



FOR IMMEDIATE RELEASE

E-T Energy Ltd. Approved for Funding from Alberta's CCEMC

Edmonton, Alberta, June 30, 2010 /CNW Newswire/ – E-T Energy Ltd. (E-T Energy) announced that it has been chosen by Alberta's Climate Change and Emissions Management (CCEMC) Corporation to receive up to \$6.86 million in co-funding for a demonstration project that will use a proprietary electrical heating technology to produce bitumen from oil sands. The Electro-Thermal Dynamic Stripping Process (ET-DSP™) uses electricity to heat and mobilize bitumen in oil sands and heavy oil reservoirs so that it can be produced quickly, cost effectively, and efficiently. This process uses significantly less energy and water and produces significantly lower green house gas emissions than existing oil sands extraction methods.

ET-DSP™ is an award winning technology that has been used extensively in the environmental industry to extract contaminants from soil and groundwater. ET-DSP™ has been used successfully in over 35 major commercial environmental remediation projects since 1994.

The CCEMC grant will fund a portion of the third and fourth stages of an expanded pilot test that E-T Energy expects will demonstrate the commercial viability of ET-DSP™ for production of bitumen from Alberta's oil sands. Initial work on Stage 3 is expected to commence in the third quarter of 2010.

President and CEO Bruce McGee commented, "We are very excited to be chosen by CCEMC and extremely grateful for the support for this important project. We believe ET-DSP™ will be an important technology in sustainably developing Alberta's oil sands to their great potential. This grant is a serious endorsement of our approach to producing bitumen from the oil sands and we look forward to reporting on our progress."

About E-T Energy Ltd.

E-T Energy is a private, Calgary-based company focused on bitumen extraction from the oil sands and heavy oil recovery through the use of the proprietary, efficient, and environmentally friendly ET-DSP™ process. The ET-DSP™ process offers several advantages which will make it the technology of choice for a significant quantity of oil sands resource currently without a suitable extraction method. These include: an established technology, minimal water use, rapid recovery of affected lands, lower energy use, and substantially reduced greenhouse gas emissions.

Website: www.e-tenergy.com

About CCEMC

The CCEMC is a not-for-profit, independent organization with a mandate to expand climate change knowledge, develop new clean technologies and explore practical ways of implementing them.

Website: www.ccemc.ca

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Forward Looking Statements: Certain information regarding the Company in this news release, including management's assessment of future plans, may constitute forward-looking statements and necessarily involve risks including, without limitation, risks associated with bitumen development, exploitation, production, marketing and transportation. As a consequence E-T Energy's actual results from the field tests, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or, if any of them do so, what benefits E-T Energy will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. This communication does not necessarily contain all the information that a recipient may require or desire. Any reliance or use of such information is done at the recipient's sole risk. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. E-T Energy is not a reporting issuer in any jurisdiction.

CCEMC Grant Acceptance

Our Gratitude

We are very excited to be chosen by the Climate Change and Emissions Management Corporation to receive this grant and extremely grateful for the financial support this offers our important project.

The E-T Energy story has some good old Alberta history behind it. In 1974 the **Alberta Oil Sands Technology and Research Authority** was formed and, as part of its mandate, initiated the **University Research Access Program**. Two, then young, researchers in Electrical Engineering at the University of Alberta, Dr. Chute and Dr. Vermeulen, began their journey into electromagnetic heating of the oil sands. In 1982 I joined their group under an AOSTRA initiative called the **Masters of Oil Sands Engineering Student program**.

In 1979, a company called **Petro Canada** was pilot testing electrical heating in the oil sands. In an internal report they concluded that if the capital cost for an electrode can be reduced, then electrical heating is an economically viable technology for the oil sands. The average capital cost for an electrode well was then 1.2 million dollars and WTI was \$25 per barrel. I am happy to report that we have been able to reduce the electrode well cost to under \$50,000 in an environment where the price of oil is about \$75 per barrel.

At the same time that Dr. Chute and Dr. Vermeulen were investigating electromagnetic heating, a research effort to use steam injected from a horizontal well pair, SAGD, was being supported by AOSTRA and pioneered by the late **Dr. Roger Butler**. Interestingly enough, the attorney that did the patent work for SAGD was to the legal counsel for the patent of our ET-DSP™ process.

Fast forward to 2007, to our Proof of Concept test, where we received support from the Alberta Energy Research Institute, and to now, to today, this CCEMC grant.

In the 70's **Dr. Vermeulen had this vision** that electrical heating to produce bitumen could potentially replace mining. But he was wise to point out that the oil industry can be **slow to embrace new innovation**, and Bruce, he said, it may take some time for this concept, of using electricity to produce bitumen, to catch on.

ET-DSP™

E-T DSP™ is a commercial technology in the environmental industry being applied at remediation sites across North America. Though it found its roots in a laboratory, in the basement of the Electrical Engineering building [at the University of Alberta campus], it became commercial in the environmental industry, primarily in the United States, for cleaning up contaminated sites for the EPA, US DOE and Fortune 500 companies.

But we come back to our roots, back to the oil sands of Alberta. Our Proof of Concept in the Athabasca Oil Sands demonstrated that the technology recovers bitumen and at very high thermal efficiencies, consistent with predictions from laboratory experiments and numerical models. The Proof of Concept lowered our view of risk, so **yes Virginia the technology does work**, but there remains more to be done. We believe we are one technology push away from executing ET-DSP™ on a larger scale, where we can confirm the commercial and economic opportunities of this process, which is **why this support is so important** for E-T Energy and for Alberta.

The Size of the Prize

This technology **provides access** to a huge volume of otherwise **Stranded Resource**. We believe ET-DSP™ will be the **technology of choice for oil sands that are too deep to mine and too shallow for SAGD**. This opens up enormous economic benefits to Alberta as the owner of this resource.

One small example of the resource potential lies under our own lands just North of Fort McMurray. An independent evaluation has assigned E-T Energy economic contingent resources of over **280 million barrels of bitumen**. On a broader, grander scale, estimates of stranded resources, **resources that no other technology can access**, are at least **189 billion barrels of bitumen**.

Our Use of Proceeds

We will be investing this funding alongside our own expenditures over the next two years to further prove up the commercial features of the ET-DSP™ process. Expenditures will support labour, engineering, and equipment needed to drill and complete the electrode and extraction wells, and produce them to our existing facilities.

There will be virtually no green house gas emissions during the project, water will be recycled back into the reservoir, and surface reclamation can begin immediately with the completion of the project.

We believe this is a low risk technology investment for the Province of Alberta due to the research and development spending we and the Province have undertaken over the last several years, decades in fact. The risk is further

mitigated by the commercial use of the technology in a related application, **where existing infrastructure, human resources, and culture can be brought to bear in the oil sands.**

Once proven economic, there will be tremendous benefits to the Province in the form of greater resource recovery, royalties and taxes, as well as the spin-off economic benefits of further investment.

In summary, the CCEMC funding provides support for this final step between what we have done and our vision for a commercial project. **This grant is a serious endorsement of our approach for producing bitumen from the oil sands and we look forward to reporting on our progress.**

Thank You