

Fact Sheet - Sleaford Biomass Plant

21 December, 2011

Historical Background

Eco2 Ltd. is a UK developer specializing in renewable energy plants. Eco2 is planning to construct a number of straw-fired power plants of which the Sleaford Biomass Plant is the first. Since 2007, Eco2 and BWSC have cooperated closely with regard to the Sleaford project.

The cooperation between BWSC and Eco2 dates back to the construction of a woodchip-fired biomass plant developed by Eco2 for which BWSC, in consortium with Aalborg Energie Technic, secured an order in 2006.

Eco2's plans for straw-fired biomass plants date back to a power plant built in the UK by Danish FLS-Miljø in 2000. The plant was constructed for a British developer with the current Eco2 management as principal organizers. BWE was at that time part of FLS-Miljø.

So the new Sleaford contract has its roots in a long-lasting successful cooperation between Danish and UK companies and individuals.

Financial Structure and Involved Parties

The Sleaford project is owned by the BNP Paribas Clean Energy Fund (BNP), an investment fund specializing in renewable energy. Eco2 has developed the Sleaford project on behalf of BNP and will overlook the construction and the operation of the plant on behalf of BNP.

BNP is providing the equity capital for the Sleaford project. The balance of the invested sum will be provided by the lender banks NIBC Bank N.V., Unicredit Bank AG, Royal Bank of Scotland and Siemens Bank GmbH.

BNP and the lenders benefited from technical advice from both Fichtner Consulting Engineers and Mott MacDonald. Linklaters and Eversheds acted as legal advisors and Ernst & Young as financial advisors.

Plant Description

Sleaford Biomass Plant is a straw-fired biomass plant to be located in Lincolnshire in the Eastern part of England. The plant is the second straw-fired biomass plant in the UK and is expected to commence production mid 2014.

After the end of the construction phase, the biomass plant will be operated and maintained by BWSC over a 12-year period. BWSC expects to employ approximately 20 staff for the daily operation and maintenance.

The plant is designed to generate 38,500 kW with an annual average efficiency under all variable operational circumstances of more than 34%. The 38.5 MW is sufficient to supply electricity to approximately 65,000 households and businesses fed through the electric distribution grid.

The biomass plant will also supply district heating to public buildings in Sleaford town centre including the public swimming pool and the council offices.

Technical Description

The plant will use approximately 240,000 tons biomass per annum, consisting primarily of baled straw sourced from the local area with the majority of the fuel being collected within a 30 mile radius of the site. The straw fuel is expected to reduce CO₂ emissions by approximately 250,000 tons per year.

The plant burns straw in a BWE boiler to produce high pressure, high temperature steam at 540°C and 112 bar. This steam is fed to a steam turbine generator in which the steam's energy is converted first to the mechanical energy of the steam turbine rotor and then into electricity at a voltage of 11 kV.

The straw will be supplied in the form of big-bales by truck and stored in two barns where it will be unloaded and fed to the boiler by automatic cranes.

The plant has an auxiliary fuel line which is designed to take up to 20% clean, uncontaminated wood chips.

BWSC

Burmeister & Wain Scandinavian Contractor A/S (BWSC) is a Danish engineering and contracting company specialized in the development, construction, operation and maintenance of power plants of various configurations (biomass, biogas and diesel). The majority of BWSC's projects are delivered on a full turnkey basis.

With over 30 years of experience delivering more than 160 power plants to 50 countries worldwide over 30 years, BWSC has the expertise and technical knowledge to deal with complex international power projects.

BWSC has approximately 500 employees, of whom 250 staff members work at the Headquarters in Allerød north of Copenhagen. In 2010, BWSC's turnover was EUR 189 million.

BWSC has its origins in the stationary engine division of Burmeister & Wain (B&W) which has constructed diesel engines for ships and power plants since 1904. BWSC was established as an independent company in 1980 and was purchased by Mitsui Engineering and Shipbuilding Co. Ltd. (MES) in 1990.

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