



For Immediate Release

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**NORTH WEST UPGRADING IMPLEMENTS STRUCTURED
PARTNER SELECTION PROCESS FOR UPGRADER PROJECT**

RBC Capital Markets and Tristone Capital Named Financial Advisors

CALGARY, AB, October 10, 2007 – North West Upgrading (North West), a Calgary-based, privately-owned company building an independent, heavy oil Upgrader in Sturgeon County, Alberta, today announced it will work with financial advisors RBC Capital Markets and Tristone Capital to implement a structured process to sell a working interest in its Upgrader Project. Given the advanced stage of project development, North West is initiating a formal search for a partner in order to reduce the quantum of capital required to complete the Project. The financial advisors will assist North West in selecting a partner and proposal which represents a superior value proposition to the Company.

With the growing bitumen supply from Alberta's oil sands facing pipeline capacity constraints, a lack of refining/upgrading capacity in Alberta, and limited economic sources of diluent to transport the bitumen, North West will play a key role in the oil sands value chain by converting low value bitumen into high value petroleum products.

"With regulatory approvals in place, a superior location, site construction initiated, CO₂ sequestration arranged, few competitors and a strong management team, North West is ideally positioned to move our Project to the next stage of development and add value to the Province's growing bitumen production," said Robert Pearce, President, North West Upgrading.

North West has initiated the structured process to select partners by the end of 2007 and finalize arrangements in the first quarter of 2008.

About North West Upgrading

North West Upgrading Inc. is a Calgary-based, privately-owned company committed to building an independent, heavy oil upgrader in Alberta's Industrial Heartland. The Upgrader will enhance the economic value of Alberta's bitumen and heavy oil production by producing light, low sulphur products, such as ultra low sulphur diesel fuel and diluent, which attract premium pricing. North



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West is also the first Alberta Upgrader to arrange for the sequestering of carbon dioxide in an enhanced oil recovery project, thereby reducing a significant part of its greenhouse gas emissions. The Upgrader will have a total processing capacity of 231,000 barrels per day of blended feedstock over three phases. North West anticipates it will achieve start up for the first phase in early 2011. All three phases are expected to be operating by 2015.

www.northwestupgrading.com.