



## THE MARKET

Industrial waste management and environmental services represent a highly technical and specialized sector that is growing rapidly in size, complexity and importance. In this evolving market, Newalta has emerged as Canada's largest and most technologically advanced solutions provider.

Newalta continues its rapid growth, expanding its national presence and suite of value recovery and environmental services to meet the needs of all industries and the expectations of Canadians for higher environmental standards in waste management. In the process, Newalta is leading the move from simple waste disposal to high-tech recycling and reuse — extracting value from former waste products and generating new revenue streams for the company and its customers.

From its origins in Western Canada's oil and gas services sector, Newalta has continuously expanded its operations, providing practical, high-value innovations in industrial waste management. In a market characterized by complex provincial regulatory regimes and overlapping federal jurisdiction, Newalta provides assured compliance based on technical expertise, innovation, extensive real-world experience and uncommon attention to detail.

This focus on finding practical new ways to recover value from waste has created a company that today provides integrated, one-stop industrial waste management and environmental services from coast to coast.



## ACHIEVEMENTS

Newalta's achievements lie in providing total solutions to customers and growth to investors, including: 1.) advancing the state of the art in industrial waste processing by working with equipment manufacturers to improve designs; 2.) installing innovative systems for waste management and value recovery on customers' industrial sites; 3.) leading the move from waste disposal to reuse and recycling of industrial wastes; 4.) building a coast-to-coast service platform of 2,000 people at more than 80 locations and 5.) growing the company by 30 per cent per year since 1993.

## HISTORY

In 1993, Calgary-based Newalta assembled its current growth-oriented senior management team. At the time, it had six facilities in

Western Canada, \$8 million in revenue and approximately \$1 million in cash flow. Since then, senior management has pursued a strategy of constant, profitable expansion through organic growth and acquisition.

The ability to continuously innovate and customize on-site services with small, practical solutions for the highly specialized needs of clients enabled Newalta to grow rapidly throughout the oilpatch, as well as into new industrial sectors across the country.

By 2002, revenue had grown to \$112 million and market capitalization had reached \$175 million. Newalta's 500 employees operated 34 facilities in Western Canada.

By 2005, there were nearly 1,000 employees operating 47 facilities and producing revenue of \$248 million. Market capitalization had reached \$840 million.

At year-end 2007, Newalta had more than 80 facilities across Canada, some 2,000 people, annual revenues of a half-billion dollars and a market capitalization of nearly one billion dollars. (The latest financial information can be found on the Newalta website at [www.newalta.com](http://www.newalta.com).)

After 15 years of dramatic, profitable growth, Newalta now has the finest talent and assets, stretching across Canada and providing customers with environmentally superior, cost-effective and customized solutions. This platform meets the current and future needs of customers and responds to new regulatory initiatives for a cleaner environment.

## THE PRODUCT

Newalta delivers practical, innovative, single-source solutions for value recovery, waste management and environmental control. Centralized facilities and on-site services at customer premises process all types of industrial wastes, extracting revenue streams wherever practical, while minimizing disposal volumes, reducing costs and managing environmental impacts. Newalta tackles the jobs that require innovative applications of the best technologies for industrial waste management and environmental control.

This involves providing any combination of required services, including: 1.) processing of waste streams and waste disposal; 2.) recovery of value streams; 3.) on-site waste management at

customer facilities; 4.) storage tank cleaning; 5.) wastewater treatment and recycling; 6.) solvent recovery; 7.) lead recycling; 8.) recovery of commercial-grade crude oil from oil and gas exploration and production activities; 9.) oil and gas drilling fluid recovery; 10.) consulting to oil and gas companies for waste services from start-up to abandonment of drilling locations; 11.) sand recovery from gas well fractionation; 12.) glycol recovery from natural gas dehydration facilities and 13.) re-refining of used lubricating oils.



### RECENT DEVELOPMENTS

Compliance with environmental regulations is becoming more demanding and more complex. For industrial producers who are competing to increase output, reduce costs and improve safety and environmental performance, changing regulations can be daunting. For these customers, Newalta's expert services in environmental control provide important time and cost saving and a major strategic advantage.



Whether it's new land disposal restrictions in Ontario, new drilling regulations in Alberta or a host of other rising standards nationwide, industry needs a fast, efficient response that ensures compliance.

Newalta provides industrial-scale solutions and high-quality record keeping that work in the real world. As a provider of industrial value recovery, waste management and environmental services, Newalta has the necessary expertise in place,

nationwide, to meet the needs of industry — especially large, national customers.

This includes waste treatment facilities in more than 80 industrial locations across Canada and customized, onsite solutions wherever they're needed. Newalta has the experience and the expertise necessary to assemble the right combinations of equipment and personnel on customers' premises and to provide practical innovations that minimize environmental impacts and turn industrial wastes into revenue streams.

In the future, Newalta will work to improve the productivity of its operations, expand services onto customers' sites, commercialize new processes to recover products for sale and acquire complementary businesses. Newalta plans to continue to diversify its business, strengthen the organization and improve the stability of cash flow. The company has clear long-term advantages in its industry, and these are expected to provide superior returns to investors in the years ahead.

### PROMOTION

Newalta's name recognition within the industrial sector has grown rapidly with its geographic expansion and market penetration. In addition, two highly memorable advertising campaigns have elevated the company's profile in recent years.

The first campaign showed powerful hands wringing valuable revenue streams from industrial waste materials such as oil and gas production waste, process piping and decommissioned machinery and equipment. The current campaign uses small lightbulbs as symbols of innovation and depicts Newalta employees illuminating industrial waste management issues with small, practical and creative solutions.

### BRAND VALUES

Newalta is a leader in the industrial waste management industry. The company sets aggressive goals for profitable growth, investment returns and geographic expansion.

Newalta's management and its people believe the way they go about achieving these goals is important to customers, to company reputation and to Canada's environmental future.

Newalta is an innovator. Its people always look for creative, practical, cost-saving solutions to waste management issues. Motivated employees, top-notch technologies and an encouraging work environment provide the basis for successful innovation.

Newalta's business is built on these core operating values:

- **Safety.** Newalta's top priority is the safety of company practices that protect employees, visitors, customers and neighbouring communities.
- **Environment.** Newalta is an environmental solutions provider, helping customers achieve their business objectives and raising the bar on environmental performance wherever appropriate.
- **Customer Service.** Newalta responds with solutions that are tailored to customers' needs, regardless of the challenge.
- **Integrity.** It defines how Newalta treats employees, customers, suppliers, contractors, regulatory authorities and neighbours. It's a compass for the company.

By living these operating values, Newalta's people build lasting value in the brand.

### THINGS YOU DIDN'T KNOW ABOUT NEWALTA

- Every year, Newalta recovers and/or recycles close to \$400 million worth of valuable products derived from industrial waste. These recoveries represent major infusions to customers' bottom lines and value creation of more than \$200,000 per year for every Newalta employee.
- Innovative centrifugation technology enables Newalta to recover high-grade crude oil from oil and gas exploration and production waste in Canada's oilpatch.
- Although Newalta is not an oil production company, it recovers more than 4,000 barrels of crude oil every day.
- Newalta's waste oil re-refinery in Vancouver, B.C., turns spent lubricating oils into like-new or better-than-new base oils, creating a closed loop of continuous recovery and reuse.
- Newalta's lead recycling facility near Montreal, Quebec, has the capacity to process 200,000 tonnes of scrap automotive and industrial batteries to produce up to 100,000 tonnes of recycled lead per year.
- Advanced industrial wastewater treatment systems enable Newalta's customers to continuously recycle and reuse water and to reduce their need for fresh water. Each year, Newalta processes enough water to fill 600 Olympic-sized swimming pools.