



NEWS RELEASE

Texas Clean Energy Project To Sell CO₂ To Whiting Petroleum Corporation

HOUSTON and DALLAS, Texas, July 20, 2011 – Summit Power Group, LLC and Blue Strategies, LLC today announce the signing of a historic, long-term carbon dioxide (CO₂) sales agreement with Whiting Petroleum Corporation for CO₂ that will be captured by Summit's Texas Clean Energy Project (TCEP), a coal gasification with carbon capture project being developed in Penwell, Texas, outside Odessa.

TCEP will be a first-of-its-kind, integrated gasification combined cycle (IGCC) 400MW power/poly-gen plant that will capture 90 percent of the carbon dioxide, 99 percent of the sulfur, more than 95 percent of the mercury, and eliminate more than 90 percent of the nitrogen oxides produced by the process. When TCEP received its final air quality permit last December with no opposition or requests for a hearing, it became the cleanest coal-fueled power plant ever permitted in Texas. Its high carbon-capture rate reduces the total amount of carbon dioxide (CO₂) emitted to the atmosphere to less than 10 percent of the emissions for power from a conventional coal plant, and less than 25 percent of those for power from a highly efficient, natural gas-fired plant.

Summit, a leading power developer based in Seattle, WA, and Blue Strategies, a Houston-based developer of physical CO₂ projects, partnered in October 2009 to market TCEP's 2.5 million tons per year of CO₂ to oil producers in the West Texas Permian Basin.

"This is the first of several CO₂ off-take agreements with TCEP, and we are pleased to have negotiated this historic first one with a company that has a long and successful history of doing enhanced oil recovery in the Permian," said Blue Strategies Executive Vice President Russell Martin.

Whiting Petroleum Corporation, a Delaware corporation, is an independent oil and gas company that acquires, develops and explores for crude oil, natural gas and natural gas liquids primarily in the Permian Basin, Rocky Mountains, Mid-Continent, Gulf Coast and Michigan regions of the United States. The Company's largest projects are in the Bakken and Three Forks plays in North Dakota and its Enhanced Oil Recovery projects, which have historically used naturally occurring geological CO₂ for injection in its EOR projects in Oklahoma and Texas.

Under the new agreement, Whiting will purchase 80 million cubic feet (80,000 Mcf/d) of compressed CO₂ per day from TCEP, representing approximately 60 percent of TCEP's total volume of captured CO₂, during the first five years of TCEP's operation, with gradually declining amounts and an option to extend the purchases thereafter. In the Permian Basin, approximately one



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additional barrel of oil can be recovered for each 6,000 cubic feet (6 Mcf) of compressed CO₂ injected into the oil field. TCEP will begin delivering CO₂ to Whiting when the plant commences operations in late 2014 or early 2015; construction is scheduled to begin at the end of this year.

“This is another important milestone for the Texas Clean Energy Project, coming on the heels of last month’s power purchase announcement with CPS Energy in San Antonio, “ said Donald Hodel, Chairman of Summit Power. “We now have sales commitments in place for all three of TCEP’s main commercial products – electric power, urea for fertilizer, and CO₂ for enhanced oil recovery – and that is obviously key to getting this project underway.”

The 15-year Whiting-TCEP contract is historic because CO₂ for EOR operations in the Permian Basin and elsewhere have generally been carried out with CO₂ that is geological in origin, i.e. formed naturally in underground reservoirs in New Mexico and Colorado and brought to the surface by wells such as those used to produce natural gas. More than 3,000 miles of CO₂ – dedicated pipeline currently transports and distributes geologic CO₂ throughout the Permian Basin. Whiting will be the first in the Permian to purchase CO₂ from a power project that will be produced through the coal-gasification process. Gasification allows the carbon to be stripped from coal, then captured and compressed, for deep underground sequestration in mature oil fields. Unlike conventional coal plants, TCEP will not burn coal but will instead use coal as a chemical feedstock to produce extremely low-carbon, high-hydrogen synthesis gas (“syngas”) for power production and the manufacture of urea fertilizer.

TCEP received a \$450 million award in 2010 from the U.S. Department of Energy’s Clean Coal Power Initiative (CCPI), the Department’s effort to create a new generation of energy processes that sharply reduce emissions from coal-fired power plants and reduce America’s dependence on imported energy resources.

In oil fields such as Whiting’s, the injected CO₂ mixes with the oil that is left behind in the primary oil-well production and the secondary water- injection stage. Approximately 40 percent of the initially injected CO₂ remains trapped underground. The remainder comes to the surface with the oil, but is then recaptured, recompressed, and re-injected. Ultimately, some 99 percent of the injected CO₂ can be permanently stored (i.e. geologically sequestered) deep underground many thousands of feet below the water table, with no leakage to the atmosphere.

“We are extremely pleased to be the first oil producer in West Texas to start using manmade CO₂ from coal for enhanced oil recovery,” said Whiting CEO James Volker. “This shift from geologic to manmade CO₂ in the oil fields is a significant step forward for both the power industry and the oil industry. We are proud to be affiliated with this project.”



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About Summit Power Group, LLC

Summit Power Group, LLC excels in the innovative development of electric power projects. Led by experienced professionals with an extensive knowledge of the energy industry in the U.S. and abroad, Summit has a remarkable track record of developing large, low-carbon energy projects with over 7,000 megawatts of electric power plants in operation, representing over \$7 billion in investment, and over 2,000 megawatts in development or under construction.

About Blue Strategies, LLC

Blue Strategies is a leading developer of CO₂ projects involving the capture, compression and transportation of CO₂. In addition, Blue Strategies works very closely with private and governmental agencies to develop procedures around assuring injected CO₂ remains sequestered in the reservoir and meets the requirements for carbon offset registries. The management team has over 100 years of experience in managing physical CO₂.

About Whiting Petroleum Corporation

For more information on Whiting Petroleum Corporation, please visit the website www.whiting.com.

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