



## **Pristine Power Inc. Announces Acquisition of Majority Interest in EnPower and Right to Acquire 50% of ENMAX Corporation's Renewable Power Assets in British Columbia**

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**Calgary, Alberta – September 7, 2010** – Pristine Power Inc. (TSX: PPX) ("Pristine") announced today that it had entered into an agreement with ENMAX Green Power Inc. to acquire its 50% interest in the Savona (5 megawatts (MW)) and 150 Mile House (5 MW) EnPower waste heat recovery plants (the "EnPower Assets"). After closing of the acquisition, Pristine will own 75% of the EnPower Assets, which includes the existing 25% interest Pristine currently owns. The total value of the transaction is \$17.0 million, including the assumption of \$12.0 million of project debt with an effective date of December 31, 2009.

Fort Chicago Energy Partners L.P. ("Fort Chicago") has also announced, in a separate press release, an agreement with ENMAX Corporation to acquire 33 MW of operating assets and development assets all located in British Columbia (the "BC Assets") for total consideration of \$114.9 million, including the assumption of approximately \$12.0 million of project debt. In conjunction with the acquisition, Fort Chicago expects to enter into a \$55 million long-term project financing facility for the Clowhom hydroelectric project. Concurrently, Pristine entered into an agreement with Fort Chicago whereby Pristine has the right to acquire 50% of the interests being acquired by Fort Chicago by paying to Fort Chicago 50% of the ENMAX purchase price and other transaction costs, net of its share of the Clowhom financing. If Pristine does not complete its acquisition at the time Fort Chicago closes the transactions with ENMAX (other than the Culliton Creek transaction), Pristine may elect to pay Fort Chicago \$1.5 million in order to extend its purchase right until the later of December 31, 2010 or 90 days after the closing of the transactions with ENMAX.

The BC Assets include:

- (i) A 99% interest in the 11 MW Furry Creek hydroelectric facility, operational since 2004, with power produced being sold to BC Hydro under an electricity purchase agreement ("EPA") that expires in 2024;
- (ii) A 100% interest in the two 11MW Clowhom hydroelectric facilities, operational since March 2010, with power produced being sold to BC Hydro under two 25-year EPAs that expire in 2035; and
- (iii) A 50% interest in the 15 MW Culliton Creek hydroelectric project, which was awarded a 30-year EPA from BC Hydro on March 31, 2010.

If Pristine exercises its rights to purchase the 50% interest in the BC Assets from Fort Chicago, Pristine will own interests in five operating assets (four of which are renewable hydro or energy recovery projects) and the transaction would also add substantially to Pristine's renewable project development portfolio.

"If exercised, these acquisitions would provide us with high quality cash flow generating assets which accelerate our business plan and reduce the risk of our overall portfolio," said Jeffrey Myers, President and

CEO of Pristine. "Our existing partnership with Fort Chicago makes them an ideal partner for this transaction. The acquisition also places us in a strong strategic position to expand on our current assets in British Columbia and further position Pristine as an owner and operator of environmentally responsible power generation facilities. Upon closing of the transactions, 54% of Pristine's operating production (measured by megawatts) will be sourced from renewable hydro or waste heat recovery projects."

The transactions are subject to customary closing conditions including receipt of all necessary regulatory approvals. If all necessary approvals are obtained and the conditions contained in the agreement are satisfied, the transactions are expected to close in the fall of 2010. The EnPower purchase will initially be financed by cash on hand.

National Bank Financial Inc. is acting as financial advisor and Farris, Vaughan, Wills & Murphy LLP are acting as legal counsel to Pristine and Fort Chicago. CIBC World Markets Inc. is acting as financial advisor and Blake, Cassels & Graydon LLP is acting as legal counsel to ENMAX.

### **About Pristine**

Pristine (TSX: PPX) is in the business of developing, owning and operating independent power plants that produce and sell electricity and in some cases, sell process steam to industrial users. Pristine capitalizes on opportunities in the independent power market by actively pursuing the development of dependable, cost-effective and environmentally responsible power generation facilities utilizing technology with proven past performance. Pristine pursues a mix of large gas-fired, bioenergy and hydroelectric projects, and smaller replicable waste heat recovery ERG<sup>®</sup> and bioenergy projects. Pristine currently has three projects in operation, and one under contract and commencing construction. Pristine is developing projects in strategic regions of North America. Visit [www.pristinepower.ca](http://www.pristinepower.ca) for more information.

### **Forward Looking Statements**

Statements in this document regarding the proposed transactions between Pristine, Fort Chicago and ENMAX, the expected timetable for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for Pristine, and any other statements about the future expectations, beliefs, goals, plans, or prospects expressed by the management of Pristine constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact including statements containing the words "will," "believes," "plans," "anticipates," "expects," "estimates," and similar expressions should be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward looking statements, including: the failure to realize the synergies and other perceived advantages resulting from the acquisition; costs and potential litigation associated with the acquisition; the inability to obtain, or meet conditions imposed for, applicable regulatory and tax requirements relating to the acquisition; the failure of any party to meet the closing conditions set forth in the purchase and sale agreement; the ability to retain key personnel both before and after the acquisition; each company's ability to successfully execute its business strategies; competitive conditions in the industry; business cycles affecting the markets in which the companies conduct business; and economic conditions generally. Additional risk factors concerning Pristine's business may be found in their annual and quarterly reports. Forward-looking statements are based on the beliefs, opinions, and expectations of Pristine's management at the time they are made, and Pristine does not assume any obligation to update any forward-looking statements.

### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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