



Plasco Energy Group Inc.
1145 Innovation Drive, Suite 100
Kanata, ON Canada
K2K 3G8

Telephone: 613 591-9438
Fax: 613 591-9442

**FOR IMMEDIATE RELEASE:
CONSTRUCTION BEGINS FOR PLASCO'S OTTAWA DEMONSTRATION FACILITY**

Ottawa, September 19, 2006 – A ground breaking ceremony at the Trail Road site today marked the start of onsite construction of the Plasco Energy Group Inc. (Plasco) plant that will demonstrate the company's technology on a commercial-ready scale. Once complete, the Ottawa demonstration plant will showcase to the world a new environmental and cost-effective alternative for converting waste otherwise destined for landfill into saleable electricity.

"The Plasco project could not be a reality without the efforts of a truly remarkable combination of people and organizations," said Plasco CEO Rod Bryden. "Mayor Bob Chiarelli's personal leadership and vision, combined with the excellent work done by City management and staff, is responsible for placing Ottawa in North American leadership for dealing with garbage and waste."

"This is the change people want," said Mayor Bob Chiarelli. "They want their municipality handling waste in better, cleaner, ways. This project has great promise for a future of clean, safe and economically responsible waste management in Ottawa. This project, along with our recycling program and upcoming source separate organics program, puts this City among the most progressive in North America for waste management."

Sustainable Development Technology Canada (SDTC) – a foundation created by the Government of Canada – has approved a \$6.6 million contribution to the project that has been leveraged by \$20.4 million from a consortium that is led by Plasco. Consortium members include City of Ottawa and HERA Holdings S.L. The total project value is \$27.0 million.

"This project is a wonderful example of how SDTC plays a critical role in helping innovative sustainable technology projects like Plasco's move from research through to the stages of development and demonstration," said Vicky J. Sharpe, president and CEO, SDTC. "By helping Canadian companies overcome the hurdles in the pre-commercial phase, SDTC helps companies achieve success in the marketplace."

"In addition to the support from SDTC, Plasco has raised significant private investment in the company," said Mr. Bryden. "I am very pleased to announce that equity investment of \$18 million was completed by Plasco in August, bringing to \$26 million the equity invested into the Company in the past 12 months."

Come Visit us at...
www.plascoenergygroup.com

The Ottawa demonstration facility will process up to 85 tonnes of unsorted waste that would otherwise go to the landfill, into a synthetic gas that will then be used to generate approximately 4MW of net electricity for sale to the grid (enough to power 4600 households). The process also produces a clean reusable solid by-product that, by volume, amounts to less than one quarter of one percent of the volume of the waste at the curbside. Impact on the environment, including air emissions from power generation, will meet the stringent limits established for this demonstration project by the Ontario Ministry of Environment.

The City of Ottawa collects approximately 310,000 tonnes of municipal solid waste (MSW) each year. Thirty percent of collected MSW is currently diverted from landfill through composting and recycling. Once the City has met its waste diversion target of 60 percent by 2008, 124,000 tonnes of MSW will still go to landfill annually. This does not include the large amount of Industrial, Commercial & Institutional (ICI) waste landfilled each year. Carefully evaluating and deploying solutions like Plasco's will be instrumental in substantially reducing that amount.

#

About Plasco Energy Group

Plasco Energy Group Inc. (Plasco) is a privately held Canadian company that has operated in Ottawa since 1974. Plasco and its predecessor company, RCL Plasma, Inc., have operated plasma based processing facilities in Ottawa and Spain for more than a decade. The Plasco Trail Road facility applies potential technologies in a sealed system to produce synthetic gas from municipal solid waste while releasing no emissions to the atmosphere. Engines driven by the Plasco product gas produce more than 1 megawatt hour of electricity for each tonne of waste processed and exhaust from these engines meets or exceeds Ontario, U.S. and European standards.

About SDTC

Sustainable Development Technology Canada is a foundation created by the Government of Canada that operates a \$550 million fund to support the development and demonstration of clean technologies — solutions that address issues of clean air, climate change, clean water, and clean soil to deliver environmental, economic and health benefits to Canadians.

An arm's length, not-for-profit corporation, SDTC fills the void in the innovation chain between research and commercialization — helping clean technology developers move through the development and demonstration phases, in preparation for commercialization.

SDTC encourages collaboration among private, financial, academic, public sector partners and with the Canadian government to build a sustainable development infrastructure in Canada.

To date, SDTC has completed eight funding rounds and allocated a total of \$217 million to 97 clean technology projects. That amount has been leveraged by an additional \$560 million from other project partners, for a total project value of \$777 million.

For more information contact:

Plasco Energy Group
Rod Bryden (613) 591-9438

Sustainable Development Technology Canada
Andrée Mongeon (613) 234-6313 x. 224, a.mongeon@sdtc.ca

City of Ottawa
Robyn Guest (613) 580-2424 x. 28867