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\$500M Fund Launched to Support Next-Generation Renewable Fuels

Calgary, September 12, 2007 – The future of renewable fuels in Canada took a big step forward today with the launch of the NextGen Biofuels Fund™. The new fund, with \$500 million in funding provided by the Government of Canada, will be managed by Sustainable Development Technology Canada (SDTC).

“The NextGen Biofuels Fund™ will jumpstart the development and production of the next generation of renewable fuels in Canada,” said SDTC Chairman James M. Stanford. “This Fund will aim to take advantage of the abundance of suitable biomass materials available in Canada by funding large-scale demonstration facilities and encouraging the growth and retention of home-grown technologies and expertise in Canada.”

The NextGen Biofuels Fund™ will support up to 40% of eligible project costs for the establishment of first-of-kind large demonstration-scale facilities for the production of next-generation renewable fuels. The contribution will be repayable based on free cash flow over a period of 10 years after project completion.

The NextGen Biofuels Fund™ is now open for applications. Applicants are able to submit applications at any time during the year. To be eligible, a project must:

- be a first-of-kind facility that primarily produces a next-generation renewable fuel at large demonstration-scale;
- be located in Canada;
- use feedstocks that are or could be representative of Canadian biomass; and,
- have demonstrated their technology at the pre-commercial pilot scale.

“Next-generation biofuels technologies have the potential to generate even greater environmental benefits” said the Honourable Gary Lunn, Minister of Natural Resources. “The biofuel strategy of Canada’s New Government is a double win - good for farmers and good for the environment.”

Next-generation renewable fuels are derived from non-traditional renewable feedstocks, such as fast-growing grasses, agricultural residues and forest biomass, and produced through the use of non-conventional conversion technologies.

Canada is well-positioned to capitalize on next-generation renewable fuels. In Canada, there is an abundance of cellulose-based feedstocks, which have an energy content that is significantly higher than conventional biofuel feedstocks. Such cellulose feedstocks consist largely of materials that are currently considered waste, can be grown on low-grade soil, and have greater potential for co-products.

“Producing the large-scale volumes of NextGen biofuels that are needed to gain market traction will provide superior environmental benefits and alternate sources of revenue for those in the agriculture, forestry and waste management sectors,” said Vicky J. Sharpe, President and CEO, SDTC. “In addition, next-generation biofuels are made from cellulose, rather than edible starch.”

SDTC is an arm’s-length foundation which has received \$1.05 billion from the Government of Canada as part of its commitment to create a healthy environment and a high quality of life for all Canadians. SDTC operates two funds aimed at the development and demonstration of innovative technological solutions. The \$550 million SD Tech Fund™ supports projects that address climate change, air quality, clean water, and clean soil. The \$500 million NextGen Biofuels Fund™ supports the establishment of first-of-kind large demonstration-scale facilities for the production of next-generation renewable fuels. SDTC operates as a not-for-profit corporation and has been working with the public and private sector including industry, academia, non-governmental organizations (NGOs), the financial community and all levels of government to achieve this mandate.

For more information, please contact:

Media Relations:	Application Process:
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