


<p style="text-align: center;">MADE at the City of Calgary, in the Province of Alberta, on</p> <p style="text-align: center;">16th day of November 2007.</p>	<div style="text-align: center;">  ALBERTA ENERGY AND UTILITIES BOARD </div>
<p>Albian Sands Energy Inc. Muskeg River Industrial System Designation</p>	<p style="text-align: right;">Application No. 1517843</p>

Pursuant to Order No. U2004-144 Albian Sands Energy Inc. (Albian) is the Operator of the Muskeg River ISD. By Application No. 1517843, registered on July 5, 2007, the Operator applied to the Board to amend its approval to include additional electrical facilities.


The Board, pursuant to section 4 of the *Hydro and Electric Energy Act* (HEE Act) and sections 2(1)(d) and 117(1)(b) of the *Electric Utilities Act* (EU Act), approves the Application and grants to the Operator this Order for an Industrial System, subject to the provisions of the Acts, the Regulations, Orders made pursuant thereto, and to the following terms and conditions:

1. The Industrial System shall be comprised of the following major electric facilities:
 - A co-generation plant consisting of two 85 MW gas fired combustion turbines located adjacent to ATCO Electric Muskeg River substation 847S;
 - A 240/25/13.8-kV plant substation adjacent to the power plant;
 - One double-circuit transmission line designated as 260JH-1 and 260JH-2 from Muskeg River substation 847S to Jackpine substation 920S. The transmission line is nominally rated at 240 kV but operated at 260 kV;
 - A 240-kV substation designated as Jackpine Substation 920S consisting of two (2) 90/120/150-MVA, 260/72-kV transformers and two (2) 260-kV circuit;
 - A 72-kV Substation consisting of two (2) 50/65-MVA, 72/25-kV transformers and 72-kV switchgear, located adjacent to Jackpine substation 920S;
 - Two 72-kV double circuit transmission lines from the above-mentioned 72-kV substation to loads located within the Jackpine Mine.
 - Distribution facilities and equipment of less than 60 kV serving Albian’s Muskeg River Mine and Jackpine Mine operation, including a 25-kV distribution line from the main plant site substation crossing Highway 63 to the Athabasca River pump house located at NE 24-95-11-W4M and the ATCO Pipelines metering station located within the Muskeg River Mine.

2. Alban shall apply to the Board pursuant to sections 14 and 15 of the HEE Act for transmission facilities that are included in the subject Industrial System, unless otherwise explicitly exempted by the Board.
3. The electric energy produced from, and consumed by, the subject Industrial System is exempt from the operation of the EU Act.
4. Alban shall notify the Board of any proposed changes to the subject Industrial System, including changes in ownership that may result in contravening the principles and the criteria set out in section 4 of the HEE Act and applied by the Board in its decision to grant the Application.
5. Alban shall notify the Board of any proposed changes to the subject Industrial System that may affect other parties and (or) adjacent occupants, and make an application for the proposed changes pursuant to relevant sections of the HEE Act, if the Board so directs.
6. The Board may cancel, suspend, or amend this Order, in whole or in part, as it deems suitable under the circumstances upon its own motion, an application by an interested party, or failure of Alban to comply with any provisions of the Acts, the Regulations, or the terms and conditions set out herein.
7. Approval No. U2004-144 is rescinded.

END OF DOCUMENT

Substation Permit and Licence No. U2007-293


MADE at the City of Calgary, in the Province of Alberta, on 16th day of November 2007.	 ALBERTA ENERGY AND UTILITIES BOARD
Albian Sands Energy Inc. 240-kV Substation 920S	Application No. 1517844

Albian Sands Energy Inc. (the Operator), by Application No. 1517844 (the Application), registered on July 5, 2007, applied to the Alberta Energy and Utilities Board (the Board) for approval to construct and operate a substation designated as 920S (the Substation).

The Board, pursuant to sections 14 and 15 of the *Hydro and Electric Energy Act*, being chapter H-16 of the Revised Statutes of Alberta, 2000, hereby approves the Application and grants to the Operator, a Permit to construct and a Licence to operate the Substation subject to the provisions of the Act, the Regulations, orders made pursuant thereto, and to the following terms and conditions:

1. The Substation shall be wholly located in the South-west quarter of Section 16, Township 95, Range 9, West of the 4th Meridian.
2. Specifications of the Substation shall include the following:
 - (a) The substation is nominally rated at 240 kV, but designed and operated at 260 kV
 - (b) two (2) 90/120/150-MVA, 260/72-kV transformers;
 - (c) two (2) 260-kV circuit breakers;
 - (d) an enclosure surrounded by a chain link fence; and
 - (e) other equipment as further described in the Application.
3. The Operator shall file with the Board, within 30 days of completing the Substation, the Energization Certificate for the Substation issued by the Alberta Electric System Operator and shall confirm that the Substation has been completed and is being operated in accordance with the provisions of this Permit and Licence.
4. The completion date for the Substation shall be on or before October 18, 2008. However, upon application by the Operator, the Board may stipulate a later date for completing the Substation.
5. The Board may cancel, suspend, or amend this Permit and Licence upon its own motion, an application by an interested party, or failure of the Operator to comply with any provisions of the Act, the Regulations, or this Permit and Licence.

END OF DOCUMENT

MADE at the City of Calgary, in the Province of Alberta, on 16th day of November 2007.	 ALBERTA ENERGY AND UTILITIES BOARD
Albian Sands Energy Inc. Transmission Line 260JH-1 / 260JH-2	Application No. 1517844

Albian Sands Energy Inc. (the Operator), by Application No. 1517844 (the Application), registered on July 5, 2007, applied to the Alberta Energy and Utilities Board (the Board) for approval to construct and operate a ten-kilometer double circuit 260-kV transmission line designated as 260JH-1 / 260JH-2 (the Transmission Line).

The Board, pursuant to sections 14 and 15 of the *Hydro and Electric Energy Act*, being chapter H-16 of the Revised Statutes of Alberta, 2000, approves the Application and grants to the Operator, a Permit to construct and a Licence to operate the Transmission Line, subject to the provisions of the Acts, the Regulations, orders made pursuant thereto, and to the following terms and conditions:

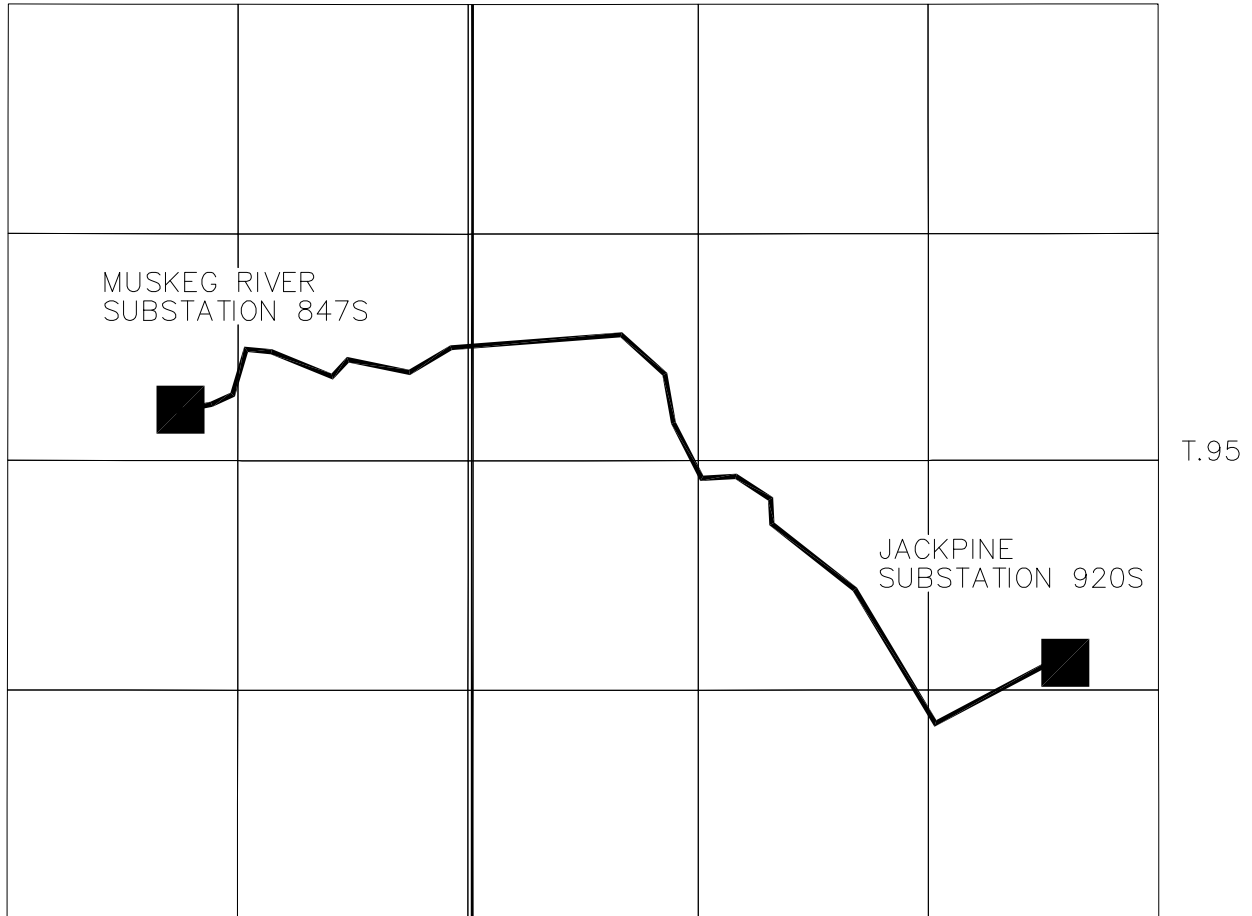
1. The route of the Transmission Line shall be as shown on Appendix A and as described in the Application.
2. Where in the Board's opinion it is in the public interest to do so, the Board may direct the alteration or relocation of any part of the Transmission Line pursuant to sections 17 and 19 of the *Hydro and Electric Energy Act*.
3. Specifications of the Transmission Line shall include the following:
 - (a) the Transmission Line shall be designed, built for, and operated at a nominal voltage of 260-kV,
 - (b) the structures shall be solid wood, steel, or concrete construction, and
 - (c) other aspects of the Transmission Line as more particularly described in the Application.
4. The Operator shall file with the Board, within 30 days of completing the Transmission Line, the Energization Certificate for the Transmission Line issued by the Alberta Electric System Operator and shall confirm that the Transmission Line has been completed and is being operated in accordance with the provisions of this Permit and Licence.

5. The Operator shall satisfy the Board by October 18, 2008 that the Transmission Line has been completed. However, upon application by the Operator, the Board may stipulate a later date for completing the Transmission Line.
6. The Board may cancel, suspend, or amend this Permit and Licence upon its own motion, an application by an interested party, or failure of the Operator to comply with any provisions of the Acts, the Regulations, or this Permit and Licence.

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R.10

R.9 W.4M.



FORT MACKAY AREA



APPENDIX A PERMIT AND LICENCE NO. U2007-294

LEGEND

— 260-kV TRANSMISSION LINE 260JH-1/260JH-2

ELECTRONIC NOTIFICATION ONLY

November 16, 2007

16th day of November 2007.
Mr. Michael Saretsky
Regulatory Affairs Coordinator
Shell Canada Limited
400 - 4 Avenue SW
Calgary, Alberta T2P 2L6



EXEMPTION U2007-295

Dear Mr. Saretsky:

**APPLICATION NO. 1517844
ALBIAN SANDS ENERGY INC.
SECTION 16 EXEMPTION
FOR ONE 72-KV SUBSTATION AND TWO 72-KV TRANSMISSION LINES
AT JACKPINE MINE AREA**

The Alberta Energy and Utilities Board has considered Albian Sands Energy Inc.'s (Albian) application for an exemption under section 16 of the *Hydro and Electric Energy Act (HEEA)* to construct and operate two 72-kV (double circuit) transmission lines and one 72-kV Gas Insulated Switchgear indoor substation for power distribution to ore preparation loads, mining, CT booster station and Barges at Jackpine Mine Area.

EUB staff notes that Albian has been granted ISD Order No. U2007-296 for its electric facilities at Muskeg River Mine and Jackpine Mine collectively, and that the proposed 72 kV transmission lines would not cross a public highway as defined in the *HEEA*.

The EUB confirms that Albian can proceed with the construction and operation of the two 72-kV transmission lines and the 72-kV substation as described in Application No. 1517844 pursuant to section 16 of the *HEEA*. The EUB emphasizes that this exemption applies only to the two 72-kV lines and the 72-kV substation identified in Application No. 1517844 and that any additional lines and substations would require further consideration by the EUB.

If you have any questions, please contact Kai Yang at (403) 297-4438, Fax at (403) 297-6104, or e-mail at kai.yang@eub.ca.

Yours truly,

<approved for distribution by>

Wade Vienneau
Manager - Calgary Office, Utilities Branch

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