

SaskEnergy

COMPETITIVE RATES, PARTNERSHIPS AND CUSTOMER GROWTH HELPS SASKENERGY POST SOLID FINANCIAL RESULTS

Competitive customer rates, successful strategic partnerships and strong customer growth were highlights of SaskEnergy's business in 2009.

The Crown corporation, which tabled its annual report in the legislature today, recorded operational net earnings of \$64 million, compared to operational net earnings of \$56 million in 2008. A positive non-cash fair value adjustment of \$29 million resulted in net income of \$93 million. Crown Investments Corporation (CIC) was paid a dividend of \$51 million based on net income before fair value adjustments (operational net earnings).

"2009 was a great year for SaskEnergy's 347,000 customers, who were offered competitive rates through the lowest delivery rate in Canada and the lowest commodity rate since 2001," Minister responsible for SaskEnergy Ken Cheveldayoff said. "This past winter saw the corporation maintaining commodity rates lower than that of other Western Canadian jurisdictions."

SaskEnergy and its subsidiaries benefited from several industry and private sector partnerships in 2009, including the launch of a new Provincial Technical Training Centre, jointly developed with the Mechanical Contractors Association of Saskatchewan (MCAS). SaskEnergy also celebrated an 11-year relationship with the SaskEnergy Network of plumbing and heating contractors which has been a critical partner in delivering energy efficiency programming. In addition, an expansion of gas processing at Kisbey, Saskatchewan, done as part of a joint venture partnership with ATCO Midstream of Alberta, realized additional flare gas capture benefits for the province.

"SaskEnergy's partnerships within the industry and private sector help to leverage the investment dollars and expertise required by our growing economy," Cheveldayoff said. "The corporation had an excellent operational year in 2009 with 4,700 new customer connections in more than 300 communities, which is further evidence of how our Crowns support our economy's continued positive performance."

Strong financial results for the corporation were driven by this ongoing customer growth and the company's gas marketing efforts, which contributed \$29 million to net income. In addition, SaskEnergy's commitment to providing the best possible service at the lowest possible price included realizing operating efficiencies of more than \$5 million through nearly

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40 productivity initiatives in 2009.

Other 2009 operational and financial highlights include:

- Expansion of SaskEnergy's natural gas service to the first customers in the northern communities of Air Ronge, La Ronge and the Lac La Ronge Indian Band with the completion of 147 km of transmission pipeline; and
- Increasingly representative and diversified workforce that represents our Saskatchewan population, including 14 per cent of employees from a First Nations and Métis background and 16 per cent of employees under 30 years of age.

To view a copy of the 2009 SaskEnergy Annual Report, please visit
http://www.saskenergy.com/about_saskenergy/annual_report/default.asp.

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