



Press Release

Enerkem awarded loan guarantee from U.S. Department of Agriculture for its Mississippi waste-to-fuel biorefinery

Latest commitment reinforces Enerkem's leading position in the commercial advanced biofuels sector

PONTOTOC, Mississippi – January 20, 2011 – Enerkem Inc. today announced that Enerkem Corporation, its wholly-owned U.S. affiliate, has obtained a conditional commitment for an US\$ 80 million loan guarantee by the U.S. Department of Agriculture (USDA), for the construction of its landmark waste-to-biofuels project in Pontotoc, Mississippi, which will transform Northeast Mississippi's municipal solid waste into ethanol.

The loan guarantee is part of the USDA 9003 Biorefinery Assistance Program and follows an award of up to US\$50 million from the U.S. Department of Energy, announced in late 2009 for this facility. This combined commitment from U.S. government agencies continues to bolster private sector investment and confirms that Enerkem's waste-to-biofuel technology is a frontrunner in the development of renewable and alternative energy.

"USDA financing for our Mississippi plant demonstrates the confidence in Enerkem as a company equipped to drive the waste-to-biofuels movement across North America and beyond," said Vincent Chornet, Enerkem's President and Chief Executive Officer. "We are thrilled with the resounding assurance that we continue to earn from leading government and private investors. We are committed to helping communities reduce reliance on fossil fuels, create jobs, and decrease landfills, with Enerkem's innovative solution."

"This biofuel initiative in Pontotoc County is moving forward and offers more opportunities for reducing waste and developing renewable energy jobs in rural Mississippi," said U.S. Senator Thad Cochran, a member of the Senate Agriculture, Nutrition and Forestry Committee. "I am pleased that the federal government will continue to invest in its development."

"American-produced alternative energy is critical to reducing our dependence on foreign sources, and this project helps achieve that important goal," said U.S. Senator Roger Wicker. "In addition, the jobs created in Pontotoc will greatly benefit the community. Being at the forefront of energy development will help generate economic opportunity across Mississippi."

"The biofuel plant in Pontotoc will not only boost economic development and job growth, but also provide a cleaner and more sustainable environment for our communities," said Congressman Alan Nunnelee. "I am pleased to see that Mississippi will be a leader in biofuel technology and advance our goal towards energy independence."

Enerkem's biorefinery operation in Mississippi - a 300 ton-per-day facility located on the Three Rivers landfill site - will initially produce 10 million gallons / 36 million litres of ethanol annually from sorted municipal solid waste and will reduce the pressure to landfill. The project is expected to create more than 70 permanent jobs. For this project, Enerkem and the state of Mississippi were recognized as the *Public private partnership of the Year*, as part of Biofuels Digest's 2010 Awards, a widely-read industry publication.

About USDA Biorefinery Assistance Program

The purpose of this U.S. Department of Agriculture loan guarantee program (Section 9003 of the 2008 Farm Bill) is to assist in the development of new and emerging technologies for the development of advanced biofuels. The guaranteed loans are provided to fund the development, construction and retrofitting of commercial-scale biorefineries. To learn more: <http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2011/01/0020.xml>

About Enerkem

Enerkem is a leading waste-to-biofuels company. Its proprietary clean technology converts waste, such as unrecyclable household garbage, demolition debris and residues from used utility poles, into clean transportation fuels and advanced chemicals. Founded in 2000, the company currently operates two plants in Canada: a pilot facility in Sherbrooke, QC and a commercial demonstration plant in Westbury, QC. In August 2010, Enerkem started construction of its waste-to-biofuels plant in Edmonton, AB, Canada, which was awarded CAD\$23 million in funding from the Government of Alberta and the City of Edmonton. The company is simultaneously developing a similar project in Mississippi, U.S.A., for which it was awarded US\$50 million in funding by the U.S. Department of Energy (DOE). Enerkem was named a *2010 Global Cleantech 100* company and recognized as one of the *50 Hottest Companies in Bioenergy* for two years in a row. www.enerkem.com

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