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FOR MORE INFORMATION CONTACT:

Peter Mandelstam, Chief Operating Officer
Enchant Energy
(917) 327-2273

Georgette Allen, Public Affairs Administrator
City of Farmington
gmallen@fmtn.org
(505) 320-9757

Wally Drangmeister, Media Contact
Enchant Energy
mediacontact@enchantenergy.com
(505) 379-8274

Enchant Energy and City of Farmington Announce Selections for San Juan Generating Station Retrofit Project

*Mitsubishi Heavy Industries to provide Carbon Capture Technology;
Kiewit and Sargent & Lundy Selected as the Integrated
Engineering, Procurement, and Construction Contractor;*

Farmington, New Mexico, December 10, 2019 –Enchant Energy Corporation (Enchant Energy) and the City of Farmington announce the selection of Mitsubishi Heavy Industries America (MHIA) as the carbon capture technology provider, and Kiewit Power Constructors Co. (Kiewit) / Sargent & Lundy as the combined engineering, procurement, and construction (EPC) contractor, for the project to retrofit San Juan Generating Station. Enchant Energy has signed a Memorandum of Understanding (MOU) with these three companies to work together collaboratively towards execution of an EPC contract, which is a key step in the approximately \$1.3 billion project that will enable the retrofit of the San Juan Generating Station with carbon capture technology. The parties to the MOU agree that the project will be built with union labor.

“MHIA brings world class technology and a record of success in carbon capture,” said Enchant Energy CEO, Jason Selch. “Their record of successful projects using their amine-based carbon capture technology brings technological effectiveness and operating efficiency. In addition, the team of MHIA, Kiewit and Sargent & Lundy successfully completed the Petra Nova carbon capture project in 2016 that was awarded plant of the year by the generation trade publication, Power.”

Technology to be purchased and licensed by Enchant Energy from MHIA includes the KM CDR Process™ and proprietary amine solvent (KS-1™) that have been adopted by thirteen commercial plants world-wide. The technology has several outstanding features including:

- The ability to capture more than 90% of CO₂ from a flue gas stream.
- Flexible application for various types of flue gas sources.
- Optimized proprietary systems that can reduce energy consumption and maintain stable operations.
- A highly efficient proprietary solvent (KS-1™) which has high CO₂ capacity, low degradation, and low regeneration energy needs.

“We are pleased to announce our agreement with MHIA, Sargent & Lundy, and Kiewit to serve as the core team to bring this carbon capture project to successful commercial operation,” said Peter Mandelstam, Enchant Energy’s Chief Operating Officer (COO). “MHI’s global experience, plus Sargent & Lundy’s immense power engineering acumen and direct work experience at the San Juan Generating Station along with Kiewit’s industry-leading construction capabilities and experience forms the team that is best suited to complete this project successfully. In addition, these firms have the stellar safety records and long histories of positive working relationships with labor unions, which are so important to Enchant Energy.”

About City of Farmington:

Farmington is a city located in the northwest corner of New Mexico. It is a subset of the overall MSA: Aztec, Kirtland, Bloomfield, Shiprock, unincorporated areas of San Juan County and parts of the Navajo Nation. The MSA is named after Farmington as it has the largest population of the MSA territory - nearly 46,000 people. Farmington is structured under the council-manager form of government consisting of a city manager, mayor and four city councilors who represent each district in the city. The City of Farmington has been a minority owner of San Juan Generating Station for over 37 years. Learn more at <http://www.fmtn.org/>

About Enchant Energy:

Enchant Energy is a New Mexico company that seeks to capture CO₂ for sequestration purposes and de-carbonize electricity production by investing in state-of-the-art environmental technology at San Juan Generating Station. These activities are intentionally designed to further New Mexico’s dual goals of substantially reducing its statewide CO₂ output, and supporting New Mexico’s economy by employing hundreds of people in San Juan County and on the Navajo Nation by providing reliable, low-cost wholesale electricity. Learn more at: <https://www.enchantenergy.com/>

About Mitsubishi Heavy Industries America:

MHIA is a wholly owned subsidiary of Mitsubishi Heavy Industries, Ltd. (MHI). MHI is one of the world's leading industrial firms with 80,000 group employees and annual consolidated revenues of around 38 billion U.S. dollars. For more than 130 years, the company has channeled big thinking into innovative and integrated solutions that move the world forward. MHI delivers innovative and integrated solutions across a wide range of industries from commercial aviation and transportation to power plants and gas turbines, and from machinery and infrastructure to integrated defense and space systems. Learn more at: <https://www.mhi.com/>

About Kiewit:

Kiewit is one of North America's largest and most respected construction and engineering organizations. With its roots dating back to 1884, the employee-owned organization operates through a network of subsidiaries in the United States, Canada, and Mexico. Kiewit offers construction and engineering services in a variety of markets including transportation; oil, gas and chemical; power; building; water/wastewater; industrial; and mining. Kiewit had 2018 revenues of \$9 billion and employs 20,000 staff and craft employees. Learn more at: <https://www.kiewit.com/>

About Sargent & Lundy:

Sargent & Lundy is one of the oldest and most experienced full-service architecture/engineering firms in the world. Founded in 1891, the firm is a global leader in power and energy with expertise in grid modernization, renewable energy, energy storage, nuclear power, and fossil fuels. Sargent & Lundy delivers comprehensive project services—from consulting, design and implementation to construction management, commissioning and operations/maintenance—with an emphasis on quality and safety. The firm serves public and private sector clients in the power and energy, gas distribution, industrial and government sectors. Learn more at: <https://sargentlundy.com/>