Accelerating Commercialization

SUSTAINABLE DEVELOPMENT TECHNOLOGY CANADA™

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13 x leverage of public funds.

$2 Billion total portfolio project value.

$560 Million SDTC funding.

89% of projects provide more than one environmental benefit.

$1.9 Billion in follow-on financing from the private sector.

Report Contents

SDTC reports on specific aspects of its performance and future plans in this annual report and two complementary documents: the Annual Report Supplement and the Corporate Plan—Executive Summary.

For additional information on project-related data refer to the Results section in this report and the accompanying Annual Report Supplement.

All are available online at **www.sdtc.ca**
Hard copies may be obtained on request.

In recent years,
cleantech has gone from being a largely unknown concept to a recognized driver of productivity, competitiveness and export revenues.

As Canada's cleantech market maker, SDTC has helped develop and deliver Canadian technology innovations to market—and in the process, established a commercialization funding model that has become recognized in Canada and globally for its effectiveness.

In 2011, SDTC continued to support the commercialization of technology solutions across the full breadth of economic sectors for companies from coast to coast.

Funded by the Government of Canada | Canada

“ Clean technology is now embedded in the way many enterprises, and indeed entire industries, do business, as a tool both for improving environmental performance and for achieving the efficiencies and competitive advantages essential to success on the world stage. ”

Juergen Puetter
Chairman

Canadian Cleantech Revenues Continue to Grow

Message from the Chairman

SDTC has played a fundamental role in building up Canada's cleantech capacity over the past 10 years, accelerating the path to market for homegrown innovations. The results we have to report today—228 project consortia funded, dozens of commercialized solutions deployed—are built directly on a decade's worth of work, as this year's annual report makes clear.

Clean technology is now embedded in the way many enterprises, and indeed entire industries, do business, as a tool both for improving environmental performance and for achieving the efficiencies and competitive advantages essential to success on the world stage.

Canadian cleantech revenues continued to grow throughout 2011. Investment flowed into the sector, commercialized technologies found new customers, and new technologies—25 of them—found their way into Sustainable Development Technology Canada's SD Tech Fund ™ portfolio.

I am pleased that over the years our performance and approach have satisfied the expectations of government, signalled to us most recently with the allocation of an additional $40 million in Budget 2011. In a period of fiscal constraint, this was a strong validation of our model and the results we have achieved.

With SDTC's original SD Tech Fund slated to be fully allocated in 2012, and with investments beginning to be made through its NextGen Biofuels Fund™ for large-scale projects, the question now is, "What does Canadian industry need next?" How do we, as a country, secure our leadership in the global $4 trillion plus annual clean energy market, and how can we best use these technologies to our own advantage as an economic power?

In response, the SDTC model can be amplified, ensuring that a broader range of technologies and entrepreneurial companies are positioned to compete for business in more sectors on an international basis. The approach would incorporate all the proven processes of the SD Tech Fund and continue to leverage the value of SDTC's extensive industry network.

Over the course of 2011, SDTC's Board of Directors was especially active in supporting the activities of the organization. I have to thank all my colleagues on the Board for their dedication and work in this respect, seizing on opportunities to further raise awareness of the vital role clean technology plays in our country's economy today—and will play into the future.

As is always the case with this dynamic organization, I must also extend my congratulations to SDTC's executive team and staff for their accomplishments in 2011. We on the Board have a good, constructive working relationship with senior management, and are pleased to see the results that continue to come from SDTC's 'out-of-the-box' thinking. As always, I look forward to seeing what that innovative thinking produces—for SDTC, for cleantech, and for Canada as a whole—in 2012.

“ SDTC’s work on behalf of the Government of Canada has contributed to Canada being recognized as number 7 in a list of thirty-eight countries highlighted for their cleantech entrepreneurship and innovation. ”

Vicky J. Sharpe
President and CEO

Delivering Results for the Canadian Economy

Message from the President and CEO

It is gratifying to reflect on just how far cleantech has come in a short span of time. When we started, Angel investors and VCs were uncertain about this "new entity" and energy and environment was a proxy category for cleantech which represented 4% of venture investments in 2002. Today, we have worked with every Canadian cleantech VC and cleantech now represents nearly 20% of total venture investments in 2011. Notably, half the private capital we help our companies obtain comes from the United States, with EU and Asian money starting to arrive. Now equity players, banks and pension funds are aware of SDTC and the cleantech boom it has helped to create and drive.

As SDTC works to seize Canada's share of the burgeoning global cleantech market, we ensure that we are resource efficient and build on our philosophy that innovation is an ecosystem with different players contributing in multiple ways.

SDTC's tag line and mantra is "Partnering for Real Results". Beyond our more obvious support to Natural Resources Canada and Environment Canada, SDTC has contributed its cleantech expertise to many Federal programs within Industry Canada, Foreign Affairs and International Trade, Transport Canada, Agriculture and Agri-Food Canada, Fisheries and Oceans, and National Defence. Also, our work is complemented by such federal partners as Export Development Canada and across the country by provincial cleantech funds.

SDTC has always understood the need to develop links between the SMEs we fund and the large corporations who represent customers and faster access to larger markets. This was a hard sell in the early years. Now, as our portfolio companies begin to mature, they are proving to be globally competitive. With SDTC's help, they attract 1.5 times more foreign direct investment and their growth in revenues is almost twice the rate of non-SDTC cleantech companies.

Not surprisingly, there is significant business interest in their value propositions. Industry partners such as Cenovus, Enbridge and GE Canada play an important role in developing these propositions. Today we have customers for these technology solutions such as Loblaw, Canadian Tire, Wal-Mart, and Proctor & Gamble. International partnerships are coming to the fore with the likes of Veolia, and sovereign wealth funds are taking a closer look. In fact, SDTC's work on behalf of the Government of Canada has contributed to Canada being recognized as number 7 in a list of thirty-eight countries highlighted for their cleantech entrepreneurship and innovation and the OECD has appraised the SDTC model as valuable and effective.

Part of the growth of cleantech has been due to a wider understanding of the ways its environmental benefits are inseparable from its economic benefits. That was something we espoused from the beginning, and we are pleased that it is now gaining traction in the minds of investors, policymakers and cleantech developers themselves.

I am deeply appreciative of the SDTC team's hard work, commitment and passion, and to the great Canadian entrepreneurs with whom we have been privileged to work. Together we have built exceptional results.

Canada has all the right ingredients to become an international cleantech and clean energy superpower. With continued support for the still fragile cleantech infrastructure, I am confident that SDTC and its partners have what it takes to realize that potential for the benefit of all Canadians

A Market Made

Completing an initial public offering (IPO) is a big deal for any company. When Burlington, Ontario's EcoSynthetix listed on the Toronto Stock Exchange (TSX) in August 2011, it was a big deal for Canadian cleantech as a whole. At $100 million, the firm posted the single largest cleantech IPO in the country last year—and one of the top five of the past five years.

The Toronto Stock and Venture Exchanges now have the largest number of clean technology company listings in the world. Twenty-five percent of the Canadian cleantech companies listed on the TSX have received funding from Sustainable Development Technology Canada. EcoSynthetix is one of those; the company's Chairman and CEO has said in interviews that SDTC support was a key factor in deciding to locate in Canada.

Stories like that of EcoSynthetix confirm that SDTC's approach to making the cleantech market in Canada is succeeding. When SDTC was created, there was no such market to speak of, and very little understanding even of what 'cleantech' meant. Through its project-funding model based on building consortia of organizations—including technology developers, in-market end users and investors—SDTC has forged a network of more than 6,600 entities across the country and helped solidify Canada's cleantech infrastructure.

From Push to Pull

As the cleantech market in Canada has grown, SDTC has seen a shift in interest. The early years demanded a great deal of 'push': bringing consortium members together; persuading investors that cleantech represented a real and significant opportunity; searching out applicants to submit Statements of Interest for cleantech funding. This is now changing. Its latest round in 2011 saw 117 submissions—the third-highest total ever, collectively marked by consistent high quality, and offering further proof that SDTC's approach has gained traction and the market need remains.

Now business is asking for technology solutions to increase their efficiency and productivity, while customers are looking for ways to manage their costs and overall budgets.

Stakeholders are taking notice. Yaletown Venture Partners has financed several companies that have benefited from SDTC's support, praising SDTC for its venture capital-like due diligence. TMX Group—the company behind the Toronto Stock and Venture Exchanges—recognized quickly that partnering with SDTC would help to increase the presence of clean technologies in its listings.

SDTC's association with Canada's stock exchanges goes back to 2008, when SDTC first began holding Cleantech Investor Days in Toronto, Montreal and Vancouver. These events give cleantech developers the chance to present to and network with investors. Testament to the strength of the market, the 2011 SDTC-TSX Investor Day drew more than 100 attendees: it was standing room only at TMX headquarters in Toronto in June.

At a time of economic uncertainty, investors have keyed into the opportunity for growth in clean technology—a global market opportunity estimated to be in the range of $4 trillion/year.

MIND THE GAP

In the beginning, a key part of SDTC's 'push' message was explaining the concept of the innovation chain—how technologies progress from research through development and demonstration to commercialization. SDTC was created specifically to address a well-documented gap at the often costly and complex development and demonstration stage, when technologies need to be scaled up for real-world application and put to the test. Today the need for support through these steps to deliver technologies to market is well understood, and the opportunity for returns that comes from early involvement exercises a powerful pull on investors.

"Canada has come a long way in the past 10 years," says Nick Parker, Chairman of the Cleantech Group. "SDTC has provided the vital hand up, not hand out, to emerging cleantech companies seeking to commercialize job and wealth creating solutions to major economic challenges. And in that time, SDTC has gone from an unknown quantity to an essential partner in the most exciting cleantech initiatives in Canada."

Cleantech Has Gone Commercial

Investors are putting their money into clean technology because of its commercial potential. That potential is, of course, predicated on demand—which is being driven around the world by companies and governments at all levels who see cleantech as an engine of economic development and competitive advantage across all sectors.

SDTC's role is to ready clean technologies for commercialization, both technically and as business propositions. As a sign of success on that front, the revenues of SDTC-funded companies with technologies on the market were projected to approach nearly $200 million in aggregate for 2011. Alone, the total revenues generated by SDTC-supported companies to date have far exceeded SDTC's investment in them.

Vancouver's Westport Innovations was an early recipient of SDTC funding. Its solution to reduce emissions and improve the fuel efficiency of transport trucks has been adopted by customers in North America as well as China and Italy. Highmark Renewables, an Edmonton-based company whose anaerobic digester technology uses cattle manure to produce energy, fertilizer and reusable water, is selling into the U.S., Mexico, South Africa, Pakistan and China.

New Kinds of Partnerships

In 2011, SDTC formalized an arrangement with Veolia Environnement Recherche et Innovation to accelerate the commercialization and market uptake of innovative Canadian clean technologies. Veolia is the world's largest provider of environmental services and the dominant player in each of its key business areas: water, waste, public transportation and energy management.

Through this partnership, SDTC and Veolia are co-investing in and jointly marketing select clean technologies, with Veolia serving as an early adopter of many. Last year, the company integrated SDTC-funded Ostara's nutrient-recovery solution for wastewater facilities into its product offering,

a solution that reduces maintenance and produces an environmentally safe fertilizer as a byproduct, thereby adding a new revenue stream for municipalities.

To date, SDTC has shepherded 33 technologies to market —either to the point of commercialization or fully into the market. The longer-term target is to achieve "20 by 2020": to see 20 funded companies each generate more than $100 million in annual revenue by 2020.

SDTC-funded cleantech developers have an edge in the market. A 2011 survey determined that the revenues of companies in SDTC's portfolio had compound annual revenue growth rates of 21 percent—nearly twice the level of companies not supported by SDTC.

All told, SDTC-funded companies have raised more than $3 billion in private capital, a significant leveraging of the $560 million in allocations to date. One example: Enerkem, a Quebec innovator that produces alcohol-based biofuels from waste. In 2011, based on the success of its SDTC project, it received more than $150 million through 3 separate follow-on financings to continue its efforts to build commercial-scale waste-to-biofuels plants.

GOING WIDE: CLEANTECH ACROSS THE SECTORS

By 2004, SDTC's portfolio had come to span the country's biggest economic sectors, including manufacturing, energy exploration and production, transportation and agriculture. With that expansion came a growing realization of the potential for clean technologies to revitalize key industries and create new opportunities in a fiercely competitive global economy—from forestry applications that convert waste into value to solutions that enable clean extraction and production of oil and gas. Today, more than 50% of SDTC's cleantech investments are in the production of cleaner conventional or alternative energy, key to Canada's (and the world's) economic future.

Getting technologies to market demands the involvement of the entire value chain. Described by Highmark CEO Evan Chrapko as "cruel to be kind," SDTC's rigorous due diligence processes and insistence on assembling consortia of real-world technology customers helps prepare funded innovations for commercialization and seeds the market with potential early buyers.

Setting The Standard

The investments attracted by SDTC-supported technologies are, like the cleantech market itself, international. Alberta's Quantiam Technologies has developed a solution that makes petrochemical furnaces up to 25 percent more efficient and massively slashes greenhouse gas (GHG) emissions. In 2010, the company attracted $6 million in downstream financing and in 2011 formed a new company with BASF Canada—BASF Qtech Inc.—to commercialize its advanced catalytic surface coatings.

The returns SDTC generates go beyond encouraging downstream investors to get behind Canadian cleantech innovations. A 2011 analysis conducted by an independent third party determined that SDTC delivers a nine-times return on the public funds it invests in terms of social, economic and health benefits. In 2011, the number of cleantech jobs in the country topped 44,000.

Even though SDTC typically invests earlier than venture capitalists (VCs), and at a stage where technology and market risks are higher, its portfolio performs favourably by comparison, making its technologies a good destination for VC investments. In 2011, 66 percent of VC cleantech investments in Canada went to SDTC-supported companies.

Accelerating Commercialization

The effectiveness of SDTC's approach has been widely acknowledged. Silicon Valley's C100, an association of expatriate Canadian investors and technology executives, has said SDTC is one of Canada's strongest tools for bringing technologies to market. The group launched C100 CleanTech in November 2011 to help ensure early stage Canadian cleantech companies have the resources they need to succeed. Its cleantech charter members represent more than $8B of capital and have been integral parts of the teams that built some the world's top technology companies.

In 2011, the first ever Global Cleantech Innovation Index was released by the Cleantech Group and WWF. The Index, which evaluated countries' abilities to create and commercialize cleantech start-ups, ranked Canada seventh out of thirty-eight countries.

In order to help these cleantech start-ups continue to grow and expand, SDTC has started working in partnership with Export Development Canada (EDC) to provide suitable export support instruments to Canada's leading cleantech companies. SDTC also works extensively with Foreign Affairs and International Trade to promote Canadian cleantech capacity in international markets.

With this robust market made and the opportunities abundant, SDTC's role now is to strengthen cleantech domestically in readiness for the international market, helping to meet the strong demand and allowing Canadian cleantech companies to be globally competitive faster.

EARNING RECOGNITION

Countries across the globe have taken note of SDTC's funding model and its effectiveness in accelerating the development of market-ready clean technologies. In 2008, the UN's Sustainable Energy Finance Initiative declared, "SDTC's strategy exemplifies how taking aspects of different financial mechanisms can be very effective." In 2011, the OECD issued a study on environmental innovation that acknowledged, "SDTC plays a very positive role in enhancing Canada's competitive position…"

"SDTC's due diligence gave confidence to early investors with limited independent technical assessment capacity," explains Rod Bryden, President and CEO of Plasco Energy Group. "Plasco has attracted $232 million in equity over the five years since SDTC made its $9.5 million investment—and we've spent $190 million in Canada, mainly in people and services."

An SDTC Introspective —the Evolution of Cleantech

Sharpe: Ken, you've been involved in this area for a while. How have you seen the public's engagement change?

Ogilvie: Initially, public awareness and knowledge of cleantech was pretty low. What is so exciting now is to see a more sophisticated appreciation of how technologies that provide efficiency and reduced environmental impacts can also increase profitability by reducing costs as well as offer choices in their daily lives.

Sharpe: I agree that we have seen Canadians consistently ask for a strong economy without damaging the environment. Interestingly, cleantech is exactly at this interface and addresses these issues in an integrated fashion.

Ogilvie: Yes. We were certain this theme would resonate and we have always been focused on business innovation. Just look at our former colleague David Johnston, who during his time on the SDTC Board and in his new role as Governor General, has had a long-term commitment to innovation.

Sharpe: Juergen, as Chairman of the Board you joined in 2007. What were your first impressions?

Puetter : As a hardcore industrialist and businessman, I was surprised to be asked. I wasn't so sure about chairing a federal organization. I arrived as a skeptic and quickly turned into being one of SDTC's biggest fans. The governance, private-sector focus and business-like conduct of SDTC is impressive on many levels. To me this has to be the most effective federal organization in terms of return for each dollar invested.

Sharpe: You came on board at an interesting time. Things had been going very well; we'd just received $500 million from the federal government for the NextGen Biofuels Fund, and then the economic downturn hit.

Puetter: Project funding to match our allocations became very hard to come by. I think we weathered it well, though. In our last call for submissions we had the third highest number of SOIs in our history. There are a number of ways to measure success – one of the tools the government uses are audits. SDTC has gone through many evaluations and value-for-money audits since then, and we've passed all of them with flying colours.

Ogilvie: Yes, and the Office of the Auditor General suggested other government agencies model themselves after SDTC - a sentiment echoed in the recent Jenkins Report. The organization has really made an impact not only in terms of the technologies it has funded but also for the way it has conducted itself.

Puetter: It's true. SDTC has a rigorous evaluation process with very specific criteria that must be met by companies applying for project funding. The projects SDTC funds, while still needing to be demonstrated, have strong, innovative technologies with great market potential, so the rate of return on investment is very high. That's what makes us a cost-effective program for the federal government—and what has been catching attention both in Canada and elsewhere.

Sharpe: What have been important elements of SDTC's evolution?

Ogilvie: Initially, SDTC saw a predominance of environmental mitigation technologies seeking funding. Now, we see, almost exclusively, technologies that improve performance at the front-end of the process so that mistakes and costs are avoided.

Puetter: Research used to be the focus of innovation agendas, with SDTC advocating and practicing a different approach. We believe the strongest value from innovation is delivered when technologies are commercialized and enter the market - keeping revenues, jobs and head offices in Canada. We are proud of SDTC's track record of commercializing technologies and building companies that are already becoming world leaders.

Sharpe: What gets you most excited about the future of cleantech in Canada?

Puetter: The revolutionary potential of some of the technologies we're supporting. For example, how energy is produced - which could give Canada a whole new place on the global energy map. I get excited about balancing risk against the potential rewards.

Ogilvie: What about you, Vicky?

Sharpe: We are providing value to so many different and important Canadian industries, which are incorporating green into their businesses whether it is a software company, a factory, a farm or an oil field. Based on this broadening of SDTC's impact and relevance, through our 20 by 2020 program we are driving to deliver 20 Canadian cleantech companies that have annual revenues of $100 million or more by the year 2020. We are already on our way towards that goal.

Chairman Juergen Puetter and Vice-chair Ken Ogilvie sat down with President and CEO Vicky Sharpe to reflect on the organization's first decade and share their thoughts on what's ahead for cleantech in Canada.

SUSTAINABLE DEVELOPMENT TECHNOLOGY CANADA™

Partnering for real results.

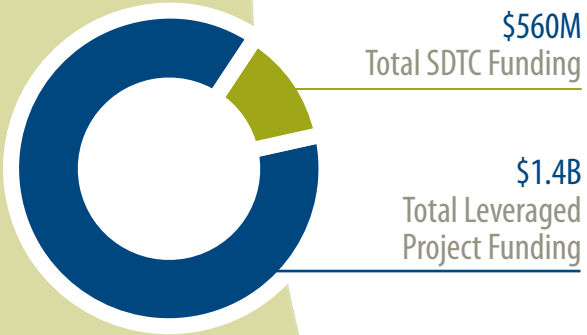
In building Canada's cleantech economy, SDTC measures its efforts against a number of specific indicators of progress, some mandated by its Funding Agreements and others chosen by SDTC itself.

Results to date affirm the potential of clean technologies to deliver environmental benefits, stimulate economic activity and realize competitive advantages for Canadian industries in the world economy.

SD Tech Fund™ supports the development and pre-commercial demonstration of clean technology solutions: products and processes that contribute to clean air, clean water, clean land and that address climate change while improving the productivity and the global competitiveness of Canadian industry.

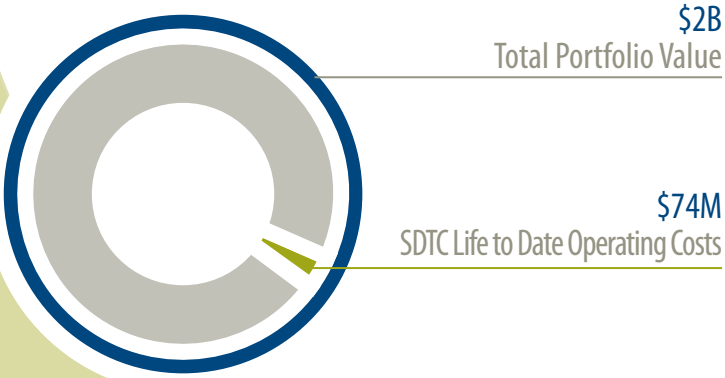
NextGen Biofuels Fund™ supports the establishment of first-of-kind commercial-scale demonstration facilities for the production of next generation renewable fuels and co-products from non-food feedstocks.

$2B TOTAL PORTFOLIO PROJECT VALUE



SDTC OPERATIONS ARE COST-EFFECTIVE

Over the life of the Fund, SDTC has invested $560M of the $2B value of its project portfolio; other project partners , primarily the private sector, have invested $1.4B. SDTC's operating cost to create this $2B portfolio project value is $74M on a life to date basis (2001-2011), resulting in a 3.8% operating cost ratio. In 2011, SDTC allocated $75M in funding to projects with a total eligible cost of $206M , including $141M of leveraged investment. The SDTC allocation includes some modifications made to existing projects.



SDTC COMPANIES INCREASING CANADA'S PRODUCTIVITY

Resource development and manufacturing are the driving force behind Canada's economy, contributing more than $350 billion towards the Goods-Producing Industries subset of Canada's Gross Domestic Product (GDP) in 2011.

To be successful in these international markets, competitiveness is key. SDTC is supporting a broad range of technologies that increase the productivity, efficiency and ultimately competitiveness of Canada'smajor goods-producing industries.

Agriculture & Forestry

SDTC Snapshot: Agrisoma has produced a biojet fuel in partnership with Honeywell from a non-food, industrial oilseed grown in Saskatchewan.

Mining & Oil and Gas

SDTC Snapshot: Titanium's oil sands technology reduces water use by approximately 25% and recovers heavy minerals, valued at over $400 million per year.

Manufacturing

SDTC Snapshot: Tenova Goodfellow's monitoring systems are in use in steel mills in Canada, the US and Italy, reducing production times and total energy use.

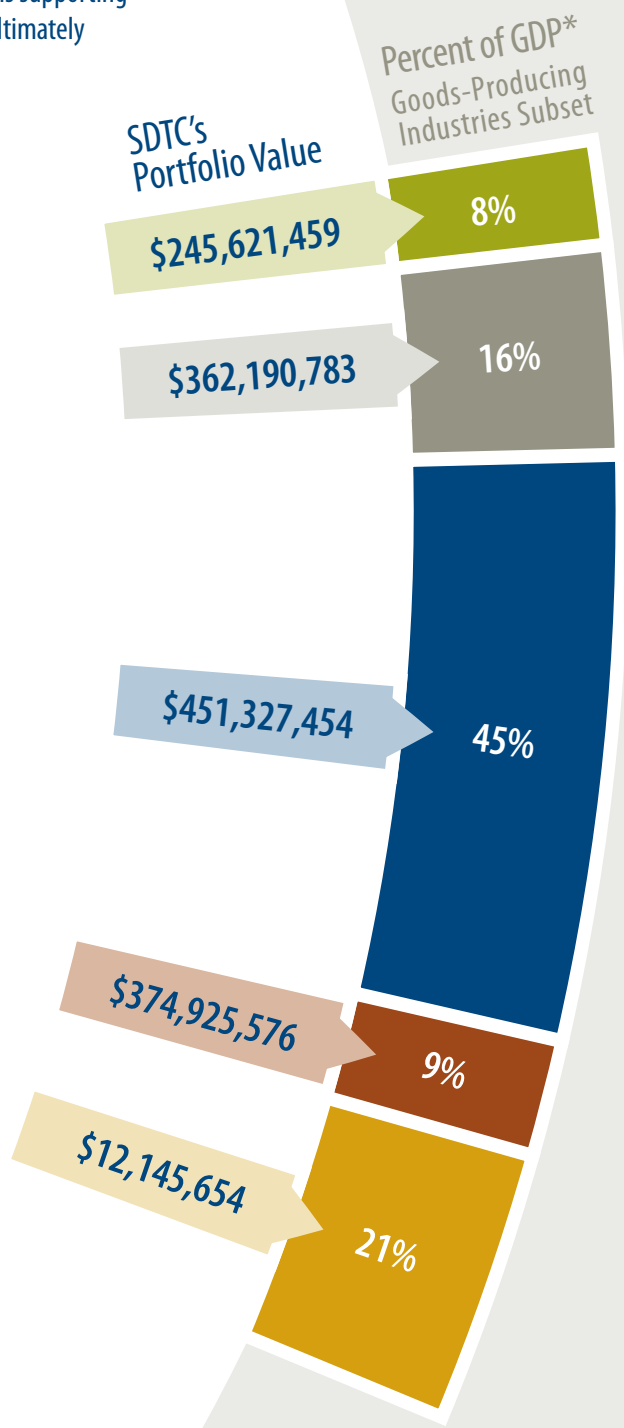
Utilities

SDTC Snapshot: Tantalus Systems Corp.'s smart grid technologies are giving consumers a real-time measure of their power consumption and allowing utilities to manage operations more efficiently, leading to power reductions of up to 20%.

Construction Industries

SDTC Snapshot: New Condo towers in the Toronto area are being built with dPoint's technology, bringing a 65% increase in heating and cooling efficiency.

SDTC-supported technologies also contribute to the competitiveness of services-producing industries – the other major subset of Canada's GDP. SDTC's portfolio value in these industries is $502M, primarily in transportation and waste management.



* Goods-producing industries subset of GDP. Source: CANSIM table 379-0027

Clean technologies provide environmental benefits in a way that supports productivity and economic growth. SDTC-funded projects generate positive impacts related to clean air, clean water, clean land and climate change, with 89% of portfolio projects generating multiple benefits. As the portfolio matures, SDTC has been exploring ways to quantify and report these impacts in a way that will more clearly illustrate the benefits derived from SDTC funding. Further details on this initiative can be found in the 2011 Annual Report Supplement.

GHG Reduction — Estimated total annual GHG reduction in 2015, attributable to the 228 projects funded by SDTC since inception, is projected to be between 7 and 17 Megatonnes. These figures include adjustments for the uncertainty of projections by applying a discounting factor to individual projects[1]. 63 projects, which completed prior to 2011 have reported actual emissions reductions of approximately 0.8 Megatonnes in 2011.

Clean Air Projects — SDTC-funded projects report their clean air impacts in terms of tonnes of criteria air contaminants (CAC) reduced per year. Determining the environmental and human health benefits of these CAC reductions depends on factors such as population density and specific air shed concentrations.

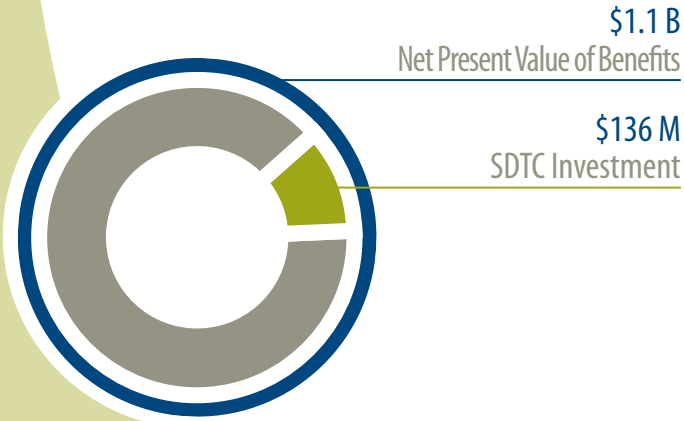
In order to show the benefits of these projects at a national level, SDTC has used industry best practices, to convert the impacts into avoided health-related impact costs. When this approach is applied to 59 SDTC projects, focused on transportation and power generation, the results indicate an avoided health-related cost of over $1 billion[2] by 2025[3].

Soil and Water Projects — As with clean air, determining the actual environmental and human health benefits and value to society of soil and water projects depends on numerous factors, such as the watershed, type of contaminant, location, and existing use of land.

Applying the same methodology described above to 21 SDTC-funded projects, with a primary or co-benefit focus on water, it is estimated that these projects will lead to an estimated avoided cost of at least $60M[2] by 2025[3].

COST BENEFIT ANALYSIS OF SDTC COMPLETED PROJECTS

SDTC continues to undertake an independent Cost-Benefit analysis to assess the value SDTC projects will bring to Canadians in the long term. This assessment calculates the Net Present Value of SDTC investments over time by comparing SDTC investment in projects to costs savings associated to environmental impact reductions, direct operational cost savings to end users and revenues accruing from future forecasted sales. As of the end of 2011, SDTC's 63 completed projects are showing benefits valued at 9x the original investment of $136M by 2025[4].



1 GHG emission reduction projections are inherently forward-looking statements. They involve risks and uncertainties that could cause actual results to differ materially from those contemplated. SDTC believes it has a reasonable basis for making such forward-looking statements by: Requiring every applicant to estimate future GHG emission reductions using a prescribed methodology based on accepted ISO and IPCC practices; Reviewing the reasonableness of projected GHG emissions reductions reported by applicants and, as new information is reported, adjusting projections and excluding projects on hold; and Applying a discount rate of between 80% and 93.5% to account for the technology GHG intensity performance and the likelihood to meet sales projections.

2 Similar to GHG, these results have been discounted by a maximum 93.5% to account for market entry and uptake risk.

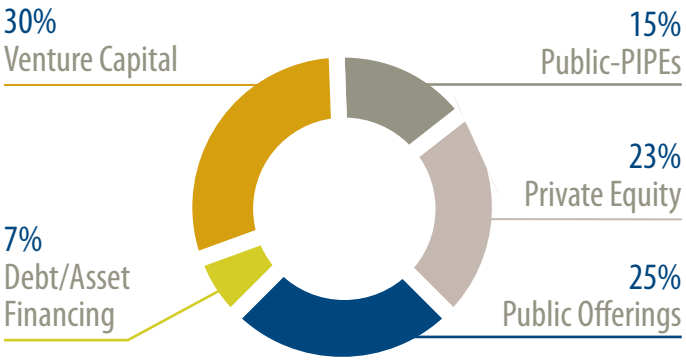
3 The expected in-service period for technologies that address clean air, soil and water is between 10-40 years, leading to a reporting period of 2025.

4 As with environmental benefits calculations, discount factors ranging from 80% and 93.5% to account for the technology performance and the likelihood to meet sales projections are applied in the Cost Benefit Analysis Tool.

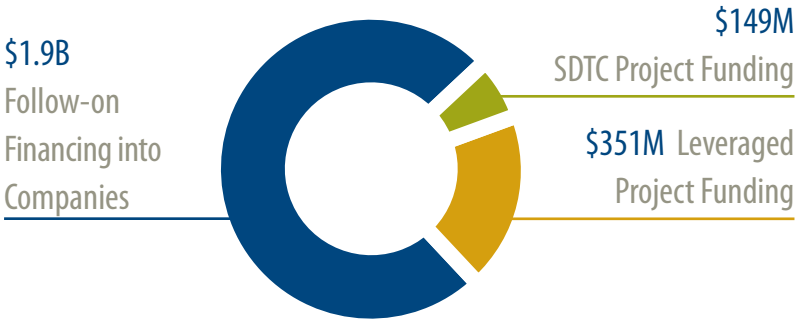
$1.9B IN PRIVATE SECTOR FOLLOW-ON FINANCING

SDTC has worked extensively to achieve a high ratio of foreign investment to mitigate the risk of a limited domestic pool of capital. This increasingly diverse and robust capacity to raise financing sustains jobs in Canada even in times of domestic economic downturn. The 52% invested by foreign investors is well above the average of 34% FDI for non-SDTC Canadian cleantech venture funding.

In 2011, SDTC saw a continued increase in follow-on financing into SDTC-funded companies: $465 million was invested by the private sector in the form of venture capital, public markets and asset/debt financing. This brings the six-year total to $1.9 billion.

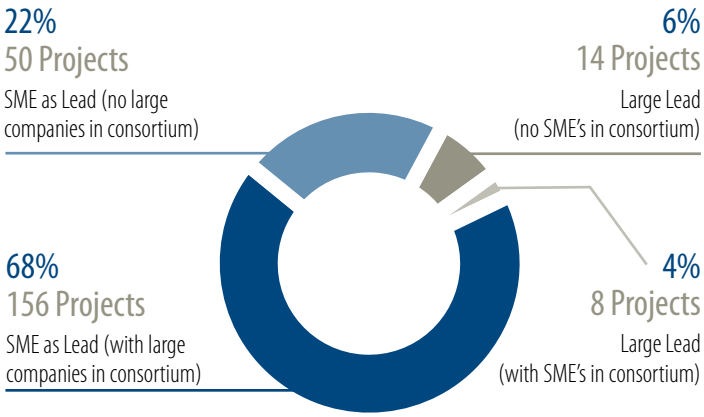


LEVERAGING THROUGH PRIVATE SECTOR INVESTMENTS



This rate of greater than 13X leveraging is based on a sub-set of 48 maturing companies.

BUILDING CAPACITY: SME FUNDING FOCUS



The greening of Canada's economy will be led largely by SMEs and they make up 90 percent of SDTC projects. SDTC requires its projects to assemble consortia of partners who have the necessary capabilities to achieve market entry. SDTC "Go to Market" consortia include an end-user customer, and often includes financing partners. The result is increased Canadian capacity to commercialize technologies and bring them to the market place more rapidly.

FUTURE PLANS

SD Tech Fund™

In 2012, the SD Tech Fund will issue a call for SOIs and will place an emphasis on technologies that offer solutions to increase the productivity of existing sectors of the Canadian economy.

NextGen Biofuels Fund™

In 2012, the NGBF will issue a formal call for applications once during the year and remain open throughout the year.

As the portfolio matures, SDTC will continue to focus on securing private sector follow-on financing and becoming the partner of choice for large corporations looking to adopt technologies. This will include continuing our invite-only Venture Summit and building our commercialization partnership with the C100. SDTC will also increase its engagement with large corporations who are seeking a suite of technology options to increase the efficiency of their operations.

SDTC has been involved in the establishment of three provincial funds and has collaboration partnership agreements with five provinces. In 2012, SDTC will strengthen its existing relationships and build further provincial collaborations in order to bring a more harmonized approach to the funding of cleantech at all levels of government across the country.

To capitalize on the momentum it has built to date, and with its original SD Tech Fund™ fund to be fully allocated by the end of 2012, SDTC has proposed a broader mechanism for ushering technologies to market. Risk aversion remains in Canadian investors' mindset, meaning that SDTC's early work at the pre-seed stage remains critical to the health of the investment ecosystem. At the same time, SDTC's portfolio companies are making their mark and need sufficient expansion-stage capital to succeed in export markets. SDTC will work to address both of these vitally important elements as we build long-term sustainable companies, while also allowing the federal government to recoup some of the public funds it invests. SDTC will continue working with the government to identify technology commercialization gaps in the innovation chain that, based on the results and performance track record of the SD Tech Fund™, could be effectively addressed by SDTC's model in order to deliver benefits to Canadians, including increased economic activity and jobs.

SDTC's INNOVATION NETWORK

SDTC operates as a central point in the innovation ecosystem, introducing new players and building collaborative networks.

NEXTGEN BIOFUELS FUND

The global next generation renewable fuel industry is overcoming technology and financial hurdles and progressing towards commercial roll-out. The technology gap which has slowed down industry over recent years is now closing, namely due to improved process performance and progress achieved on the pre-commercial demonstration front.

While some IPO events and opportunities were seen in 2011, first-of-kind risk and tight credit markets still require that the next generation renewable fuels industry rely on strategic investors and government financing for initial commercial roll-out.

As of 2011, we have an identified shortlist of 24 project-ready candidates which meet the NGBF eligibility criteria and are favourably benchmarked against target performance criteria. Six consortia are active with four having filed an Application for Funding (AFF) and two Indications of Interest (IOI), which are expected to convert to AFF in 2012. Of these four active AFFs, one NGBF funding decision was made in 2011 for project front-end development.

Deployment of NGBF-funded projects will have broad benefits across Canada. Opportunities are developing for the agricultural community, the forestry industry and for municipalities. We are seeing increased utilization of agricultural residues and municipal solid waste as feedstock for the production of next generation renewable fuels and co-products. The forestry industry is being rejuvenated through the utilization of existing sites as well as leveraging of the woody biomass supply chain for the production of next generation renewable fuels and bio-chemicals.

In 2011, SDTC's Board of Directors approved funding from the NGBF for the Varennes-Generation Project ("VGP"). SDTC's initial contribution will be $130,000 for the front-end development stage, with total funding from SDTC for this $97.5M project reaching up to $22.5M, repayable from free-cash flow.

The Varennes-Generation Project will be led by Enerkem Inc., in partnership with Greenfield Ethanol Inc. The cellulosic ethanol facility will be located in Varennes, QC and will convert 115,000 metric tonnes per year of urban waste into 40 million litres of cellulosic ethanol.

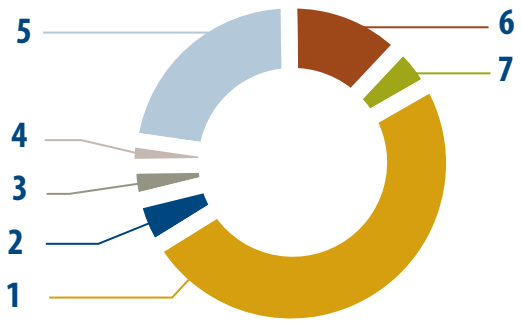
SDTC ASSET ALLOCATIONS

SDTC invests its undisbursed funds in eligible securities as shown below in accordance with the guidelines of its Funding Agreements.

SDTC's Grant Investment Portfolio of Eligible Securities

(as of December 31, 2011)

Rating	Current %	Maximum	Available %
1. Government AAA	49.5%	No Limit	No Limit
2. Government AA	5.0%	No Limit	No Limit
3. Government A	3.7%	No Limit	No Limit
4. Other AAA	2.5%	80.0%	77.5%
5. Other AA	22.4%	70.0%	47.6%
6. Other A	12.1%	20.0%	7.9%
7. Money market securities	4.7%	No Limit	No Limit



To the Members of Canada Foundation for Sustainable Development Technology

We have audited the accompanying financial statements of Canada Foundation for Sustainable Development Technology, which comprise the statement of financial position as at December 31, 2011, the statements of operations and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canada Foundation for Sustainable Development Technology as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
April 26, 2012
Ottawa, Canada

Statement of Financial Position

December 31, 2011, with comparative figures for 2010
(in Thousands of Dollars)

	2011			2010
	SD Tech Fund	NextGen Biofuels Fund	Total	Total
Assets				
Current assets:				
Cash	$ 2,870	$ 4,990	$ 7,860	$ 9,129
Harmonized sales tax refund receivable	244	28	272	200
Inter-fund receivable (note 2)	167	–	167	208
Prepaid expenses	138	–	138	134
	3,419	5,018	8,437	9,671
Investments (note 3)	294,084	57,792	351,876	438,011
Capital assets (note 4)	673	85	758	791
	$ 298,176	**$ 62,895**	**$ 361,071**	**$ 448,473**
Liabilities and Deferred Contributions				
Current liabilities:				
Accounts payable and accrued liabilities	$ 1,237	$ 91	$ 1,328	$ 1,519
Inter-fund payable (note 2)	–	167	167	208
	1,237	258	1,495	1,727
Deferred contributions:				
Expenses of future periods (note 5)	296,939	62,637	359,576	446,746
Commitments (note 8)				
	$ 298,176	**$ 62,895**	**$ 361,071**	**$ 448,473**

See accompanying notes to financial statements.

Statement of Operations

Year ended December 31, 2011, with comparative figures for 2010
(in Thousands of Dollars)

	2011			2010
	SD Tech Fund	NextGen Biofuels Fund	Total	Total
Revenue:				
Amortization of deferred contributions (note 5)	$ 93,586	$ 1,443	$ 95,029	$ 70,199
Expenses:				
Governance	829	102	931	872
Mandatory reporting	1,105	67	1,172	1,136
Project screening and evaluation	2,730	743	3,473	3,367
Project contracting and monitoring	1,109	79	1,188	1,195
Infrastructure development and outreach	1,929	74	2,003	2,112
Financial audit	27	13	40	39
General administration	1,592	338	1,930	1,896
Amortization of capital assets	265	27	292	267
Outsourced services	1,699	–	1,699	982
	11,285	1,443	12,728	11,866
Project expenditures:				
Project disbursements	81,882	–	81,882	58,108
Technical and financial audit costs	419	–	419	225
Total project expenditures	82,301	–	82,301	58,333
Total expenditures	93,586	1,443	95,029	70,199
Excess of revenue over expenses	$ –	$ –	$ –	$ –

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010
(in Thousands of Dollars)

	2011			2010
	SD Tech Fund	NextGen Biofuels Fund	Total	Total
Cash provided by (used in):				
Operating activities:				
Excess of revenue over expenses	$ –	$ –	$ –	$ –
Items not involving cash:				
Amortization of capital assets	265	27	292	267
Amortization of deferred contributions	(93,586)	(1,443)	(95,029)	(70,199)
Investment fund management fees paid	(344)	(73)	(417)	(467)
Changes in non-cash operating working capital items	(210)	(56)	(266)	597
	(93,875)	(1,545)	(95,420)	(69,802)
Investing and financing activities:				
Purchase of capital assets	(259)	–	(259)	(157)
Sales (purchases) of investments - net	85,561	(424)	85,137	50,292
Investment income	8,762	511	9,273	14,115
	94,064	87	94,151	64,250
Increase (decrease) in cash	189	(1,458)	(1,269)	(5,552)
Cash, beginning of year	2,681	6,448	9,129	14,681
Cash, end of year	**$ 2,870**	**$ 4,990**	**$ 7,860**	**$ 9,129**

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable (the "Foundation") is a corporation continued under the Canada Foundation for Sustainable Development Technology Act, (S.C.2001) effective on March 22, 2002.

The Foundation is not an agent of Her Majesty, but is accountable to Parliament through the Ministry of Natural Resources Canada. Environment Canada and Industry Canada are the other key departments involved in the work of the Foundation.

The Foundation's mandate, governance, operations, performance requirements, accountability and relationship to the Government of Canada are defined in its governing statute and in funding agreements that have been executed by the Foundation and the Ministers of both Natural Resources Canada and Environment Canada. In this way, the Foundation operates as a fully accountable instrument of the Government of Canada to help provide timely development and demonstration of innovative technology solutions to the nationally important issues of climate change, clean air and water and soil quality.

The Foundation manages two funds: the SD Tech Fund and the NextGen Biofuels Fund, which are further described below

SD Tech Fund

To date the Foundation has received $550,000,000 from the Government of Canada to provide financial support to projects that develop and demonstrate new technologies that have the potential to advance sustainable development, including technologies to address climate change, clean air and water and soil quality issues. This support is provided to eligible recipients that have established partnerships which are comprised of a private sector commercial corporation and one or more of: a private sector commercial corporation, a university or college, a private sector research institute, a not-for-profit corporation, or a federal or provincial Crown corporation (or subsidiary) whose role is the provision of resources and/or facilities to the consortium as a subcontractor.

The Foundation will endeavour to ensure that there are funds available to allocate to new eligible projects at least up to December 31, 2011 and, where eligible projects warrant, to disburse funds up to December 31, 2012. With the exception of a reasonable amount reserved for related project monitoring and evaluation, and for wind-up costs, the Foundation will also endeavour to manage and disburse the funds in total by June 30, 2015.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

NextGen Biofuels Fund

During the year ended December 31, 2007, the Foundation entered into a funding agreement with the Government of Canada which provided for a conditional grant of $500,000,000 to be paid over the period to March 31, 2015, to create the NextGen Biofuels Fund ("NGBF"). The NGBF will provide financial support towards the establishment of first-of-kind facilities that demonstrate production pathways for next-generation renewable fuels at large demonstration scale. This support is provided to eligible recipients that are to include for-profit corporations, partnerships, limited partnerships or business trusts with legal capacity in Canada and that have access to expertise in next-generation renewable fuels production pathways. Agreements for financial support to eligible recipients include provisions for repayability from free cash flow of the funded project.

The Foundation will disburse up to March 31, 2017 (the "disbursement period") its share of eligible project costs incurred or to be incurred by eligible recipients. With the exception of a reasonable amount reserved for related project monitoring and evaluation, collection of repayments and for wind-up costs, the Foundation shall return any portion of the NGBF at the earlier of the end of the funding agreement on September 30, 2027, and such earlier time or times subsequent to the end of the disbursement period as the Government of Canada may determine.

1. **Significant accounting policies:**

   The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

   (a) Revenue recognition:
   The Foundation follows the deferral method of accounting for contributions for not-for-profit organizations whereby contributions, including grants received and interest earned on the invested amounts are deferred and amortized to revenue as expenses and project disbursements are incurred.

   (b) Project disbursements:
   Project disbursements are recognized as the awarded grants are disbursed.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives using the following annual rates:

Asset	Rate
Computer hardware	30%
Computer software	50%
Office furniture and equipment	20%

Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or their estimated useful lives.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(d) Investments:

Investments are designated for financial reporting purposes as available for sale and are measured at fair value. Purchases are recorded on the settlement date. Management fees related to the investments are expensed. Realized investment income and unrealized gains or losses from the change in fair value are recorded in deferred contributions. Fair value is determined at quoted market prices. Transaction costs related to the acquisition of investments are expensed.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

1. **Significant accounting policies (continued):**

   (e) Expenses:
   The Foundation classifies expenses on the statement of operations by function. The Foundation allocates salaries, benefits, travel and administration expenses by identifying the appropriate basis of allocating and applying that basis consistently each year. Allocated expenses and the basis of allocating are as follows:

   - Salary and benefits expense include salaries, benefits, travel and training, and are allocated proportionately on the same percentage as the budgeted expenditures of the functions.
   - Administrative expenses are allocated proportionately on the same percentage as the budgeted expenditures of the functions.

   (f) Use of estimates:
   The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. **Inter-fund balance and transactions:**

   The inter-fund balance receivable/payable bears no interest and is not governed by terms of repayment. During the year, $167,000 (2010 - $208,000) of NextGen Biofuels Fund operating expenses and allocated staff costs were incurred by the SD Tech Fund.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

3. Investments:

SD Tech Fund	2011 Fair Value	2011 Cost	2010 Fair Value	2010 Cost
Money market funds	$ 4,029	$ 4,029	$ 13,421	$ 13,421
Fixed income securities	290,055	287,784	367,508	364,450
	$ 294,084	**$ 291,813**	**$ 380,929**	**$ 377,871**

NextGen Biofuels Fund	2011 Fair Value	2011 Cost	2010 Fair Value	2010 Cost
Money market funds	$ 12,640	$ 12,640	$ 11,879	$ 11,879
Fixed income securities	45,152	45,173	45,203	45,516
	$ 57,792	**$ 57,813**	**$ 57,082**	**$ 57,395**

(a) Investment risk:
Investment in financial instruments renders the Foundation subject to investment risk. This risk arises from changes in interest rates if investment instruments are withdrawn prior to maturity or should market interest rates increase significantly over those of the investments of the Foundation. The Foundation invests in money market funds and fixed income securities, which management considers being low risk.

(b) Concentration risk:
Concentration risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the diversification of the investments in money market funds and fixed income securities described above does not represent excessive risk.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

4. Capital assets:

SD Tech Fund	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer hardware	$ 246	$ 174	$ 72	$ 96
Computer software	527	322	205	78
Office furniture and equipment	548	477	71	106
Office furniture and equipment under capital leases	64	31	33	46
Leasehold improvements	619	327	292	353
	$ 2,004	**$ 1,331**	**$ 673**	**$ 679**

During the year, capital assets were acquired at an aggregate cost of $258,895 (2010 - $157,501), of which office furniture and equipment of $4,687 (2010 - $Nil) was acquired by means of capital lease obligations.

Cost and accumulated amortization at December 31, 2010 amounted to $1,772,000 and $1,093,000, respectively.

NextGen Biofuels Fund	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer hardware	$ 4	$ 3	$ 1	$ 2
Office furniture and equipment	33	18	15	22
Leasehold improvements	120	51	69	88
	$ 157	**$ 72**	**$ 85**	**$ 112**

Cost and accumulated amortization at December 31, 2010 amounted to $157,000 and $45,000 respectively.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

5. Deferred contributions - expenses of future periods:

Deferred contributions related to expenses of future periods represent the unspent balance in the Fund that is restricted for disbursement to eligible sustainable development technology projects and operations of the Foundation, as defined in the Funding Agreements. The change in the deferred contributions balance is as follows:

	2011			2010
	SD Tech Fund	NextGen Biofuels Fund	Total	Total
Balance, beginning of year	$ 383,390	$ 63,356	$ 446,746	$ 510,435
Investment income	8,762	511	9,273	14,116
Unrealized gain (loss) on investments	(1,283)	286	(997)	(7,139)
	390,869	64,153	455,022	517,412
Less amount amortized as revenue	(93,586)	(1,443)	(95,029)	(70,199)
Less investment fund management fees	(344)	(73)	(417)	(467)
	(93,930)	(1,516)	(95,446)	(70,666)
	$ 296,939	**$ 62,637**	**$ 359,576**	**$ 446,746**

During the year, no other funding or donations were provided to the Foundation.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

6. Allocation of expenses:

Salaries, benefits, travel and administration expenses have been allocated as follows:

	SD Tech Fund	NextGen Biofuels Fund	2011	2010
Governance	$ 593	$ –	$ 593	$ 624
Mandatory reporting	941	–	941	976
Project screening and evaluation	2,011	455	2,466	2,222
Project contracting and monitoring	1,063	51	1,114	1,138
Infrastructure development and outreach	1,189	–	1,189	1,179
General and administration	625	–	625	629
	$ 6,422	**$ 506**	**$ 6,928**	**$ 6,768**

7. Capital management:

The Foundation defines capital as its deferred contributions related to expenses of future periods.

The Foundation's objectives in managing capital are to safeguard its ability to continue as a going concern and pursue its strategy of promoting sustainable development technology and next-generation renewable biofuels to eligible projects that meet the mandate and criteria of its funder, the Government of Canada, and benefits to other stakeholders. Management continually monitors the impact of changes in economic conditions on its investment portfolio and its funding commitments.

The Foundation is not subject to any externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended December 31, 2010.

Notes to Financial Statements

Year ended December 31, 2011
(Tabular amounts in Thousands of Dollars)

8. Commitments:

SD Tech Fund

During the year, the Foundation awarded grants for a maximum amount of $65 million (2010 - $77 million). Total disbursements to eligible recipients during the fiscal year were $82 million (2010 - $58 million). Since incorporation, the Foundation has awarded grants for a maximum of $560 million of which $313 million has been disbursed. The balance of the awarded grants will be recorded as expense in subsequent years as funds are disbursed.

The Foundation has executed contracts for eligible projects through 2012 in the amount of $472 million (of which $136 million of projects have been completed), which are anticipated for disbursement over that period as recipients meet their pre-funding performance requirements. The Foundation also has commitments to lease office space as follows: 2012 - $935,000; 2013 - $759,000; 2014 - $759,000; and 2015 - $379,000.

NextGen Biofuels Fund

During the year, the Foundation awarded its first grant from the NextGen Biofuels Fund for a maximum amount of $0.13 million. No disbursements to this eligible recipient were made during the fiscal year.

9. Fair value of financial instruments:

The fair values of cash, harmonized sales tax refund receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short period to maturity.

Senior Management and Directors' compensation*

In accordance with the Funding Agreement, SDTC Senior Management and Directors' compensation for the fiscal year ending December 31, 2011, including salary, allowances and other benefits was within the annual compensation ranges listed below.

Positions	Total annual compensation			Additional performance based compensation		
President & CEO	$265,000	-	$355,000	$ 0	-	$ 65,000
Senior Vice President & COO	$ 205,000	-	$ 255,000	$ 0	-	$ 40,000
Senior Vice President	$ 175,000	-	$ 220,000	$ 0	-	$ 25,000
Vice Presidents	$ 150,000	-	$ 190,000	$ 0	-	$ 16,000
Directors & Senior Professionals	$ 100,000	-	$ 150,000	$ 0	-	$ 12,500
Chairman of the Board	$ 12,000		stipend**			
Vice Chair of the Board	$ 9,000		stipend**			
Directors of the Board	$ 5,000		stipend**			

* Note: This information is not part of the audited statements.

** All Directors of the Board received a meeting fee of $550 per meeting day. The Directors of the Board who sit on the Investment and Project Review Committees received a meeting fee of $1,500 per meeting day.

Board of Directors

SDTC is governed by a Board of Directors reflecting the broad interests of the public, private and academic sectors in Canada. It is composed of 15 Directors, seven of whom are appointed by the Government of Canada and eight of whom are appointed by Members of the Foundation. The Board has five committees: the Audit and Grant Investment Committee, the Corporate Governance Committee, the Human Resources Committee, the Project Review Committee—NextGen Biofuels Fund, and the Project Review Committee—SD Tech Fund.

Directors of the Board are subject to conflict of interest guidelines requiring them to declare potential conflicts of interest and refrain from participating in any discussions regarding matters that could give rise to a conflict of interest.

Name	Title	Board Committee
Juergen Puetter	President, Chair and CEO, Aeolis Wind Power Corporation; President, Chair and CEO, Blue Fuel Energy Corp.	**Chair**
Ken Ogilvie	Independent Consultant	**Vice-Chair, CGC, HRC, PRC-N**
David Berthiaume	Executive Director, OLEOTEK Inc.	**CGC**
Michael J. Brown	Chairman of the Board, Chrysalix Energy Management Inc.	**PRC-S**
Charles S. Coffey, O.C.	Community Volunteer	**HRC***
K. Ross Creelman	Managing Director, Marwood Ltd	**HRC**
Judy Fairburn	Executive Vice President, Strategic Planning & Environment, Cenovus Energy Inc	**PRC-N**
Daniel Gagnier	Chairman, International Institute for Sustainable Development	**A&GIC, PRC-S**
David Kerr	Corporate Director, Brookfield Asset Management	**A&GIC*, PRC-N**
Jane E. Pagel	President and CEO, Ontario Clean Water Agency	**PRC-S*, PRC-N**
David Pollock	President of Pollock Management and Advisory Services and former Executive Director of the Pembina Institute	**CGC*, HRC**
Dr. Jacques Simoneau	Corporate Director	**A&GIC**
Catherine Smith	Community Volunteer	**A&GIC**

***** Committee Chair

A&GIC: Audit and Grant Investment Committee

CGC: Corporate Governance Committee

HRC: Human Resources Committee

PRC-S: Project Review Committee –SD Tech Fund

PRC-N: Project Review Committee – NextGen Biofuels Fund

Member Council

The Members of the Foundation include 15 leaders who together provide an informed and representative perspective on, and contribution toward, the achievement of SDTC's mission and goals. Originally, it was required that seven of those Members be appointed by the Government of Canada, with those seven appointing the remaining eight. In future, as vacancies occur, new appointments will be made by Members only.

Name	Title
Pierre Alvarez	Vice President, Corporate Relations, Nexen Inc.
Carl Brothers, P.Eng	President, Frontier Power Systems Inc.
Pierre Guimond	President and CEO, Canadian Electricity Association
Dr. Peter Hackett, FCIC FRSC	Executive Professor, School of Business, University of Alberta
D. Christine Hollstedt, RPF	Founding President and CEO, FORREX Forum for Research and Extension in Natural Resources
James Knight	President and CEO, Association of Canadian Community Colleges
Dr. Louis LaPierre	Professor Emeritus, Université de Moncton
Manon Laporte	President and CEO, Enviro-Access Inc.
Mark Nantais	President, Canadian Vehicle Manufacturers' Association
David Runnalls	President and CEO, International Institute for Sustainable Development
Dr. Laurier L. Schramm	President and CEO, Saskatchewan Research Council
Andrew T.B. Stuart	Chairman, Sustainability Shift Inc.
Katherine Trumper	Management and Communications Consultant, Katherine Trumper Consulting
Dr. Joseph D. Wright	Independent Consultant

Investment Committee

Name	Title
Vicky J. Sharpe	Chair, Investment Committee, President & CEO, Sustainable Development Technology Canada
Maria Aubrey	Senior Vice President, Operations, Sustainable Development Technology Canada
Michael J. Brown	Chairman of the Board, Chrysalix Energy Management Inc.
John A. Coburn	Managing Director, XPV Capital Corporation
Peter S. Crombie, MBA, CA, CF	Corporate Director
Michel De Broux	Lawyer, past Vice-President Investments and Management of Affiliates, Hydro-Quebec CapiTech Inc.
Daniel Gagnier	Chairman, International Institute for Sustainable Development
Jane E. Pagel	President and CEO, Ontario Clean Water Agency
Tom Sweeney	Chairman, Canada-California VC & Intellectual Property Working Group
Henry Vehovec	President, Mindfirst Inc
Rick Whittaker	Vice President, Investments and Chief Technology Officer, Sustainable Development Technology Canada