retired from 13 different project types including Tillage Management, Wind Energy Generation, Biomass Energy Generation, and Landfill Gas Capture as the top four project types.