NEWS RELEASE

CAD$875 million biofuel plant in Varennes, Québec
Enerkem proposed partnership with Shell, Suncor and Proman with the leadership of the Québec government and support from the Canadian government

Highlights

- Conversion of more than 200,000 tonnes of non-recyclable waste and wood waste into an annual production of nearly 125 million litres of biofuels.
- Contribution to greenhouse gas (GHG) reduction equivalent to taking close to 50,000 vehicles off the road annually.
- Construction of one of the world's largest renewable hydrogen and oxygen production facilities with an 87-megawatt electrolyzer leveraging Quebec's green electricity.
- Creation of more than 500 jobs during construction and about 100 permanent direct skilled jobs during operations.
- Annual recurring economic benefits of $85 million for Québec.
- Investment of $60 million since August 2019 to develop the project, prepare the site and obtain the required permits.
- The proposed partnership is subject to finalization of commercial agreements.

Varennes, Québec, Canada – December 8, 2020 – Enerkem, with a group of strategic partners, that include major investor Shell, along with Suncor and Proman, and Hydro-Québec supplying green hydrogen and oxygen, and with the support of the Québec and Canadian governments, is proud to announce the proposed construction of a biofuel plant in Varennes, in the Greater Montréal area.

Varennes Carbon Recycling (VCR) will produce biofuels and renewable chemicals made from non-recyclable residual materials as well as wood waste. The plant will leverage green hydrogen and oxygen produced through electrolysis, transforming Quebec's excess hydroelectricity capacity into value-added biofuels and renewable chemicals. VCR will be a major creator of quality local direct and indirect jobs during its construction and operation.

An exceptional showcase to display Québec's expertise in innovative green technology

The plant will be an example of Québec and Canadian know-how and leadership in the development and deployment of innovative clean technologies. Thanks to its unprecedented technology, Enerkem was able to bring together world-class global strategic partners who intend to take a leading investment role in this flagship facility of the green economy.

This plant will produce one of the lowest carbon-intensive fuels by diverting non-recyclable waste as well as wood waste materials from landfills and through access to green electricity and green hydrogen and oxygen.

A unique and clean disruptive technology developed by Enerkem

Enerkem's technology enables the recycling of the carbon and hydrogen contained in non-recyclable waste and wood waste currently landfilled and burned. Enerkem's proprietary thermochemical process enables the conversion of this carbon into biofuels and renewable chemicals, made from methanol, which is the project's intermediary product. These products enable society to reduce consumption of traditional hydrocarbons used for transportation and in everyday products (paint, windshield washer fluid, plastics and chemicals of all kinds).

Tangible support for the circular economy

The proposed Varennes plant will support Québec's *Plan pour une économie verte 2030* (PEV 2030), Québec's energy policy, and is in line with the government's desire to pursue the development of a circular economy less dependent on fossil fuel products (40% reduction by 2030). In addition to providing a second life to waste material, it will expand the overall supply of alternative fuels and increase biofuel production in Québec increasing its leadership in renewable energy and innovation.

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"We are proud to partner with leading international energy and chemical industry players and to benefit from the support of our federal and provincial governments and the City of Varennes. This strong support validates the uniqueness of our gasification technology to enable the production of circular synthesis gas. It is a major achievement for Enerkem to have its second full-scale commercial plant become a reality, showcasing our unique clean disruptive technology that transforms waste to biofuels and renewable chemicals. We have learned a great deal from our initial pilot project in Westbury, Québec and our first commercial demonstration plant in Edmonton, Alberta."
Dominique Boies, CEO and CFO, Enerkem

"Shell Canada is delighted with the proposed partnership with Enerkem, a leading Canadian cleantech company, and we see this as a step forward towards a net-zero emissions future. By converting non-recyclable waste and wood waste to low-carbon fuels, we can reduce the carbon footprint of energy used by Canadians every day. We are grateful for the collaboration with the Government of Québec, the Government of Canada and our prospective partners, and hope to develop other projects with Enerkem in the future."
Michael Crothers, Shell Canada President and Country Chair

"We're excited to continue our journey with Enerkem, another example of our ongoing commitment to sustainability. Over the last few years we've worked together to help ramp up the Enerkem Alberta Biofuels plant and now looking to Varennes, we're excited to progress the production of biofuels domestically and internationally. Suncor has a long history in the Montréal area dating back to 1919 and this kind of innovative technology will help us play a role in the future low-carbon economy for many more years to come."
Martha Hall Findlay, Chief Sustainability Officer, Suncor

"As the world's second largest methanol producer, Proman is excited at the prospect to team up with such distinguished partners on this proposed waste-to-methanol and biofuels project. The further implementation of Enerkem's unique waste gasification technology will be a significant step towards enabling the wider availability of highly sustainable bio-methanol, as part of the global low-carbon energy transition. We are thankful to Enerkem and the other potential partners for giving us the opportunity to bring Proman's extensive industry experience and marketing expertise in support of this flagship circular economy project, and especially want to thank the Québec and Canadian governments for their commitment to this innovative project."
David Cassidy, Chief Executive, Proman

To access visual material including photos, renderings, drone views and a fact sheet on VCR, please click here.

About Enerkem
Enerkem has developed and commercializes a disruptive technology producing advanced biofuels and renewable chemicals from non-recyclable waste. Headquartered in Montréal, Québec, Canada, Enerkem operates a full-scale commercial facility in Edmonton, Alberta, as well as an innovation centre in Québec. Enerkem's technology is a prime example of how a true circular economy can be achieved by diversifying the energy mix and by making everyday products greener while offering a smart, sustainable alternative to landfilling and incineration. For more information, visit enerkem.com, follow us on Twitter @Enerkem or consult our LinkedIn or Facebook pages.

About Shell
Shell has been operating in Canada for more than 100 years and employs about 3,500 people across the country. Our business is providing energy to Canadians and people around the world, and we are one of the few truly integrated oil and gas companies in Canada. Learn more at www.shell.ca.

About Suncor
Suncor Energy is Canada's leading integrated energy company. Suncor's operations include oil sands development and upgrading, offshore oil and gas production, petroleum refining, and product marketing under the Petro-Canada brand. A member of Dow Jones Sustainability indexes, FTSE4Good and CDP, Suncor is working to responsibly develop petroleum resources while also growing a renewable energy portfolio. Suncor is listed on

the UN Global Compact 100 stock index. Suncor's common shares (symbol: SU) are listed on the Toronto and New York stock exchanges. For more information about Suncor, visit our website at suncor.com and follow us on Twitter @Suncor.

About Proman

Proman is an integrated industrial group and global leader in natural gas derived products and services. Headquartered in Switzerland, with assets in the United States, Trinidad and Oman, and ongoing expansion into Mexico, Proman is the world's second largest methanol producer and significant producer of ammonia. The business is committed to developing sustainable methanol and ammonia as cleaner alternatives to fossil fuels, offering a pathway to drastically cutting emissions in power generation, overland transportation, shipping and industry. With a fully integrated and diversified value chain, Proman also has extensive experience in petrochemical plant operations, petrochemical and power plant construction, product marketing and logistics, and project management. Learn more at www.proman.org

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Sources:

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