



Enhance Energy and Wolf Midstream

Sign Agreement to Finance and Construct the Alberta Carbon Trunk Line

Calgary, Alberta – August 2, 2018 – Enhance Energy Inc. (“Enhance”) and Wolf Carbon Solutions Inc., an affiliate of Wolf Midstream (“Wolf”), are pleased to announce the two parties have entered into a project development and coordination agreement related to the construction and operation of the Alberta Carbon Trunk Line (“ACTL”). The ACTL is a 240-kilometre pipeline that will collect carbon dioxide (“CO₂”) from industrial emitters in and around Alberta’s Industrial Heartland and transport it to aging reservoirs throughout central and southern Alberta for secure storage and enhanced oil recovery (“EOR”) projects.

Subject to closing under this agreement, Wolf will construct, own, and operate the CO₂ capture and pipeline transportation assets. Enhance will continue to be the owner and operator of the CO₂ utilization and sequestration portion of the ACTL project through its EOR operations. Upon closing of this agreement, anticipated to be within 60 days, the parties will enter into a long-term service agreement and construction activities related to the ACTL project will commence. Initial CO₂ flow rates are expected to start at 800 tonnes per day in the fourth quarter of 2019 and increase to 4,400 tonnes per day by the end of 2019.

CO₂ will be supplied to the ACTL project by the Sturgeon Refinery (operated by the Northwest Redwater Partnership) and the Redwater Fertilizer facility (owned and operated by Nutrien, the world’s largest crop nutrient company) and delivered to Enhance’s EOR project in Clive, Alberta. Initially, Wolf will provide midstream services only to Enhance, with other suppliers and users of CO₂ having future access to Wolf’s capture, compression, and transportation services.

“Carbon capture and storage is already established as a viable emission reduction strategy for Alberta industries and we believe it has great potential to become much more widely applied,” said Gord Salahor, Wolf’s Chief Executive Officer. “The ACTL is a desirable infrastructure asset for Wolf because it represents the core of an expandable network capable of facilitating many carbon mitigation options for emitters over the long term.”

The construction of ACTL will be funded by Wolf in part through investments made by Canada Pension Plan Investment Board (“CPPIB”) of up to \$305 million. Additional public funding for the ACTL project of \$63 million has been provided by the Government of Canada under the Federal EcoETI Program and the Federal Clean Energy Fund Program, and \$223 million in construction funding has been approved under the Province of Alberta’s Carbon Capture and Storage Funding Act (2009). Enhance also expects to invest over \$1 billion in capital costs related to CO₂ storage and EOR development over the life of the ACTL.



About the Alberta Carbon Trunk Line (ACTL)

The ACTL project is a carbon capture utilization and storage project that is intended to capture CO₂ from two sources in Alberta's Industrial Heartland and transport the CO₂ to existing mature oil fields throughout central and southern Alberta. The mature oilfields that will initially undergo CO₂ EOR are located near Clive, Alberta, and are expected to demonstrate increased light oil recovery as CO₂ is permanently stored in the reservoir. The capture and permanent storage of CO₂ from this project will result in significant reductions in emissions of greenhouse gases in Alberta – what will amount to the equivalent of removing more than 330,000 cars from Alberta's roads.

About Enhance Energy

Enhance Energy is a private oil and gas development company specializing in EOR, and focused on using CO₂ for miscible flooding in the Clive field in central Alberta. The Enhance leadership team has extensive experience in the oil and gas industry and the planning and implementation of similar, large-scale CO₂ EOR projects once traditional primary and secondary recovery techniques have been exhausted. Through its CO₂ EOR scheme, the Company is able to safely capture and permanently sequester CO₂ while increasing production and reserves recovery resulting in a new and significant low carbon source of fossil fuel production.

About Wolf Midstream

Wolf Midstream is a Calgary-based private company backed by the Canada Pension Plan Investment Board ("CPPIB"). Wolf was formed in 2016 with an investment from CPPIB to focus on the acquisition and development of midstream infrastructure and opportunities in Western Canada. Wolf management has a long and successful track record of operating energy infrastructure assets having previously led Mistral Energy Inc. and Taylor NGL Limited Partnership (formerly TSX: TAY.UN).

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