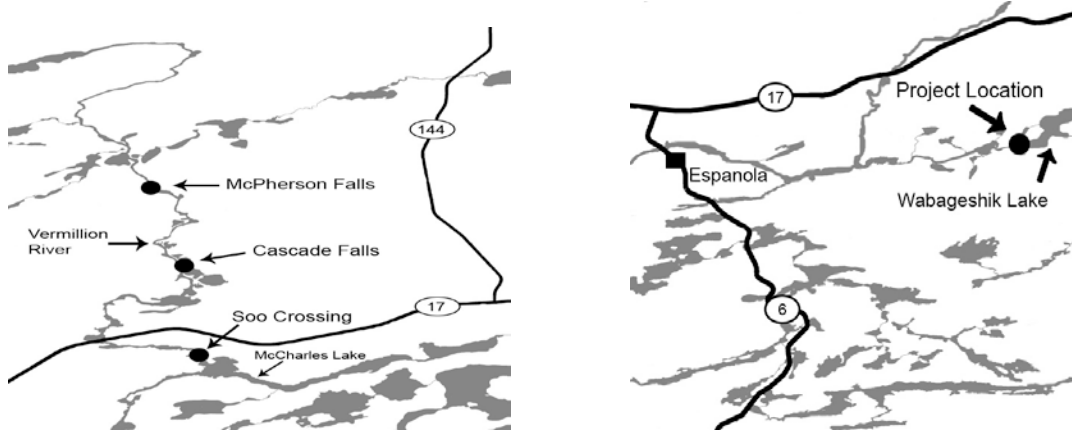


Notice of Commencement Waterpower under the Class EA for Waterpower Projects Vermillion River Waterpower Projects



Xeneca Power Development Inc. is commencing an environmental evaluation and assessment on four proposed Generating Stations located on the Vermillion River, in the Greater Sudbury area. The proposed waterpower generating stations will generate clean, green, renewable energy at a total installed capacity of about 11.8 MW. The At Soo Crossing station will have water control structures (spillway and earthfill dams) and powerhouse with penstock. The Cascade Falls and McPherson Falls stations will have water control structures (spillway dam) and powerhouse with an open approach channel. The Wabageshik station will have water control structures (earthfill stoplog control dam) and powerhouse with a discharge channel. New roads and upgrades of existing roads will be required to access the sites. Transmission lines connecting at Larchwood and/or Espanola TS will be installed in order to connect the stations to the provincial power grid.

The projects are subject to the provisions of the Ontario Waterpower Association's "Class Environmental Assessment (Class EA) for Waterpower Projects" (2008). Pursuant to the Class EA, the projects are considered to be on a managed waterway. The Class EA process requires Xeneca Power Development Inc. to undertake an evaluation of the proposed waterpower projects to determine their potential effects to the environment (positive and negative) during its construction and operation and prepare a detailed Environmental Report. The projects may also require review and approval under the Canadian Environmental Assessment Act. Further project information can be obtained by visiting the Xeneca website at www.xeneca.com

This notice and the public consultation process for the projects under the Class EA, is intended to coordinate and meet the notification requirements relevant to the planning stage of the project under the above statutes. Notification of public meetings to be held in regard to the project will be posted within the next 6-8 months. Public consultation will be an integral component of this process. You are invited to provide comments on the issues to be addressed, and/or to ask to be placed on the project's mailing list.

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