

May 9, 2013

**Saskarc Industries Inc.**  
**#2 Marconi Road**  
**Oxbow, Sask S0C 2B0**

**Re: CG-322 Flue Gas Cooler – Casing and Transition Supply**

To whom it may concern,

In July 2012, Saskatchewan Power Corporation (SaskPower) contracted Saskarc Industries Inc. (Saskarc) to fabricate the Flue Gas Cooler Casing and Transition Ducts, a part of the Boundary Dam Integrated Carbon Capture and Storage Demonstration Project. The scope of this contract included all labour, tools, material, equipment, expertise, etc. and the delivery of the casing and transition ducts to Boundary Dam Power Station (Estevan, Saskatchewan). This portion of the project awarded to Saskarc consisted of 220 Tons of steel plate work valued at \$2.8M.

Due to the extreme physical dimensions of these ducts, on previous similar projects designed by the same engineering firm, it was assumed that the ducts would have to be shop fabricated in small panels which would then be shipped to site where they would be assembled into the larger components. This would require a substantial amount of onsite labour and equipment.

Saskarc worked with engineering firms and transportation contractors who were able to provide design of lifting lugs and transportation bracing to allow the ducts to be shipped as fully assembled modules (Largest Pcs 41'6" wide x 34'6"high x 20' deep, weighing 168,000lbs).Saskarc was able to store the ducts in their laydown yard and ship to site for a just in time delivery which avoided the need of laydown space and double handling on site. Upon arrival to site, the ducts were immediately installed with no need for any site assembly.

Saskarc also agreed to perform a site "test-fit" of the 3 large ducts in their lay-down area to ensure that the actual on-site installation would occur as smoothly as possible and avoid reaming of holes and adjustments to the duct flanges while the large pieces were suspended under the crane.

Timely performance of the work was a matter of paramount importance to SaskPower as these ducts were an integral part of maintaining the scheduled installation, commissioning, start-up and operation of the Project. Saskarc was able to maintain the schedule and meet the delivery requirements

Through the entire project, Saskarc maintained the highest level of quality, provided on time delivery, and their project management team was very professional and dedicated to working as a team with SaskPower and other contractors to ensure the successful completion of this project.



In summary, SaskPower would have no issue with awarding Saskarc similar work in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Kenny'.

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