



Enerkem and GreenField Ethanol Announce Quebec's First Waste-to-Biofuels Production Facility

VARENNES, Québec, February 6, 2012 – At a news conference in Varennes today, the Government of Québec announced its plan to inject \$27 million in Québec's first full-scale commercial cellulosic ethanol plant through the Ministry of Natural Resources and Wildlife and Investissement Québec. This facility will be built and operated by a joint venture partnership formed by Enerkem (www.enerkem.com), a waste-to-biofuels and chemicals company, and GreenField Ethanol (www.greenfieldethanol.com), the Canadian leader in alcohol production.

The future plant will be located in Varennes, Québec and will use Enerkem's proprietary technology to convert non-recyclable municipal solid waste into biofuels. With a full-scale waste-to-biofuels facility under construction in Edmonton, Alberta, and another one under development in Mississippi, the Varennes facility represents Enerkem's third full-scale commercial project.

"By producing liquid transportation fuel from non-recyclable waste, this facility opens the door to the emergence of a new energy sector and will allow for local sustainable management of our waste materials", declared Vincent Chornet, Enerkem President and CEO. "Located on the site of Ethanol GreenField's current plant, this project will represent one of the first integrations between an existing, first generation ethanol plant and a new cellulosic ethanol plant."

"The construction of this innovative plant on our current site marks the beginning of our transition to an integrated biorefinery in Varennes", said Jean Roberge, General Manager, GreenField Ethanol Québec. "We are pleased to partner with Enerkem and integrate their technology to build Québec's first full-scale commercial cellulosic ethanol plant. The use of waste materials, that is made possible with Enerkem's technology, complements GreenField Ethanol R&D efforts with other types of biomass. "

This waste-to-biofuels production facility will help reduce greenhouse emissions, fossil fuel imports and landfilled volumes. The non-recyclable waste will come from institutional, commercial and industrial sectors, and from construction and demolition debris. The anticipated annual production capacity of this plant is approximately 38 million litres.

"In addition to presenting a solution to landfilling, today's announcement will enable greenhouse gas emission reductions by about 110,000 metric tons of CO₂ per year. Cellulosic ethanol is a renewable fuel that will contribute to reducing our dependence on petroleum products. By supporting this project, our government is concretely reinforcing energy security for Québec. Today's announcement puts Québec in an advantageous position in the search for alternatives to fossil fuel consumption", outlined Minister Clément Gignac.

"Québec has resolved to reduce, by 2020, its greenhouse gas emissions to 20% below 1990 levels, as part of its 2006-2012 Climate Change Action Plan. We believe we can be productive and create wealth and jobs, all while protecting our environment. The construction of the cellulosic ethanol facility belonging to the joint venture formed by Enerkem and GreenField Ethanol, is one step closer towards reducing our greenhouse gas emissions. It is with solid and structured projects, such as the one presented today, that Québec will reassert its leadership in a green and sustainable economy", commented Minister Sam Hamad.

The \$27 million contribution from the Government of Québec includes \$18 million in financial assistance from the Ministry of Natural Resources and Wildlife and a \$9 million loan from Investissement Québec.

About Enerkem

Enerkem develops biofuels and chemicals from waste. With its proprietary thermochemical technology, Enerkem converts abundantly available municipal solid waste (mixed textiles, plastics, fibers, wood and other non-recyclable waste materials) into chemical-grade syngas, and then methanol, ethanol and other chemical intermediates that form everyday products. By using waste instead of fossil fuels, Enerkem addresses the growing demand for renewable energy sources and chemicals, while reducing landfill volumes and greenhouse gas emissions. Headquartered in Montreal, Canada, the company currently operates both a pilot and a commercial demonstration facility in Québec, has its first waste-to-biofuels full-scale commercial plant under construction in Edmonton, Alberta, and is developing several similar facilities in the U.S. and Canada that will convert municipal solid waste into biofuels and chemicals. www.enerkem.com

About GreenField Ethanol

Greenfield Ethanol is the largest Canadian alcohol producer whose head office is located in Toronto. The Varenne's Distillery is fully operational since March 2007 and is one of the most efficient in North America as to yield, energy efficiency, environmental foot print and GHG reduction. Éthanol Greenfield Québec is a founding member of the University of Sherbrooke Research Chair for second generation biofuels and supports other R&D initiatives with other Canadian Universities. The company's striving efforts in R&D also include various strategic partnerships with specialised companies and in house development of proprietary Second Generation Technologies in its Chatham laboratory. www.greenfieldethanol.com

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