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## **EPCOR to offer innovative power and water solutions for proposed Dodds-Roundhill coal gasification project**

**EDMONTON, Alberta** (November 29, 2007) – EPCOR Utilities Inc. (“EPCOR”) has entered into a Memorandum of Understanding (“MOU”) with the Carbon Development Partnership (“CDP”), a general partnership, indirectly and equally held by Sherritt International Corporation and the Ontario Teachers’ Pension Plan, that could see EPCOR construct, own and operate facilities to provide power generation, water and wastewater treatment services to CDP’s Dodds-Roundhill coal gasification project (“the project”) near Ryley, Alberta.

EPCOR’s involvement in the project will be determined following the completion of development work being conducted in 2007 and 2008, including stakeholder consultations, initiating regulatory processes, defining commercial and financial details, completing preliminary engineering and design work, and establishing contractual arrangements. Construction of the facilities would be subject to such conditions as approval from the boards of directors for the three companies, regulatory approvals, economic and engineering assessments.

“EPCOR has a track record of applying innovative technologies and approaches in power generation and water treatment,” said Jim Oosterbaan, Senior Vice President, EPCOR. “The power and water projects we are evaluating for the Dodds-Roundhill project further demonstrate our leadership and commitment to innovation by incorporating clean coal technologies as well as delivery and treatment of reuse water.”

If approved, EPCOR’s components of the project would include a combined-cycle power plant, water and wastewater treatment facilities, and a water transmission main. The combined-cycle power plant would be Canada’s first plant capable of generating power by using coal-based synthesis gases and natural gas. The power plant would have a net generation capacity of 380 megawatts (“MW”), the majority of which would be used to meet the load requirements of the site, and EPCOR would sell surplus power to Alberta’s power market. EPCOR is also evaluating the feasibility of delivering reuse water from Edmonton to meet the project’s water needs. The combined capital cost of these components is currently estimated to be approximately \$1 billion.

If the development work proceeds according to plan, the required regulatory approvals are obtained and final project approvals are received from the boards of directors for the three companies, the facility would be expected to be in operation by 2013.

### **About EPCOR**

EPCOR Utilities Inc. builds, owns and operates power plants, electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada

and the United States. EPCOR has been named one of Canada's Top 100 employers for eight consecutive years, and is headquartered in Edmonton, Alberta.

### **About Carbon Development Partnership**

Carbon Development Partnership is a general partnership, indirectly and equally held by Sherritt International Corporation and the Ontario Teachers' Pension Plan. CDP controls the rights to more than 11 billion tonnes of near-surface coal resources in western Canada and is leading the proposed Dodds-Roundhill coal gasification project. Sherritt International provides management, administrative and operational expertises to CDP.

Sherritt International Corporation is a leading diversified resource company involved in the production of thermal coal, nickel, cobalt, oil, gas and electricity. It also licenses its proprietary technologies to other mining companies. Sherritt's success is built on utilizing innovative technologies and the breadth of its financial and operational expertise to increase productivity and profitability. Sherritt continues to explore opportunities to grow its \$3.8 billion asset base through expansion of its existing businesses, capital projects and strategic acquisitions.

### **Forward-looking Information**

**EPCOR:** Certain information in this news release is forward looking and related to anticipated financial performance, events and strategies. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. By their nature, such statements are subject to significant risks and uncertainties, which could cause EPCOR's actual results and experience to be materially different than the anticipated results. Such risks and uncertainties include, but are not limited to, operating performance, commodity prices and volumes, load settlement, regulatory and government decisions, weather and economic conditions, competitive pressures, construction risks, obtaining financing and the performance of partners, contractors and suppliers. Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, EPCOR disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

**Carbon Development Partnership:** This news release contains forward-looking statements. Forward-looking statements generally can be identified by the use of statements that include words such as "believe", "expect", "anticipate", "intend", "plan", "likely" or other similar words or phrases. These forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that are beyond Sherritt's or CDP's ability to control or predict. Actual results and developments may differ materially from those contemplated by this news release depending on, among others, such key factors as business and economic conditions in Canada and the principal market for the project's product.

Key factors that may result in material differences between actual results and developments and those contemplated by this news release also include timely receipt of regulatory and corporate approvals; the entering into of commercial agreements between CDP and EPCOR; negotiations for off-take agreements; prices for the materials and services required for the project; levels of coal production; energy costs; interest rates; rates of inflation; changes in applicable laws; the

timing, capital costs and financing arrangements associated with developing the project; risks associated with mining and processing activities; potential imprecision of reserve estimates; market competition; developments affecting labour relations; and environmental regulation.

Neither Sherritt nor CDP intends or assumes any obligations to update these forward-looking statements.

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