



FOR IMMEDIATE RELEASE

Basin Electric Selects Powerspan for Large-Scale Demonstration of Carbon Capture at Antelope Valley Station

BISMARCK, ND and PORTSMOUTH, NH; March 13, 2008—Basin Electric Power Cooperative and Powerspan Corp. today announced the selection of Powerspan's carbon dioxide (CO₂) capture technology for a commercial demonstration at Basin Electric's coal-based electrical generation facility, the Antelope Valley Station located near Beulah, North Dakota. Approximately one million tons of CO₂ will be captured annually from the 120 megawatt slipstream project, making this demonstration among the largest in the world. The captured CO₂ will be fed into an existing CO₂ compression and pipeline system owned by Basin Electric's wholly owned subsidiary, Dakota Gasification Company.

Today's announcement is the result of the first competitive solicitation process for a CO₂ capture demonstration at a coal-based power plant in the U.S. Six companies responded to the request for proposal issued by Basin Electric in June 2007. Powerspan's CO₂ capture process was selected as the most promising low cost option for commercial deployment and for its ability to best integrate with Basin Electric's operations. The project is scheduled to move forward in 2009, subject to successful completion of engineering studies and obtaining of necessary permits and government incentives for early demonstrations of CO₂ capture and sequestration. The facility is expected to be operational in 2012.

Powerspan's CO₂ capture process, called "ECO₂™," is a post-combustion, regenerative process, which uses an ammonia-based solution to capture CO₂ from the flue gas of a power plant and release it in a form that is ready for further compression, safe transportation, and geological storage.

"Basin Electric has a diverse energy portfolio and runs extremely clean coal-based plants. However, we're ready to move to the next level. That's why we are exploring a project that could lead to commercialization of carbon capture technology for existing coal-based generation facilities," says Ron Harper, Basin Electric CEO and general manager. "The greatest reductions in CO₂ emissions from the power sector can be achieved by developing and proving a technology that can be retrofitted to the hundreds of existing coal-based power plants in the U.S. This is an important first step to achieving that goal."

"Successful commercial demonstration of our post-combustion ECO₂ process represents the fastest, and lowest cost route to meaningful CO₂ emission reductions from our existing power plant infrastructure," said Powerspan CEO Frank Alix. "The commercial-scale demonstration at the Antelope Valley Station will provide sufficient information to design, build, and guarantee performance for full-scale ECO₂ systems. We are honored to be selected by Basin Electric given their environmental leadership and extensive experience in capturing and sequestering CO₂."

Basin Electric's wholly owned subsidiary, Dakota Gasification Company, is the only company in the U.S. that captures CO₂ from coal and delivers it for enhanced oil recovery operations. In 2000 Dakota Gasification began delivering carbon dioxide from its coal gasification facility, the Great Plains Synfuels Plant, to oil producers in Saskatchewan, Canada. With over seven years experience in capturing and sequestering CO₂, Basin Electric is well prepared to move this demonstration project forward.

The Antelope Valley Station consists of two coal-based electric generating units, each rated at 450 megawatts. The ECO₂ commercial demonstration will draw the equivalent of a 120 megawatt slipstream from one of the two units and will be designed to capture 90 percent of the incoming CO₂. The captured CO₂ would then be delivered by pipe to the existing compressor station at Dakota Gasification's adjacent Synfuels Plant and injected into Dakota Gasification's 205-mile pipeline system. Approximately one million tons of CO₂ will be captured and sequestered annually.

The ECO₂ process is a post-combustion CO₂ capture process for conventional power plants that is differentiated from other approaches by its simpler capital equipment design and significantly lower energy consumption. The technology is suitable for retrofit to the existing coal-based, electric generating fleet as well as for new coal-based plants. The CO₂ capture takes place after the nitrogen oxides (NO_x), sulfur dioxide (SO₂), mercury and fine particulate matter are captured. Once the CO₂ is captured, the ammonia-based solution is regenerated to release CO₂ and ammonia. The ammonia is recovered and sent back to the scrubbing process, and the CO₂ is in a form that is ready for geological storage. Ammonia is not consumed in the scrubbing process, and no separate by-product is created.

About Basin Electric Power Cooperative

Basin Electric is a consumer-owned, regional cooperative headquartered in Bismarck. It generates and transmits electricity to 125 member rural electric systems in nine states: Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Wyoming. These member systems distribute electricity to about 2.5 million consumers.

About Powerspan

Powerspan Corp., a clean-energy technology company based in Portsmouth, New Hampshire, is engaged in the development and commercialization of proprietary multi-pollutant control technology for the electric power industry. The Company's patented Electro-Catalytic Oxidation, or ECO[®], multi-pollutant control process provides high removal of sulfur dioxide (SO₂), nitrogen oxides (NO_x), mercury, and fine particulate matter from coal-based power plants. Visit www.powerspan.com for more information.

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