



Port Alma WIND POWER PROJECT

KEPANews® is the official newsletter for the Port Alma Wind Power Project.
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Note from Jacques Gauthier, Senior Vice President and COO Kruger Energy

This issue of the KEPANews arrives in time with the change of season. It is a time for renewal and the arrival of spring and the warmer temperature sends many of our readers back out into the fields to prepare the land for a new harvest. For the KEPA team and I, the change in season brings with it a renewed energy and excitement to the continuation of our efforts for the success of the Kruger Energy Port Alma LP wind power project.

I am pleased to report that the KEPA undertaking continues to progress well as we work diligently to maintain the project schedule. We continue our efforts to put the final touches on the various important contracts and permits, and the KEPA team is ensuring the systematic completion of all pre-construction plans and documents. We want to make sure to dot the "i"s and cross the "t"s; and we are confident that our dutiful consideration to these important pre-construction details will ensure an eventual smooth transition to the actual construction stage.

The welcomed warmer temperatures and thawing ground has also allowed us to resume and intensify our land and environmental study database. You may have noticed our representatives in the fields examining the terrain and recording information. This is just a small example of our pre-construction research, as we firmly believe that being well prepared is paramount to any undertaking. This principle combined with, as I have mentioned in the past, the optimal and utmost respectful use of our natural resources, are part of the recipe for success in the achievement of this important project.

Along the same lines, you may have recently run into our Joe Boland (Project Engineer, Port Alma, KEPA) who has recently been out and about in the Chatham-Kent area. Joe has been and will be increasingly present in the area as we ramp up to construction. In this regard, I encourage you to speak to Joe with any questions and/or comments you may have pertaining to the KEPA project.

To our landowners, it is important to remember that it is "business as usual". Please go about your land preparation and seeding as usual. I wish to reassure you that as the project progresses, we have every intention to maintain our strong commitment to communication in this important partnership with the Chatham-Kent community and its citizens.

Once again I would like to reiterate how proud and privileged we feel at Kruger Energy to have the opportunity to partner with the community of Chatham-Kent. The community of Chatham-Kent embraced the KEPA wind power project since its inception and has continued to support our efforts; for this we have always been and remain truly grateful.

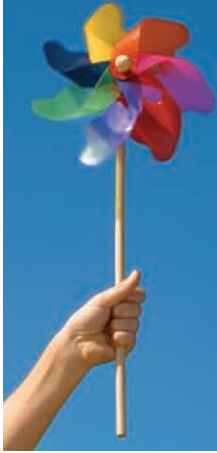
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From the Municipality

In this issue, KEPAnews is pleased and honored to have had the opportunity to speak to His Worship Randy Hope, Mayor of Chatham-Kent, who took time from his extremely busy schedule to speak to us about the challenges and opportunities he foresees for the future of his municipality.

We asked Mayor Hope to comment on the new strategic direction and goals established for Chatham-Kent and how they pertain to both the KEPA project and the community's dealings with Kruger Energy.

"The collaborative direction is clear between Kruger Energy and Chatham-Kent in a number of areas, including the Council's recent strategic direction and



Randy Hope, Mayor of Chatham-Kent

the policies and directions set out in our Operating Plan," explained Mayor Hope. "The Council has given itself a direct, clear and precise four-year mandate with regard to what it would like to do for the community."

"The KEPA project is keeping in step with our overall strategic intentions and directions as we deal with our green energy development. As a municipality, we realize that we must lead this type of initiative in order to have cleaner power in the future and do our part in helping the environment," Mayor Hope added. "Kruger Energy falls clearly within the next generation of energy, being one of those major important components as to where we need to go in order to be self-sustaining."

"This is in line with our strategic direction, we believe, as we try to move to newer technology; higher added value as far as not only in the wind but also in the maintenance and hopefully the manufacturing as we become a sort of test site or an improve site or education site. We have to go with the times and changes that are out there. So what it does is it also helps on the educational front, the employment front and future developments as far as research and development as we move forward with alternative energy sources," Mayor Hope said.

Mayor Hope elaborated on the community's four-year plan and KEPAnews learned that Chatham-Kent is examining a number of proposals from other companies offering to develop solar and cogeneration (incineration) operations such as those currently being used in Japan, Korea and Germany.

"This applies to the Kruger Energy initiative and any project that is out there. We are even trying to take the Green Initiative further by helping some of our medium-size and small businesses. Not only that, we are even looking at alternative ways of providing energy to homes," Mayor Hope explained. "For instance installing solar panels for hot water and having generators in homes; working with our developers and our builders to look at ways of reducing the amount of electricity required. We want to develop a greener home; that way we will become leaders in Ontario and in Canada."

Mayor Hope spoke of the establishment of a Green Committee. This new internal working committee was formed shortly after Mayor Hope's election in November 2006. It is made up of a team of approximately 10 administrators and city employees that work in close collaboration with the various municipal departments. "The goal of this committee," Mayor Hope expounded, "is to help the community to be more effective in everything from planning, to building, to economic development, to water and sewage."

When asked to comment on the proposed KEPA project and Kruger Energy's presence in the community, Mayor Hope said: "we have had the public process that involves the entire community, which has been very positive. Kruger Energy have conducted themselves professionally throughout this entire process and have been diligent about informing Council on their actions and intentions throughout. This is a very important part of communication and



dialogue through a process that is going to have benefits both to the company and the community. Cooperation and partnership are of the essence.”

“We are confident that the KEPA project is going to be completed on time and according to the planning approvals that were granted. We are also confident that the company will continue to keep the local residents and property owners apprised of the progress being made while remaining sensitive to the expectations of the communities,” said Mayor Hope. “I feel confident that things will be moving precisely forward.”

Mayor Hope told KEPAnews that, along with Council, they have placed a high priority on the KEPA initiative. “It was the first of its kind to enter into Chatham-Kent. It sets the pace sort of speak. We are proud to say that the work has progressed in a timely and

positive manner and we need to do our best to work with Kruger Energy and with the local community to the completion of this project.”

Mayor Hope made special mention to the community; “I believe that first and foremost, we must congratulate all the landowners who are involved in the KEPA project, which is the first of its kind in Chatham-Kent. We have the opportunity to participate and contribute to a model, state-of-the-art energy generation system which was previously unheard of and unknown to this area. The fact that the landowners said yes is a very positive statement on behalf of the community. We need to diversify in our community and I believe that this is a steppingstone in the right direction. That is why we need to congratulate those landowners that see this as an opportunity.”

“Our citizens will be a part of our success under the leadership of the Council and myself, and through the staff and the community, I think we can turn things around in this community and become a model in North America,” stated Mayor Hope.

Mayor Hope concluded the interview by thanking Kruger Energy for their due diligence and especially for considering and selecting Chatham-Kent as an opportunity. “I guess that Chatham-Kent is like a new frontier venture - it is like discovering the Wild West. I want to be on the leading edge. One thing that I have always believed in is being a leader, not a follower,” Mayor Hope reflected.

Fun facts

Did you know...

According to Environment Canada:

- Approximately 18% of Canada’s greenhouse gas emissions are created as a result of burning fossil fuels to generate electricity.
- Nearly 12% of Canada’s smog can be attributed to the burning of fossil fuels to produce energy.

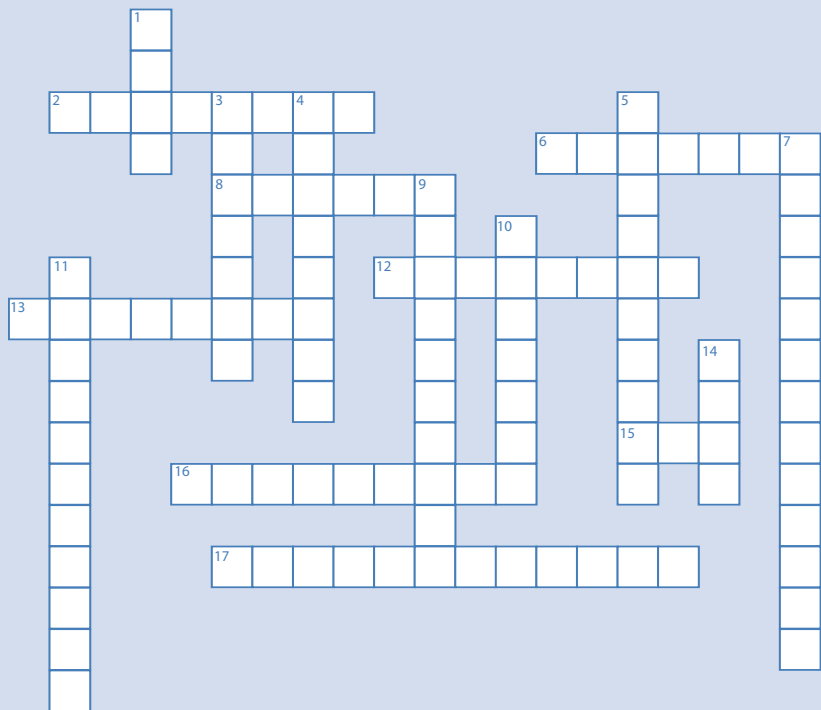
In comparison, wind energy generates no known air emissions!

More wind energy means cleaner air and a healthier planet!

Wind energy is not only environmentally friendly, but it is also good for the Canadian economy! A study published by the market research firm Inshtrix reports that Canada’s wind industry spent in excess of \$400 million in 2004; two-thirds of which were spent on Canadian goods and services!



Just for fun



ACROSS:

2. This publication title
6. Any of various machines having a motor; driven by pressure or momentum
8. Canadian Wind Energy Association (abbrev.)
12. Kruger Energy Port Alma website: www.“_____”.com
13. Location south of Chatham on the shores of Lake Erie (2 wds.)
15. Earth’s heater
16. Millions of watts
17. Publisher of KEPAnews (2 wds.)

DOWN:

1. Mayor of Chatham-Kent
3. Located atop wind turbine tower; contains key components
4. Used to measure wind direction (2 wds.)
5. Wind energy produces none of these gas emissions
7. Study relating to ecological impacts
9. Instrument used to measure the speed of wind
10. Mr. Gauthier
11. Our wind turbines have three (2 wds.)
14. Air moving at any velocity along the earth’s surface

ANSWERS: ACROSS: 2. KEPAnews 6. Turbine 8. CanWEA 12. KEPAWIND 13. Port Alma 15. Sun 16. Megawatts 17. Kruger Energy DOWN: 1. Hope 3. Nacelle 4. Wind vane 5. Greenhouse 7. Environmental 9. Anemometer 10. Jacques 11. Rotor blades 14. Wind

2006 A RECORD BREAKING YEAR FOR THE GLOBAL WIND ENERGY INDUSTRY with Canada now ranking 12th in the world for total installed wind energy capacity

Wind energy a growing contributor to reductions in greenhouse gas emissions

(Ottawa) – Based on the latest data issued by the Global Wind Energy Council, the Canadian Wind Energy Association (CanWEA) believes that Canada has begun to demonstrate that it is joining the global movement to rapidly implement green and renewable wind energy.

“By more than doubling its total installed capacity to 1,460 MW by year end 2006, a record, Canada became the world’s 12th largest nation in terms of installed wind energy capacity,” says Robert Hornung, President of CanWEA. “Nonetheless, wind energy continues to grow more quickly in many other countries and we are still far from tapping the full economic and environmental potential of wind energy in Canada”.

Only six countries installed more than the 776 MW installed in Canada last year. Figures just released by the Global Wind Energy Council (GWEC) show that the installed capacity of wind energy worldwide increased by a record 15,197 MW in 2006 (32%), bringing total wind energy capacity to 74,223 MW – enough to power 22.5 million homes worldwide.

Increasingly, Canada, like many other nations, is turning to environmentally friendly sources for power in an effort to reduce its footprint on the environment. Wind energy is estimated to have reduced global emissions of carbon dioxide (the main anthropogenic greenhouse gas emission) by 90 megatons in 2006. In Canada, it is estimated that every 1,000 MW of installed wind energy capacity will reduce annual emissions of carbon dioxide by a minimum of 1.2 million tonnes.

“Canadians want to see strong leadership on the environment. If Canada is to become a global wind energy leader, federal and provincial governments must move decisively and swiftly to develop and implement comprehensive wind energy strategies,” says Robert Hornung. “There can be no doubt that wind energy must be a central component of any strategy seeking to reduce air pollution and address climate change.”

Provincial governments are currently seeking to put in place a minimum of 10,000 MW of installed wind energy capacity by 2015. In that same time period, GWEC projects that installed wind energy capacity globally will increase to 171,000 MW.

Wind energy is also big business. The total value of new wind energy generating equipment installed globally in 2006 was US\$ 23 billion and it is estimated that some 163,000 people are now directly employed by the wind energy industry worldwide. According to CanWEA estimates, Canada’s wind energy industry contributed \$736 million to the country’s Gross Domestic Product in 2005. That same year, there were 1,200 full-time equivalent jobs (FTE) in the wind energy industry, an increase of 65% over 2004. Achieving the minimum goal of 10,000 MW of installed wind energy capacity in the country would mean, among other benefits, thousands of jobs in manufacturing, project development, operations and maintenance.

Wind energy produces no air pollution or greenhouse gas emissions. In addition to its environmental benefits, wind energy delivers substantial economic benefits to rural communities

across Canada through investment and job creation, lease income for landowners, and a new tax base for municipal governments.

The Canadian Wind Energy Association (CanWEA) represents more than 290 companies involved in Canada’s wind energy industry, including wind turbine and component manufacturers, wind energy project developers, and service providers to the wind energy industry.



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On and on.
Powering your world
with renewable resources