



## NEWS RELEASE

### **Dezé Energy Requests a Pause of Environmental Assessment Process**

**YELLOWKNIFE (March 2, 2011)** – Earlier today, Dézé Energy submitted a letter to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) requesting more time in the Environmental Assessment Process to address gaps in the current business case for the Taltson Hydro Expansion Project. In light of the regulatory request to clarify the preferred transmission line route around the east arm of Great Slave Lake, Déze has taken the time necessary to quantify the existing NWT energy market, assess current project timelines and chart a path forward.

*“Dézé remains committed to the development of Taltson’s renewable energy to create legacy infrastructure that grows our northern economy and positions our people to benefit from resource development in a sustainable way”, stated Mr. Balsillie. “However, recent discussions with NWT diamond mines clearly indicate that their collective mine life and commitments to buy power cannot, on their own, support financing and construction of the project at this time.”*

The development of Taltson was premised on the ability to finalize power purchase agreements, secure regulatory approvals and make a construction decision in time for mobilization on the 2012 winter road. This objective is no longer achievable. While Déze has effectively lost a year, there is now time to revisit the approach and reflect on the considerable progress achieved to date.

*“NT Hydro remains committed to working with our Aboriginal partners, through Dézé, to find ways to develop the Taltson Project”, said NT Hydro Chairman Brendan Bell. “The tremendous amount of business capacity, financial, technical and environmental knowledge gathered through this partnership has positioned us to act as soon as the market sends us a strong signal it is ready to purchase power under the conditions necessary to build the project.”*

The limited financial capacity of the GNWT to backstop large infrastructure investments remains a key challenge to building energy infrastructure in the NWT. Looking forward this means that Dézé Energy needs to broaden partnerships, engage communities, seek to re-distribute risk and expand the customer base so that the NWT energy market can support the project.

*“We need to assess more creative approaches to energy development, diversify our customer base, and link existing and emerging industry with communities in the North”, stated Mr. Bell. “Whether it is the private sector or government, partnerships that bring enhanced fiscal capacity will revitalize the project, attract additional customers and allow us to build energy infrastructure with broader reaching benefits for the people of the Northwest Territories.”*

Dézé has committed to updating the MVEIRB on a quarterly basis over the next year and to re-engaging in the regulatory process as soon as critical economic gaps are addressed.

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