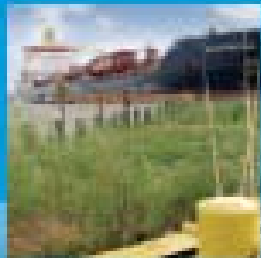


Wind Energy Solutions

Powering a Sustainable World®
in Sarnia-Lambton, Ontario, Canada



May, 2010

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Sarnia-Lambton's top 10 location benefits for the wind energy industry

- 1** Central Great Lakes location with easy access to excellent wind energy resources, wind farms, and North American and international markets
- 2** Significant cluster power in power generation, metal fabrication, industrial chemicals, manufacturing, and engineering
- 3** Highway, rail, deep water port, and air transportation systems
- 4** Strong provincial government commitment to alternative energy technologies, with generous feed-in tariffs for wind power
- 5** Alternative energy research and education with access to seven world-class universities and colleges
- 6** Highly educated, productive, and technically skilled workforce
- 7** Low corporate taxes and great R&D tax breaks
- 8** Zoned greenfield and brownfield industrial manufacturing sites
- 9** Located at the most rapidly growing Canada/USA commercial border crossing
- 10** Unified community vision transforming region into leading alternative energy centre



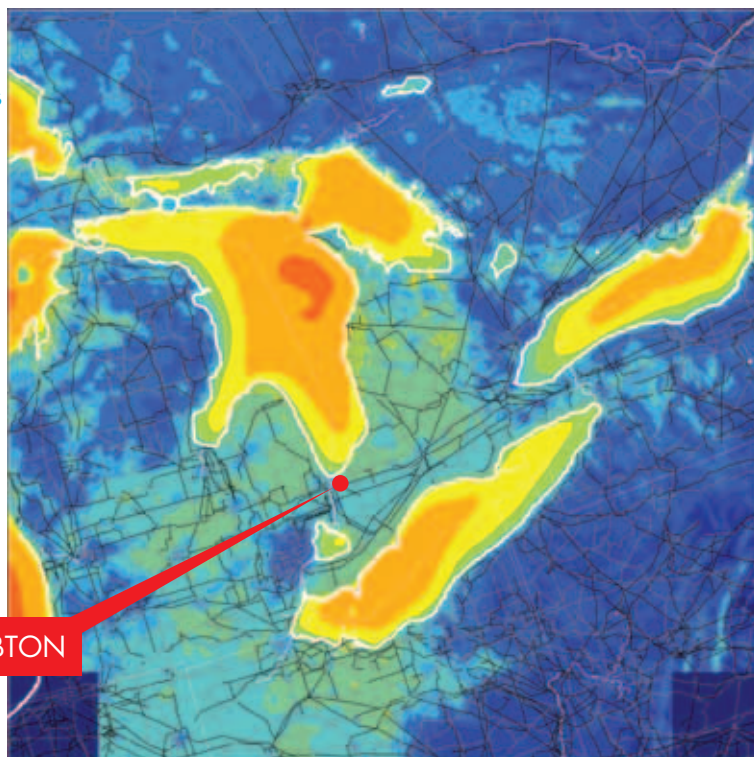
Access:

- A powerful and strategic manufacturing location for the wind energy industry
- Wind energy projects in the Great Lakes area
- North American energy markets
- Nearly half of the North American population within a ten-hour drive

Sarnia-Lambton Quick Facts

- Population 128,204
- Located in southwestern Ontario at the southern tip of Lake Huron directly adjacent to Port Huron, Michigan
- A one-hour drive to Detroit, a three-hour drive to Toronto

Annual mean wind speed, height 50 metres



SARNIA-LAMBTON

Source – Environment Canada, Canadian Wind Energy Atlas

Regional Energy Industry

Sarnia-Lambton announced wind energy projects

Suncor Energy, Lambton Shores, Plympton-Wyoming 170 MW

Jericho Wind Energy Centre, Thedford 150 MW

WPD Canada Corporation, Alvinston, Petrolia, Sombra 83.6 MW

Mainstream Renewable Power, Alvinston, Dawn-Euphemia 66.7 MW

Walpole Island First Nation, Walpole Island 10 MW

Erin Wind Farm, Plympton-Wyoming 10 MW

Sky Generation, Lambton Shores 16.5 MW operating
3.6 MW announced

Forest Wind Power, Forest 10 MW

Biro Air Energy Inc., Sarnia
Small wind start up with R&D facility

Ontario Ministry of Transportation
Highway 402 west-bound weigh station
Innovative vertical axis turbine test site

Other Sarnia-Lambton energy projects

Enbridge Inc./First Solar, Sarnia
Solar energy – 20 MW operating
60 MW announced, completion 2010
Will be the largest PV solar power generation facility in Western Hemisphere

First Solar, St. Clair
Solar energy – Two 20 MW projects announced, completion 2011

Bluewater Power, Sarnia
Rooftop solar testing facility

Major commercial rooftop solar projects announced

Canada's Bioindustrial Innovation Centre
Commercialization centre for large-scale industrial biotechnology and alternative energy

Suncor Energy St. Clair Ethanol Plant, St. Clair
Annual ethanol production of 200 million litres
Plant capacity currently being doubled

Fuel Cell Demonstration Project
Tested and developed hydrogen energy in the community
Second phase focusing on renewable energy sources of hydrogen

Hydrogen Pipelines, Sarnia, St. Clair
Air Products and Praxair hydrogen pipeline networks

Air Products, Sarnia
Canada's largest hydrogen plant
Produces over 80 million standard cubic feet/day of liquid hydrogen
On hydrogen pipeline

Praxair Canada Inc., Sarnia
Capacity in excess of 10 million standard cubic feet/day of "green" hydrogen
On hydrogen pipeline

Bluewater Power/Waste Management partnership, Petrolia, Sarnia
Landfill gas-to-energy

TransAlta Energy Corporation, Sarnia
Power and steam for industry – 506 MW
Largest natural gas co-generation plant in Canada

Greenfield Energy, St. Clair
Combined-cycle natural gas power generation – 1005 MW

Invenergy Investment Company, St. Clair
Combined-cycle natural gas power generation – 570 MW

Alternative energy research and education

The Research Park, Sarnia-Lambton Campus (operated by the University of Western Ontario)

The Research Park focuses on alternative energies, advanced materials, and environmental and biotechnology sciences. Through The Research Park you can access:

- Leading research from the University of Western Ontario, one of Canada's top research-intensive universities, and other national and global academic partners
- Expertise of world renowned scientists, engineers, and scholars
- Talented undergraduates, graduate students, and experienced team members
- State-of-the-art equipment, one-of-a-kind facilities, and fully equipped labs
- Government grants, low cost services, and other ways to maximize the return on your innovation investments
- Growing community of innovative tenants and partners throughout the region

Lambton College's Alternative Energy Engineering Technology Program

Building on more than 40 years of process technology leadership and a history of working closely with industry, Lambton College's Alternative Energy Engineering Technology Program provides theory and application skills in current and emerging energy technologies. This three-year program focuses on integration of current energy sources with developing alternative energy distribution systems. The College's robotics lab trains students in robotics technology. Lambton College also houses the Advanced Materials Engineering Research Lab (major sponsor LANXESS), dedicated to the use of polymer and biodegradable materials and advanced manufacturing technologies. The Suncor Sustainability Centre (the focal point for sustainability initiatives in the area) is located on the Lambton College campus.

Go to
www.sarnialambton.on.ca
for a list of Ontario-wide
energy projects

Generous feed-in tariff rates for wind energy

Companies can benefit from Ontario's commitment to have 25,000 MW of newly installed renewable energy by 2025. Strong opportunities exist for multi-year purchase agreements with power developers for wind energy and other renewable energy sources.

Convergences between wind, solar, and hydrogen fuel cell projects are developing in the Sarnia-Lambton region. With an established pricing structure, large investment in new transmission, and a streamlined process, the new feed-in tariff will enable renewable energy producers of all sizes to bring energy to the province's power grid.

Wind Feed-In Tariffs*

Onshore, any size
- 13.5 ¢ / kWh

Offshore, any size
- 19.0 ¢ / kWh

* Eligible for Aboriginal Adder of 1.5 ¢ / kWh at 50% or more ownership or Community Adder of 1.0 ¢ / kWh at 50% or more ownership

Source – Ontario Power Authority

Community vision

Local community and business leaders are driving a vision that is transforming Sarnia-Lambton into a leading centre for clean energy. Corporate business development, community infrastructure, and educational programming are geared to the development and application of sustainable technologies.

Coordinated through the Bluewater Sustainability Initiative, this private/public sector partnership has unified the Sarnia-Lambton vision to transform the community into a world leader in advancing sustainable green industry. This integrated group is taking action to identify and execute sustainability initiatives in Sarnia-Lambton. The Sustainability Centre, located on the Lambton College campus, is a collaborative effort of Lambton College and the Suncor Energy Foundation. It helps the Bluewater Sustainability Initiative develop, adopt, and promote alternative energy and industrial bioproducts; reduce the ecological footprint from development; and promote energy conservation and clean energy processes.

Bluewater Sustainability Initiative partners include Lambton College, The Research Park Sarnia-Lambton campus, City of Sarnia, County of Lambton, Aamjiwnaang First Nation, the Sarnia-Lambton Economic Partnership, the Sarnia-Lambton Environmental Association, the Industrial Education Co-operative, the Sarnia-Lambton Chamber of Commerce, the Sustainable Chemistry Alliance, and local industry.

Sarnia-Lambton offers deep water and rail transportation for the wind industry



Sydney Smith Dock, Sarnia



Sarnia Rail Yard

Energy centre infrastructure

Sarnia-Lambton is at the heart of international power transmission and energy pipelines. Expanding energy enterprises can benefit from joining a world-class cluster in reliable power generation, metal fabrication, chemicals, manufacturing, engineering, and heavy craning capabilities.

Tap into Sarnia-Lambton's superior electrical infrastructure, ample industrial water supply, and outstanding telecommunications. Access high-pressure gas, steam, hydrogen, and many other feedstocks.

Sarnia-Lambton is a national and international leader in the production of energy, chemicals, advanced industrial materials, synthetic rubber, and a variety of oil-based products.

Low corporate taxes

The Canadian federal government sets a federal corporate tax rate that is uniform across the country and is combined with the Ontario tax rate. Both federal and provincial corporate income tax rates are being lowered. When the Ontario rate cuts are fully

Sarnia-Lambton's infrastructure	
Power	4,037 MW – six producers Additional 500 MW wind and 80 MW solar announced
Steam	45, 185, 475 PSI
Natural Gas	High pressure – Dawn market hub
Engineering, environmental, fabrication, & maintenance	80 local firms
Water	Three major distribution systems – heavy usage easily accommodated
Land	Starts \$49,400 CND/hectare (\$20,000 CND/acre)
Transportation	Ontario Highway 400 series, Michigan Interstates 94/69/75 – 190 million consumers within 800 km. (497 miles)

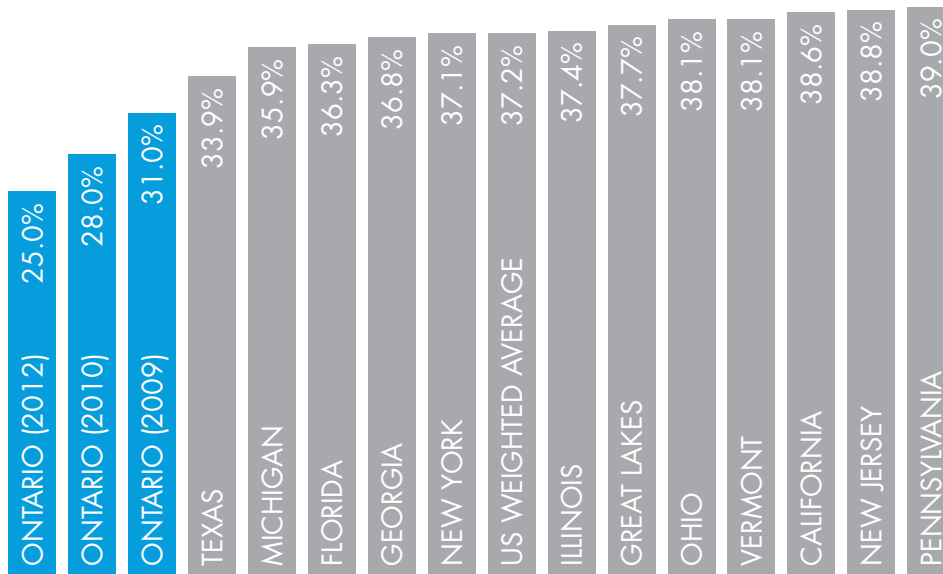
Major firms engaged in Sarnia-Lambton industry include:

- Invista Canada
- Shell Canada Products
- Ontario Power Generation
- Air Products and Chemicals Inc.
- Praxair Canada Inc.
- Suncor Energy Products Inc.
- TransAlta Energy Corporation
- SNC Lavalin
- WorleyParsons Ltd.
- H.C. Starck Canada Inc.

implemented, Ontario's combined federal-provincial rate of 25% will be lower than the current average Organization for Economic Co-operation and Development (OECD) corporate tax rate of 26.7%. Compared to the United States' Great

Lakes states, Ontario's combined rate will be 15 percentage points lower than the average combined federal-state general corporate income tax rate and more than 11 percentage points lower than the average combined manufacturing rate. Canada has a comprehensive social security system, excellent public health care, training, and educational services. With all these high-quality and publicly financed benefits, corporate and business taxes are very competitive with the United States and the G-7 average.

Combined Federal and State/Provincial manufacturing taxes



Skilled workforce

Sarnia-Lambton continues to advance as a highly skilled workforce in the energy and chemical industry sectors.

Enterprises can recruit from a local workforce of 62,535 and over 250,000 workers living within a 100 kilometre (62 mile) catchment area.

The University of Western Ontario's Chemical and Biochemical Engineering Masters degree program and Lambton College's Alternative Energy Engineering Technology and Chemical Production Engineering Program train and graduate students in Sarnia-Lambton.



Students at Lambton College, Sarnia, Sarnia-Lambton. Photo courtesy of Lambton College

Research and Development tax benefits

Canada offers the most favourable tax treatment for R&D among the G-7. These tax-based incentives permit

firms to significantly reduce R&D costs through direct investment or subcontracting in Canada.

Real After Tax Cost of a \$100 R&D Expenditure – 2009 Taxation Year

Small and Medium-Sized Non-Manufacturers ¹ (Public, Private or Foreign-Owned)	R&D Expenditures (\$ CDN)	R&D Expenditures at Eligible Ontario Research Institutes ² (\$ CDN)
Gross expenditure	\$100.00	\$100.00
Ontario – 10% OITC ³	(\$10.00)	(\$10.00)
Ontario – 20% OBRI tax credit ⁴		(\$20.00)
Ontario – 4.5% ORDTC ⁵	(\$4.05)	(\$3.15)
Federal investment tax credit – 20%	(\$17.19)	(\$13.37)
Tax deduction ⁶		
\$68.76 x 33.0%	(\$22.69)	
\$53.48 x 33.0%		(\$17.65)
After-tax cost of \$100 expenditures	\$46.07	\$35.83

Source: Reviewed by Canada Revenue Agency, Ontario Region; Ministry of Finance, May/June 2008 (9/008)

- ¹ Medium-sized companies have taxable income of less than \$400,000 and taxable capital of less than \$50 million.
- ² Eligible Ontario research institutes include universities, colleges of applied arts and technology, research hospitals and other entities in Ontario.
- ³ The 10% refundable Ontario Innovation Tax Credit (OITC).
- ⁴ The 20% refundable Ontario Business-Research Institute Tax Credit (OBRITC).
- ⁵ The 4.5% Ontario Research and Development Tax Credit.
- ⁶ 2009 tax rates for non-manufacturers: Federal 19.0% plus Ontario 14.0% = Total 33.0%.



Canada/US border, St. Clair River, on the St. Lawrence Seaway, Sarnia-Lambton



Centennial Park on Sarnia Bay, Sarnia, Sarnia-Lambton



Language Instruction for Newcomers to Canada class, Sarnia, Sarnia-Lambton, Photo courtesy of Esso YMCA Learning and Career Centre



Sailboats, Sarnia-Lambton. Photo courtesy of Tourism Sarnia-Lambton

Bluewater Sustainability Initiative

This public/private sector initiative brings business, industry, education, and civic organizations together with a shared vision to transform Sarnia-Lambton into a leading centre for clean energy and to be recognized worldwide as a hybrid, green community.

Corporate business development, community infrastructure, and educational programming are geared to the development and application of sustainable technologies. Efforts are coordinated through the Bluewater Sustainability Initiative. All of the partners are volunteers, and include Lambton College, the University of Western Ontario Research Park, City of Sarnia, County of Lambton, Aamijwinaang First Nation, the Sarnia-Lambton Economic Partnership, the Sarnia-Lambton Environmental Association, the Industrial Education Co-operative, the Sarnia-Lambton Chamber of Commerce, the Sustainable Chemistry Alliance, and local industry. This integrated group is taking action to identify and execute sustainability initiatives in Sarnia-Lambton.

The Sustainability Centre, located on the Lambton College campus, is a collaborative effort of Lambton College and the Suncor Energy Foundation. It helps advance the strategy, ideas, and goals of the Bluewater Sustainability Initiative, including – develop, adopt, and promote alternative energy and industrial bioproducts; reduce the ecological footprint from development; and promote energy conservation and clean energy processes. www.bsi.lambton.on.ca

Front cover photographs (left to right):

- Sydney Smith Dock, Sarnia, Sarnia-Lambton
- Lift and installation of tower by Chemfab Industries, Sarnia-Lambton
- Ravenswood, Sarnia-Lambton
- Pollutech Environmental, Sarnia-Lambton

Unbeatable waterfront lifestyle

Experience our big city amenities, low cost of living, and home-town friendliness. You can purchase a nice detached single family home for about \$170,000. We have miles of sandy fresh water beaches, sailing and water sports, 19 public golf courses, and one of the mildest climates in Canada. It's the lifestyle you and your team have been waiting for!

North American "Micro-City of the Future"

Top five best foreign direct investment strategy – City of Sarnia

"fDi magazine", 2009/2010

Most Livable City in Ontario – City of Sarnia

Pembina Institute, August, 2007

North American "Micro-City of the Future" – 3rd - City of Sarnia

"fDi magazine", April/May, 2007



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Discover our nature

For companies in the business of innovation, Sarnia-Lambton, Ontario, may be one of the most important discoveries of all.

Innovation isn't just an ambition here – it's a longstanding tradition tied to our unique petrochemical expertise.

- Major community and company biofuels and bioproducts initiatives
- Community-based fuel cell demonstration project
- Canada's newest and largest enhanced plants for biofuels and low sulphur gasolines
- Unique industry-recognized university and college R & D, education, and technical skills

Access it all

- Canada's new Bioindustrial Innovation Centre at the University of Western Ontario Research Park, Sarnia-Lambton
- One of the lowest-cost regions for conducting research – in Canada or the USA
- Leading producer of bio-inputs – corn, soybeans, and wheat
- Large cluster of multi-national petrochemical, refining, and energy firms



Sarnia-Lambton is Powering a Sustainable World®

Find out more today.

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