



6 December 2005

Greenergy commences construction of UK biodiesel plant

- Strong growth in biofuels division as UK sales hit 100 million litres pa
- Boost to UK Farmers: biodiesel plant to source 150,000 tonnes pa UK rapeseed

The £1.5bn European fuels business Greenergy International is stepping up its presence in the UK market as it commences construction of a £13.5m (\$23.4m) biodiesel production plant in Humberside.

Located at Immingham and designed by engineering contractor Desmet Ballestra, the biodiesel plant will initially supply 100,000 tonnes of biodiesel per annum and is ideally positioned to service the fast growing UK and European biofuels markets. Construction work has started today following a period of site clearance and the completion of off-site fabrication of key plant components.

Andrew Owens, the chairman of the £1.5bn fuels turnover Greenergy International, joined representatives of the UK farming community to lay the foundations for the plant that will be owned and operated by subsidiary Greenergy Biofuels Ltd. Construction is due to be completed in autumn 2006.

This project begins less than a month after the UK government announced a Renewable Transport Fuels Obligation requiring all road fuels to have a five per cent biofuel component by 2010. It also comes at a time when strong sector growth has seen Greenergy's sales of pure bioethanol and biodiesel top 88 million litres over the last 10 months, enough to produce 1.8 billion litres of five per cent blended biofuel.

Andrew Owens said:

"Greenergy has a 12-year track record of innovation and growth in the UK and International fuels sector. Today, we have established, alongside our core fuels business, a commercially successful and fast growing biofuels operation that stands behind the production of more than 1.8 billion litres of blended biofuel every year. Our business now comfortably accounts for more than 50 per cent of the total UK biofuels market."

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In a boost for UK farmers, Greenergy confirmed that it expects to source over 150,000 tonnes per annum of UK grown rapeseed as feedstock for the plant. The rapeseed is being grown by more than 1,000 farmers under Greenergy's 'Field to Forecourt' contract.

Cargill has been appointed to manage the supply of rapeseed grown under the Field to Forecourt contract and will work alongside Frontier Agriculture, a company which it jointly owns with ABF Holdings Ltd.

Anne Guttridge, Cargill Europe's grain and oilseed supply chain manager, said:

"We are delighted to be working with Greenergy to create the first real commercial links between the UK farming sector and the oil industry. Rapeseed is a key component of biofuels ensuring not only optimum quality but also credible environmental performance. Cargill will manage the seed supply and provide crush facilities to convert the seed to the oil needed for the plant."

Trevor Robinson, Frontier's business development manager, added:

"The Greenergy plant guarantees a significant new market for farmers, one that opens to the tune of 150,000 tonnes of rapeseed per annum. At Frontier, we're extremely pleased to be able to provide our customers with such a positive and financially rewarding opportunity. Already, we've signed up over 750 farmers to the Field to Forecourt contract and today's news can only boost this further as farmers see the clear benefits to be gained from this emerging market."

Grainfarmers, G Williams and Co (Grain), J Dawson and Sons and Refa are also offering Field to Forecourt contracts to ensure adequate and timely supply of feedstock and it is hoped that other local seed merchants will take the opportunity join the Feed to Forecourt supply chain prior to start up of the project.

The port of Immingham is one of the largest petroleum ports in Europe with two world-scale oil refineries handling around 20 million tonnes per annum of fuel products. Greenergy's biodiesel plant is ideally situated to sell its output into these refineries and also to source its feedstock from the nationally important farming district that surrounds the port.

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Roger Hartless, Chief Executive of Simon Storage which is hosting the plant at its Immingham West Terminal commented;

"We have an excellent multi-modal terminal complex at Immingham giving Greenergy operational flexibility and the ability to deliver biodiesel efficiently and cost-effectively not only to the local oil refineries but also into the UK inland fuel storage and distribution network. This exciting project will be fully supported by our in-house project engineering and operational groups and we look forward to working with Greenergy and its customers in the future."

Greenergy clients include supermarkets, oil majors, bus companies, hauliers, resellers and distributors and fleet end users with clients including BAA, the Metropolitan Police, London Underground, TDG, Eddie Stobart, Stagecoach, Mercedes Benz, Sainsbury, Shell, Conoco-Phillips, Tesco, Transco and a wide variety of Local Councils and UK Government departments.

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Notes to Editors;

1] Biodiesel is a diesel produced from the chemical conversion of agricultural oils such as rapeseed oil obtained by crushing rapeseed. The Government has recently announced a Renewable transport Fuels Obligation that will require oil companies to include 5% biofuel in their fuel mix by 2010.

2] The plant will be owned and operated by Greenergy Biofuels Ltd, a newly formed subsidiary of Greenergy International Ltd. The main process technology contractor is Desmet Ballestra of Italy and project consultants are Currie and Brown.