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Powerex inks 30-year deal with Anyox and Kitsault IPP projects

Contract supports Energy Plan direction to create viable markets for private sector

NEAR ALICE ARM - Powerex has entered into thirty-year agreements with Independent Power Producers (IPP) Anyox Hydro Electric Corporation and its subsidiary, Kitsault Hydro Electric Corporation to purchase the total output of approximately 237 gigawatt hours (GWh) per year. The energy will be generated at two storage projects and two run-of-the river operations on the coast north of Prince Rupert and are expected to be on-line in 2007/2008.

"These agreements are indicative of how by working together, Powerex can help the IPP community find markets for their power and help make BC IPP projects viable," said Powerex CEO, Teresa Conway. "It took significant effort to find the appropriate balance of risk and reward for both parties, but the fact that Anyox and Kitsault were well-developed projects and that the proponents were very knowledgeable about the business also helped make the agreements possible."

The agreements represent the first long-term purchase between Powerex and a BC IPP. The energy purchased under these agreements will be added to Powerex's overall portfolio of trade resources, which BC Hydro can draw upon for domestic need if required. The "green" nature of the hydroelectric projects also allows Powerex to market the environmental attributes of the energy.

"We really appreciated the time and attention Powerex staff gave to negotiating these agreements," said Anyox Hydroelectric Corporation President, Jeff Wolrige. "They went above and beyond to understand our business and to help us better understand the energy marketplace and what was needed to make these agreements possible."

Conway added: "Working creatively with Anyox and Kitsault allows us to focus on Hydro's long term goal of investigating and creating new western trade opportunities while following the BC Energy Plan's direction to create market opportunities for BC IPPs."

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The output will be aggregated by the developer and integrated with the BC Hydro system at Kitsault Substation which connects to the main grid near Terrace.

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