



Media Release

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Competitive Rates and Continued Growth Highlight SaskEnergy 2011 Annual Report

The sustained growth of Saskatchewan's population and economy benefited SaskEnergy once again in 2011, as evidenced by figures from the company's annual report, tabled in the Saskatchewan Legislature today. Throughout the year, SaskEnergy added more than 5,800 new distribution customers and saw increased demand for natural gas transmission volumes from the Saskatchewan industrial sector, while continuing to provide customers with the lowest residential delivery rate in Canada and the lowest commodity rate since 2000.

SaskEnergy's financial results were also strong in 2011, with \$84 million in operational net earnings (income before unrealized market adjustments), an improvement of \$16 million from 2010. Two negative, non-cash adjustments (a \$34 million fair value adjustment and a \$24 million revaluation of natural gas in storage) resulted in consolidated net income of \$26 million for 2011. Based on 2011 operational net earnings, SaskEnergy declared a dividend of \$39 million to Crown Investments Corporation (CIC), compared to \$49 million in 2010.

"SaskEnergy served the people of Saskatchewan by delivering high quality, accessible and affordable services in 2011, while investing in core business operations and services," said Dustin Duncan, Minister Responsible for SaskEnergy. "As part of the company's commitment to the safe and reliable delivery of natural gas, these investments included a \$6.5 million distribution service integrity enhancement program, bringing SaskEnergy's total pipeline integrity budget to over \$79 million for 2012."

With provincial natural gas drilling rates declining throughout the last few years, SaskEnergy continued to leverage its existing pipeline infrastructure in 2011, to ensure continued future supply to the Province. By reducing the need for new pipelines, these innovative solutions will play a key role in the company's ability to maintain competitive rates.

"SaskEnergy will continue to execute on its strategic plans in the coming years, while evaluating the business horizon to ensure that the company is meeting the changing needs of its customers across Saskatchewan," Duncan said.

Other 2011 operational highlights include:

- Excellent customer satisfaction results, with 91 per cent of residential customers surveyed rating their "overall satisfaction with SaskEnergy" as a 5, 6, or 7 on a 7-point scale, and TransGas achieving a 93 per cent level of satisfaction in its annual survey of commercial customers.

- Divestiture of SaskEnergy's international holdings, allowing the Corporation to increase its efforts on Saskatchewan-focused growth.
- Productivity and efficiency savings of \$6 million, bringing total savings in this area to \$16 million since 2009.
- Synchronization of the waste heat recovery (WHR) system at the TransGas Rosetown Compressor Station with the SaskPower electrical grid. The system marks the first step toward electrical "net zero" status for SaskEnergy, through the use of innovative technology that converts waste heat from compressor stations into emission-free electricity.
- SaskEnergy's best corporate safety performance in 15 years. The Corporation's 2011 Preventable Vehicle Collision Frequency Rate (PVCR) was its lowest since 1997, while the Total Recordable Injury Rate (TRIR) result was the second-lowest recorded over that time.

To view a copy of the 2011 SaskEnergy Annual Report, please visit:
http://www.saskenergy.com/about_saskenergy/annual_report/default.asp

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