



## *Media Release*

For Immediate Release

September 3, 2013

### **SaskEnergy subsidiary to participate with Mistral Midstream on innovative natural gas facility in southeast Saskatchewan**

SaskEnergy subsidiary Bayhurst Energy Services Corporation (BESCO) today announced a joint venture with Mistral Midstream Inc. of Calgary, Alberta to build a facility to extract ethane and other hydrocarbons from natural gas being transported on SaskEnergy's natural gas system from the Bakken formation in southeast Saskatchewan.

The \$72.5 million facility, of which BESCO will have a 10 per cent share, will be located near Viewfield, Saskatchewan, in an area of the province where Natural Gas Liquids (NGLs) must be removed from natural gas before it meets the specifications to allow it to be delivered to homes and businesses in Saskatchewan.

The facility, known as a "straddle plant," will sit alongside SaskEnergy's natural gas pipeline system, where it will recover NGLs that will be marketed to commercial and industrial customers. Once processed to recover the NGLs, the natural gas will be compressed and re-injected into the transmission pipeline.

"This project with SaskEnergy provides the opportunity for Mistral Midstream, already a major investor in energy infrastructure in Saskatchewan, to play a unique role in our economy with a facility that develops ethane and other natural gas liquids that are in high demand by the market in Western Canada," said Doug Kelln, President and CEO of SaskEnergy. "BESCO's additional investment in this project will enhance provincial infrastructure that supports the supply of natural gas from southeast Saskatchewan to SaskEnergy's growing residential, business and industrial customer base."

This project will provide SaskEnergy with revenue sources related to accessing gas for extraction, the amount of NGLs produced by the plant, and the increased volume of natural gas delivered on the system.

"As oil and gas producers develop the Bakken play, it is important that the infrastructure that supports this investment in Saskatchewan provides sustainable market access and value to all stakeholders," said Terry Killackey, CEO of Mistral Midstream. "Our venture with BESCO, which targets NGLs, will be an important element of the hydrocarbon value chain that is being established in Saskatchewan".

Construction on the facility will begin in 2014, and the plant is expected to be operational in early 2015.

For more information, please contact:

Bob Pritchard  
Vice President  
Mistral Midstream Inc.  
Ph: (403) 781-8190  
Email: [bpritchard@mistralenergy.ca](mailto:bpritchard@mistralenergy.ca)

Dave Burdeniuk  
Director, Government and Media Relations  
SaskEnergy/TransGas  
Ph: (306) 777-9842  
Cell: (306) 535-6569  
Email: [dburdeniuk@saskenergy.com](mailto:dburdeniuk@saskenergy.com)