



WINNIPEG – June 28, 2011

\$5.6 Billion Keeyask Generating Station Announced

Manitoba Hydro Partners with Keeyask Cree Nations

Accompanied by leaders of the Keeyask Cree Nations, Premier Greg Selinger today announced that Manitoba Hydro will proceed to develop the 695 megawatt (MW) Keeyask Generating Station. The \$5.6 billion project will be developed by Manitoba Hydro through a partnership with the Keeyask Cree Nations - Tataskweyak Cree Nation, War Lake First Nation, Fox Lake Cree Nation, and York Factory First Nation.

“I am very pleased that Manitoba Hydro will move forward with the Keeyask Cree Nations to expand Manitoba’s reliable supply of clean, renewable hydro power,” stated Premier Selinger. “Keeyask adds to Manitoba’s reputation as a leader in innovative partnerships with Aboriginal communities to develop sustainable hydropower projects. Keeyask will deliver jobs, training and business opportunities to the Keeyask Cree Nations, the north, and all of Manitoba. With construction on infrastructure starting this summer, there will be immediate benefits for Manitobans.”

“I am extremely proud to participate in the launch of Keeyask with our partners,” said Bob Brennan, President and CEO, Manitoba Hydro. “Manitoba Hydro’s approach today to developing new generation facilities in a close working relationship with Aboriginal communities ensures local people share in the immediate and long-term benefits. Working together on project planning and environmental studies has helped to increase local benefits and reduce and manage environmental impacts, with mitigation and compensation addressed before development proceeds.”

Tataskweyak Cree Nation Chief Duke Beardy said “Tataskweyak proposed to Manitoba Hydro in 1998 that we jointly develop Keeyask with the objective of securing greater influence in decisions that affect our First Nation and benefits every time the turbines turn. Negotiations resulted in the signing of a Keeyask Agreement in Principle with Manitoba Hydro in 2000. The Joint Keeyask Development Agreement and our Adverse Effects Agreement followed in 2009. Keeyask will provide long-term benefits for my Nation and for all Manitobans.”

“War Lake saw the benefits of partnership arrangements with Manitoba Hydro and decided a forward looking approach would be positive for our members,” stated War Lake Chief Betsy Kennedy. “We joined Tataskweyak to form the Cree Nation Partners and in 2003 signed an Agreement in Principle with Manitoba Hydro for Keeyask. We are pleased that through a joint venture arrangement, Tataskweyak and War Lake are now undertaking nearly \$28 million in upgrades to Provincial Road 280 as a lead-up to work on Keeyask.”

“York Factory has long taken the view that there cannot be further hydroelectric development in northern Manitoba without the active participation of the First Nation peoples most directly affected. As such, we have been involved in negotiations with Manitoba Hydro and the other Keeyask Cree Nations since 2001,” said Chief Louisa Constant. “We wish for a better future for our First Nation and we have determined that participating in Keeyask is a benefit for our people. In addition to participating in the employment, business opportunities and investment opportunities in Keeyask, we are also ensuring that our perspectives and concerns are addressed in the environmental impact assessment related to Keeyask.”

Fox Lake Cree Nation Chief Shirley Neepin stated “As partners in the Joint Keeyask Development Agreement process we are pleased that the Keeyask Infrastructure Project, the first phase of the Keeyask Project, will provide early benefits for the Fox Lake Cree Nation members in increased employment and increased business opportunities. As we move forward with Keeyask and in all our partnerships with Manitoba Hydro, Fox Lake Cree Nation will monitor closely and address the effects of the influx of workers and adverse effects in Fox Lake’s traditional territory, including the Town of Gillam and the Bird Community.”

The Joint Keeyask Development Agreement formalizing the Keeyask Hydropower Limited Partnership (KHLP) was signed in 2009 between Manitoba Hydro and the four Keeyask Cree Nations. The partnership will manage the construction and operation of Keeyask and all associated business activities. The Keeyask Cree Nations collectively have the right to own up to 25 per cent of the partnership, with the balance owned by Manitoba Hydro. Keeyask (Cree for Gull) is located on the Nelson River within the Split Lake Resource Management Area, approximately 60 km downstream from Split Lake, approximately 175 km northeast of Thompson and approximately 35 km west of Gillam.

Construction of preliminary infrastructure will commence within weeks. This infrastructure project, which received regulatory approval earlier this year, will provide 200 person-years of employment over three years and includes a 25 km access road to the Keeyask site and camp facilities to accommodate construction workers. Early action on this infrastructure is intended to maximize local capacity building, training, and

employment and to enable timely construction of the Keeyask Generating Station. In addition, Provincial Road 280 is being upgraded at a cost of \$27.8 million.

With today's announcement, Manitoba Hydro on behalf of the KHLP will move forward to complete the regulatory review and licensing processes for the Keeyask Generating Station, including finalization of the environmental impact assessment. Construction of the Generating Station will provide around 4500 person years of direct employment over a seven year period, with first unit in-service targeted for 2019 and all units commissioned by 2021.

Keeyask construction is being advanced to service new export sales to Minnesota and Wisconsin. Bipole III, which is needed to improve system reliability, is also required to be in service to support Keeyask and expanded electricity exports, including the recently announced \$4 billion sales to U.S. utilities. Bipole III will also support the planned 1485 MW Conawapa Generating Station, located in the Fox Lake Cree Nation Resource Management Area.

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