PUBLIC DISCLOSURE DOCUMENT

PROPOSED BRUDERHEIM SULPHUR FORMING AND SHIPPING FACILITY
(formerly referred to as the Bruderheim Sulphur Forming & Pastille Storage Facility)

ALBERTA SULPHUR TERMINALS

Formed Sulphur on Conveyor

Sulphur Pastille Loading

Shell Shantz - Harmattan, AB

Sulphur Pastille Storage
1. **INTRODUCTION**

Alberta Sulphur Terminals (AST), a division of Hazco Environmental Services (Hazco) and CCS Income Trust (CCS), is proposing to construct and operate a sulphur forming and shipping facility in the Bruderheim area of Alberta. AST will be submitting a joint application to Alberta Environment and the Natural Resources Conservation Board for authorization of the proposed undertaking in accordance with the requirements of the Alberta Environmental Protection and Enhancement Act (EPEA).

Sulphur, a by-product of the oil and gas industry, is primarily used in the production of fertilizer. Increased heavy oil production and bitumen upgrading activities in Alberta has resulted in a proportional increase in sulphur production. A shortage of sulphur forming capacity has become increasingly apparent, particularly in the Fort Saskatchewan and north-east Alberta areas where many of the new up-graders are either being constructed or are in the planning stages.

AST’s proposed project includes the construction and operation of facilities for sulphur forming, storage and shipping. Liquid sulphur will be received by truck, rail tank car and/or future pipeline and held in insulated, heated tanks before being pumped to the forming process. AST plans to use an environmentally friendly technology, provided by Sandvik Process Systems, to process the liquid sulphur into a solid, formed product (pastilles) that is suitable for export. The product will be stored on engineered storage pads and loaded onto rail car unit trains on a regular basis (see Figure 1 page 3).

This Project Disclosure Document, accompanying draft Terms of Reference for an Environmental Impact Assessment (EIA, Appendix I), and Review of Stakeholders Concerns (Appendix II), have been prepared to initiate the Environmental Assessment process as required by Part 2 of the EPEA. This information is submitted in response to a decision made by the Director of Alberta Environment requiring AST to complete an EIA to support the facility application. AST has and will continue to implement, a public consultation process in support of the proposed facility.
2. Project Overview

2.1 Introduction

AST proposes to construct and operate a sulphur forming and shipping facility to be developed on a portion of Section 35-55-20 W4M (the Site), which is located approximately 2.2 km east of Bruderheim, Alberta (see Figure 2 page 5). The site is located within the Industrial Heartland area of Lamont County.

At present three other industries are located within the Lamont County Heartland Area; Canexus and Erco Worldwide to the West of the site; and Triton Fabrication to the South.

Erco Worldwide announced on July 10, 2006 that the Bruderheim facility would be closed and dismantled by the end of 2006 due to high electricity prices, strong Canadian dollar and reduced sodium chlorate demand due to closures of various bleached pulp mills in North America.

With Canadian National and Canadian Pacific rail on site, Highway 15 to the South and Highway 45 to the North; as well as RR202’s assignment as a heavy truck route; AST found the site a logistical benefit. Close proximity to; and opportunities for synergies with other industrial plants along with the availability of a stable and sound workforce provides to make the Project a significant, long term contributor to Alberta’s economy.

The proposed development includes the following facilities for sulphur forming and shipping:

- rail and road access for receiving and shipping sulphur;
- liquid sulphur unloading and transfer facilities;
- sulphur forming facilities to produce sulphur pastilles; and,
- loading and shipping facilities for formed sulphur.

Liquid sulphur is generated primarily by heavy oil upgrading and refining operations located in the Fort Saskatchewan area as well as in north-eastern Alberta. The liquid sulphur will be formed into pastilles using the state-of-the-art Sandvik Rotoform® process. The pastilles will then be stockpiled on site in a shielded area until they are loaded onto rail cars for export.

Environmental control systems will include: air emissions controls on the loading, unloading and forming processes; containment, treatment and monitoring of storm water; lining and containment of processes, products, wastes and impacted water; and monitoring of potential environmental impacts to ground and surface water, air and soil quality.

(see Figure 2)

(Page 5)
SITE OVERVIEW
2.2 Sulphur Receiving

Liquid sulphur will be delivered to the proposed facility by truck, rail tank car and/or future pipeline. Only degassed liquid sulphur with a maximum content of 10 ppm H₂S will be accepted, however, hydrogen sulphide venting and management systems will be incorporated into the reception system and the liquid sulphur holding tanks as an added precaution. Upon delivery, the liquid sulphur will be transferred via a pumping station into insulated, heated tanks, each having a holding capacity of approximately 3,000 tonnes. The EIA is based on a total of 18,000 tonnes of molten sulphur capacity; although only three holding tanks will be installed as part of the initial development.

2.3 Sulphur Forming

AST has selected a third generation drop forming sulphur solidification technology from Sandvik Process Systems named Rotoform 'HS®. Individual units have a capacity of 12 tonnes per hour. The equipment is modular and is flexible in that any number of machines can be used at any given time. The process is also clean, with no sulphur contact with water, steam or air surges during forming.

The forming process first involves pumping the sulphur from receiving tanks to a feed tank. The sulphur is then pumped from the feed tank through a duplex filter and a conditioning unit which cools the sulphur to an optimal forming temperature of 125°C. The sulphur then enters a recirculation loop which feeds the Rotoform HS® Drop forming equipment. The feed to the Rotoformer uses metering equipment and nozzles specifically designed to provide a continuous sulphur feed across a rotating stainless steel belt. The belt is cooled by cold water jets sprayed against the under side of the rotating belt causing the pastilles to cool and solidify above.

The solid pastilles gather into a collection hopper, are conveyed to a radial stacking conveyor, and to an asphalt bulk sulphur storage pad with a capacity to store 90,000 tonnes of finished product, approximately half of which will be established as part of initial construction. The EIA is based on a forming capacity of 6,000 tonnes per day, with approximately half of this capacity being associated with initial construction.

The water utilized by the Rotoform HS® is sent through a closed loop cooling tower which provides filtration and temperature reduction. Make up water for the cooling tower is supplied from a run off pond which is designed to collect and treat surface water from the site and also serves as the source of fire protection water. Additional make-up water is provided by a groundwater supply well.
2.4 Sulphur Shipping

A wheeled loading system will be used to retrieve product from the stockpile and transfer it to a surge bin that is equipped with a dust suppression package. A load out conveyor equipped with a weight totalizer, then transfers the sulphur into rail cars and/or trucks for transport to export markets.

3. ENVIRONMENTAL CONSIDERATIONS

3.1 Dust Controls

Dust suppression at the rail load-out area will be achieved with the use of a proprietary dust suppression agent and release aid, as well as water. Dust suppression agents will be applied at all transfer points such as behind the hopper and at the rail load-out. The dust suppression agents will be stored in heated make-up tanks and delivered via pump.
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Alberta Sulphur Terminals Ltd.

WorleyParsons MEG

Hazco
3.2 Water

All surface water that comes in contact with the sulphur handling and pastille storage areas will be collected and stored in a surface water run-off pond. This pond will be double-lined and equipped with leak detection monitoring systems to ensure that potentially acidic water is not released to the ground or to the surrounding watershed. The water that is contained within the lined pond will be used as cooling water within the sulphur forming process. Excess water will be neutralized prior to being released to the surrounding watershed if required.

Water usage will be in the order of 7m³/day, during initial operation, and increase to approximately 15 m³/day for full scale operation. Make up water will be provided by a groundwater supply well/wells to be located on the site. Assessment of this well will be completed to ensure that this water diversion does not affect neighbouring groundwater users.

Monitoring programs for surface and groundwater will be implemented in order to identify any adverse effects to water quality should they occur. Results of these programs will be reported annually or as deemed necessary by Alberta Environment.

3.3 Soil Quality

The emission and subsequent deposition of fugitive dust may present a risk to soil quality in and around the development area associated with the facility. Soil monitoring around the facility will be completed a minimum of once every 3 years allowing identification and characterization of any impacts to surrounding soil quality. Liming programs will be implemented if and where acidic deposition is observed by these monitoring programs.

3.4 Product Storage

Any and all product storage will be designed to comply with Alberta Environment guidelines for the storage and containment of potentially hazardous materials to ensure that these compounds are not accidentally released to the environment.
4. REGULATORY PROCESS AND OPPORTUNITIES FOR STAKEHOLDER INPUT

The objective of the current stage of this process is to obtain feedback from the public and effected stakeholders, such that these concerns and suggestions may be incorporated into the Terms of Reference for the EIA. It is in the interest of all parties that the issues and concerns of stakeholders are accurately understood and addressed by the EIA. A copy of the Draft Terms of Reference, which is consistent with Alberta Environment’s current standards, is provided as Appendix 1. Alberta Environment will finalize the Terms of Reference once it has reviewed this submission and has considered concerns and issues raised by stakeholders.

AST will continue to organize open houses and meetings related to the proposed development plan in order to encourage feedback from stakeholders.

The following table identifies the stages of the regulatory process and the key opportunities for stakeholder input and dialogue. If you have any suggestions on the consultation process, please let us know at any time. For more information on the regulatory process please see the Alberta Environment website at: http://www3.gov.ab.ca/env/protenf/assessment/index.html

<table>
<thead>
<tr>
<th>Project Activity</th>
<th>Opportunity for Stakeholder Input</th>
<th>Anticipated Timing</th>
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</thead>
<tbody>
<tr>
<td>Project Disclosure/Announcement</td>
<td>Inform stakeholders about AST development plans</td>
<td>June 2005</td>
</tr>
<tr>
<td>Further assessment of project deemed necessary by Alberta Environment. Screening Report prepared and EIA preparation is deemed necessary.</td>
<td>Opportunity to provide written input to Alberta Environment about proposed project</td>
<td>March-April 2006</td>
</tr>
<tr>
<td>Notice of the proposed Terms of Reference for the EIA</td>
<td>Opportunity to provide written input to Alberta Environment and AST on proposed Terms of Reference for EIA; typical notice period is 30 days</td>
<td>September-October 2006</td>
</tr>
<tr>
<td>Notice of Joint Alberta Environment and Natural Resources Conservation Board Integrated Application</td>
<td>Following the submission of the joint application, stakeholders have the opportunity to review the application and file written submissions about the project; typical notice period is 30 days</td>
<td>2007</td>
</tr>
<tr>
<td>Project Updates/Open Houses</td>
<td>Presentations to and consultation with individual area stakeholders and groups. AST will continue to follow-up on stakeholder input</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
The overall objective of the EIA is to assist the government, public and proponent in understanding the potential consequences of the Bruderheim sulphur facility. In general terms, the purpose of the EIA is to identify and address the impacts of the proposed activity, and implement reasonable mitigation mechanisms to reduce these impacts. Accordingly, all reasonable and potentially effective options for reducing or eliminating environmental impacts will be considered, and implemented where appropriate. Programs to reliably monitor potential impacts as well as the effectiveness of the mitigating measures will also be developed. Finally, the residual impacts will be identified for the review and consideration of the permitting authorities.

Appendix II provides a summary of comments and concerns that have been raised by stakeholders to date, as well as guidance as to where these concerns are addressed within the EIA.

5. PRELIMINARY PROJECT SCHEDULE

<table>
<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>Start</th>
<th>Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Geological Review</td>
<td>Mon 1/3/05</td>
<td>Fri 3/3/05</td>
</tr>
<tr>
<td>2</td>
<td>Preliminary Development Plan</td>
<td>Mon 1/3/05</td>
<td>Fri 6/3/06</td>
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<tr>
<td>3</td>
<td>Project Disclosure Announcement</td>
<td>Fri 4/1/05</td>
<td>Fri 9/3/06</td>
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<tr>
<td>4</td>
<td>Initial Open House</td>
<td>Fri 4/1/05</td>
<td>Thu 8/3/06</td>
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<tr>
<td>5</td>
<td>Public Consultation</td>
<td>Fri 4/1/05</td>
<td>Wed 12/3/06</td>
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<tr>
<td>6</td>
<td>EIA Baseline Studies</td>
<td>Mon 4/3/06</td>
<td>Fri 3/3/06</td>
</tr>
<tr>
<td>7</td>
<td>EIA Terms of Reference</td>
<td>Mon 4/3/06</td>
<td>Fri 12/3/06</td>
</tr>
<tr>
<td>8</td>
<td>Integrated Application Preparation</td>
<td>Mon 4/3/06</td>
<td>Fri 3/3/06</td>
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<td>9</td>
<td>Integrated Application Submission</td>
<td>Mon 11/3/07</td>
<td>Fri 3/3/06</td>
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<td>10</td>
<td>Regulatory Process Decision</td>
<td>Mon 4/3/07</td>
<td>Tue 9/3/06</td>
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<tr>
<td>11</td>
<td>Initial Ground Work / Plant Construction</td>
<td>Wed 10/1/03</td>
<td>Tue 9/3/06</td>
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<tr>
<td>12</td>
<td>Commissioning and Startup</td>
<td>Wed 4/1/09</td>
<td>Mon 5/1/09</td>
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6. CORPORATE DESCRIPTION, POLICY AND VISION

The proposed project will be funded and completed by the HAZCO division of CCS Income Trust. HAZCO is an industry leader providing a wide-range of specialized services including: Sulphur Services, Facility Operation, Site Remediation, Decommissioning, Waste Services, Environmental Construction, Environmental Technologies, Emergency Response and Other Specialty Services.

CCS confirms its commitment to environment, health and safety through:

- Corporate mandate to meet or exceed industry standards;
- Board governance;
- Managerial commitment;
- Third-party and customer audits; and,
- Regulatory compliance

Protecting the environment and avoiding pollution by safely handling energy industry by-products and wastes form the core of CCS' business. The Trust leads the industry in proven processes that meet or exceed regulatory standards.

Continuous performance improvement is the foundation for CCS' excellence in environment, health and safety stewardship. In offering premium waste management services, CCS protects both the environment and the financial interests of its unit-holders by ensuring compliance with all relevant environmental laws and regulations.

CCS implements a comprehensive internal and external audit program to meet the needs of customers, creditors, unit-holders and regulators. In addition to this program, CCS maintains a satisfactory-level compliance rating under the Alberta Energy & Utilities Board's enforcement ladder program.

At CCS, we know that we have a responsibility to respect and contribute to the communities in which we operate. We are proud to demonstrate this commitment year after year by contributing to numerous organizations that benefit these communities.

More information is available at our web site www.hazco.com or the CCS Income Trust web site at www.ccsincometrust.com. Comments and questions regarding the proposed Bruderheim facility can be directed to:

Phone: 403 297 0444, Fax: 403 253 3188, E-mail: rmann@hazco.com

Address: 10501 Barlow Trail SE Calgary, Alberta, T2C 4M5 - Attention Robert Mann

Or

Phone: 780 895 2570, Fax: 780 895 2084, E-Mail: sholowach@hazco.com

Address: Box 1090, Lamont, Alberta, T0B 2R0 ( 5125 – 50th Avenue, Lamont ) – Attention Sylvia Holowach