

Nexterra Raises \$5.4 Million Financing Led by ARC Financial

Vancouver, BC - March 5, 2004 - Nexterra Energy Corp. announced today that it has completed a \$5.4 million equity financing. Nexterra develops and manufactures proprietary gasification technologies that convert waste fuels into clean, low cost energy as a substitute for natural gas. Energy produced by Nexterra systems will be used to generate heat and/or electricity at industrial-scale operations in the forest products, oil and gas, power generation and other industries. The company is based in Vancouver BC and maintains its Product Development operations in Kamloops BC.

The investment was led by Calgary-based ARC Financial, Canada's premier investment management company focused on the energy sector. Since its inception in 1989, ARC has invested more than \$500 million in over 100 early stage energy companies. Also participating in the financing is K.F. McCready and Associates, a private investment and management company based in Calgary.

"This calibre of investors reflects a strong vote of confidence in Nexterra's ability to fully commercialize its gasification technology which has been successfully demonstrated at forest products operations over the past 10 years," said Jonathan Rhone, Nexterra's President and CEO. "ARC and K.F. McCready are internationally recognized for their experience, track record and leadership in the energy industry."

"Our mandate is to establish a new industry standard for converting waste fuels into clean, low emission, low cost energy. We intend to give industry customers a viable alternative to natural gas," said Mr. Rhone. "Demand for this solution is driven by rising natural gas prices which have had a negative financial impact on industries that have traditionally relied on natural gas fuel."

Nexterra is initially targeting forest industry operations such as plywood plants and sawmills where its technology will convert wood waste into energy at a fraction of the cost of natural gas with very low emissions. This will enable the mills to lower energy costs, become energy self-sufficient and reduce their reliance on natural gas. Future markets include the oil and gas, power generation, coal, poultry processing and paper manufacturing industries.

"This is a strong investment opportunity and we are pleased to be co-founders of this venture," said Allan Fowler, Vice-President of ARC Financial. "The industrial on-site, waste-to-energy market is a significant opportunity in which Nexterra is well positioned to provide industrial customers with a competitive, commercially proven and cost-effective energy solution. Nexterra has an experienced management team with a proven track record, and we look forward to working with them to grow the business."

Mr. McCready added, "Nexterra's focus on creating customer value by lowering energy costs and reducing natural gas price risk is a key to commercial success. I am delighted to collaborate with ARC and management on this exciting investment opportunity, and look forward to working with such an experienced management team."

About Nexterra Energy Corp. - Nexterra Energy develops, manufactures and delivers advanced gasification systems that convert solid fuels into clean, low cost heat and power. Our energy solutions enable industrial customers to self-generate energy using waste or residuals produced on-site. This results in dramatically lower energy costs, increased energy security and less reliance on natural gas and grid-purchased electricity.

About ARC Financial Corporation - ARC Financial Corporation is a private energy-focused investment management company based in Calgary, Alberta. ARC manages private equity funds that are focused on high growth, early stage companies in the following sectors of the energy industry: Exploration and Production, Oilfield Service, New Energy and Energy Technology, and Non-Conventional Energy. Since inception in 1989, ARC has made investments of approximately \$500 million in 100 early stage companies. Investors in the ARC Energy Venture Funds are primarily large Canadian and U.S. endowment and pension funds.

About K.F. McCready and Associates - K.F. McCready and Associates is a private investment company

that provides capital and management to early-stage Canadian technology companies that have global applications in closing industrial waste loops and providing clean energy solutions. Founder and principal, Ken McCready, is formerly President and CEO of TransAlta Corporation - Canada's largest investor-owned electric power producer which is recognized for its sustainable development leadership.

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