

BioClean Fuels builds \$685-million clean energy plant in Alberta

U.S.-based BioClean Fuels is investing \$685 million to establish a new production complex in Alberta which will convert barley and butane into gasoline additives that reduce pollution in automobile emissions.

Located near the town of Fort Saskatchewan, the Alberta BioClean (ABC) plant will have a permanent workforce of over 150 and will use its patented technology to convert barley and butane into ethanol, methanol and other clean-energy fuel products. This facility will be the first in the world to employ this technology.

The ABC plant will use more than 650,000 tonnes of Canadian barley each year along with butane brought in by pipeline from sources in Alberta. The final products will be ethyl tertiary butyl ether (ETBE) and methyl tertiary butyl ether (MTBE), additives that make gasoline burn cleaner.

Construction of the facility will begin in 1997 with start-up scheduled for 1999. Ultimately the plant will produce about 800,000 tonnes of ETBE and MTBE per year.

Based in Omaha, Nebraska, BioClean Fuels is majority-owned by three U.S. companies, all of them leaders in their respective fields:

CalEnergy Company Inc., an independent energy producer with 27 facilities in three countries, ConAgra, a \$25-billion giant of the food industry, and Peter Kiewit Sons Inc., one of the world's largest construction companies.

In an interview with *Canada Investment News*, David Hallberg, President and Chief Operating Officer of BioClean, and inventor of the technology that the plant will employ, noted that both the timing and the location of the company's new project are right.

The ABC plant comes on to the scene at a time when clean air legislation in the U.S., Canada and Europe is generating a steady increase in demand for environmentally-friendly fuels. Current world shipments total 500,000 barrels a day, half of which goes to the California market. The ABC plant will ship 20,000 barrels daily.

As for location, Hallberg says, "Alberta is the perfect site for the plant. We have access to prodigious supplies of both butane and barley at cost competitive prices and tax rates are attractive."


The ABC will pump its products to Vancouver via an existing underground pipeline system and from there by sea to California. ♦

"A vote of confidence in Alberta"

David Sokol, Chairman and CEO of CalEnergy, pointed to Alberta's "unique combination of raw materials, logistics and skilled labour and the proper attitude to justify a commitment of this magnitude."

Bringing an agribusiness perspective to the advantages of investing in Canada, ConAgra President and CEO Tom Manuel praised recent changes in Canadian grain transportation policy. These, he said, "have helped create an economic environment on the prairies, one that is conducive to new investments in strategic grain handling facilities and encourages more value added processing and diversification."

Walter Scott Jr., Chairman and CEO of Peter Kiewit Sons Inc., said, "Kiewit has done work in Canada for many years. This plant is a strong vote of our confidence in Alberta."



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