

**Sainte-Luce and Sainte-Flavie Wind Farm Project**

**KRUGER ENERGY COMPLETES FIRST STEP IN A LONG PROCESS**

**Montreal, Quebec, May 7, 2008** – Kruger Energy is pleased to announce that, following a call for tenders, Hydro-Québec has selected its bid to develop a 68-MW wind farm in Sainte-Luce and Sainte-Flavie, in the Lower St. Lawrence region. The project will undergo a stringent process of consultations, environmental impact assessments and approvals prior to the execution phase.

Kruger Energy will finalize supply contracts with Hydro-Québec Distribution by June 10, 2008. Those contracts will then be submitted to the *Régie de l'énergie* for approval. At the same time, the Company will be contacting key local stakeholders and landowners in the weeks ahead to discuss the next steps.

The Company will also be conducting several environmental impact assessments in the coming months in order to obtain all necessary environmental approvals. It will then hold consultations with the *Bureau d'audiences publiques en environnement* (Quebec environmental public hearing board - BAPE) and the communities concerned. The Company will be able to determine the exact location of the future wind turbines once the process has been completed, and based on the results of the various assessments and consultations.

“Kruger Energy will be transparent and work closely with the municipalities to ensure that the project meets the expectations of the population,” said Mr. Jacques Gauthier, Senior Vice-President and COO, Kruger Energy.

Hydro-Québec revealed during the May 5<sup>th</sup> announcement that two projects submitted by Kruger Energy had been accepted: one in the Lower St. Lawrence region and the other in Montérégie. Once both wind farms are completed, they will generate a total of 168 MW of energy, making Kruger Energy one of Quebec's largest producers of green and renewable energy.

“We are delighted that we will be able to use our wind energy expertise right here in Quebec,” said Mr. Gauthier, pointing out that Kruger Energy's head office is located in Quebec. “We are proud to be able to contribute to energy development in Quebec in general and in the Lower St. Lawrence in particular,” he concluded.

Kruger Energy is a business unit of Kruger Inc. that specializes in the development and management of green and renewable energy power plants. Kruger Inc. and Kruger Energy manage and operate 10 production sites, ranging from hydroelectric and wind power plants to biomass cogeneration and biogas plants, whose total installed capacity is 300 MW, including the 101.2-MW wind farm under construction in Port Alma, Ontario, that is slated to go on line this year. [www.kruger.com](http://www.kruger.com).

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