



ENCHANT ENERGY

C O R P O R A T I O N

FOR IMMEDIATE RELEASE

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Farmington, New Mexico, July 8, 2019 - Enchant Energy Corporation (“Enchant Energy”) announces the publication of a Sargent & Lundy (“S&L”) engineering report on the feasibility of a carbon capture retrofit project at San Juan Generating Station (“SJGS”) in New Mexico. The full report can be downloaded from the Enchant Energy website at <https://www.enchantenergy.com/>. Subject to the approval of the City of Farmington (“Farmington”), Enchant Energy will acquire a 95% ownership interest in the 847 megawatt SJGS to coincide with the planned retirement and abandonment of the facility by its current owners, other than Farmington, on July 1, 2022.

“The results of this study are a significant milestone towards successful implementation of our project and the numerous positive benefits that we envision will follow,” said Jason Selch, Enchant Energy CEO. “This project will demonstrate that it is possible to comply with stringent CO₂ emissions standards for electricity generation using carbon capture utilization and storage technology while providing high-paying jobs and maintaining state and local taxes that are so vital to the northwest region of New Mexico.”

The S&L findings, which were made public June 27, 2019 at a United States Energy Association briefing, estimate the cost of CO₂ capture to range from \$39 to \$43 per metric ton, a significant decrease from the last major carbon capture retrofit at the Petra Nova facility in Texas. Given these cost estimates, the \$1.3 billion cost to retrofit SJGS can be financed entirely with newly revamped Internal Revenue Code Section 45Q tax credits and will not burden SJGS with additional operating costs.

The report finds that the carbon capture retrofit would result in a 90% decrease in CO₂ emissions at SJGS, a figure compliant with the recently enacted New Mexico Energy Transition Act’s CO₂ emission standard. As a result, SJGS would be able to operate economically beyond June 30, 2022, saving over 400 jobs, while continuing to produce highly reliable, low-priced, low-emissions and low-carbon baseload power at no additional cost to consumers.

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