

6 June 2005

Greenergy Appointed by SembCorp for Supply of Biomass

- **Greenergy To Launch Contract For Short Rotation Coppice**
- **Greenergy/SembCorp contract signing and farmers briefing: Cereals 2005, Stand 421**

(London): Greenergy, the £1 billion turnover European fuels business, announced today its first contract in the power generation sector. It has been appointed by SembCorp Utilities (UK) Ltd to supply 55,000 tonnes per annum of Short Rotation Willow Coppice for the Wilton 10 Power Station, the new wood-burning station to be located on Teesside. The plant will be one of the UK's largest biomass renewable energy projects and will generate 30 MW of electricity when it comes online in mid 2007.

To meet its contractual supply obligations to SembCorp, Greenergy will be offering farmers a new contract for the supply of the short rotation willow coppice [SRC] which will be a key feedstock for the plant. Most attractive to farmers operating within a 50 mile radius of the new plant site, the SRC contract will offer farmers a multi-year contract for the growing of short rotation willow coppice.

The appointment, and the new contract, builds on the success of Greenergy's 'Field to Forecourt®' contract and its work to promote the creation of a robust UK biofuels market. The Field to Forecourt contract, launched in 2003 to secure supplies of rapeseed for biofuels production, already has over 1200 signatory farmers accounting for 160,000 tonnes of rape grown annually across the UK.

Andrew Owens, chief executive of Greenergy, commented:

"Greenergy's business has been built on delivering financial and environmental solutions to our customers through innovation and through the development and management of secure, sustainable fuel supply chains - whether this is in the biofuels sector working with the likes of Tesco and Gulf or the energy generation sector working with SembCorp.

"The UK Renewables Obligation is the impetus behind the creation of a new and significant biomass market, a market that Greenergy is ideally placed to service."

The new power station will require approximately 300,000 tonnes of wood a year from specially grown energy crops, forestry logs, sawmill chips and recycled timber. This will come from a variety of sources and some will be stored on the site prior to being fed into the boiler in the most combustion efficient way. Approximately twenty percent of this feedstock will be in the form of Short Rotation Willow Coppice, supplied exclusively by Greenergy.

Greenergy / SembCorp
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Robin Twizell, Managing Director of Renewable Energy from Agriculture (Refa), who will be responsible for managing new contracts for supply of SRC on behalf of Greenergy commented:

“The introduction of this contract by Greenergy offers farmers a new opportunity to diversify away from traditional crops whilst improving profitability.

“It is our belief that the net cost of growing SRC delivers a significant additional revenue against traditional crops such as wheat and provides an exciting new option for the farming community.

We look forward to fulfilling this contract and working with other biomass power generators across the UK to grow this market.”

Paul Gavens, Managing Director of SembCorp Utilities (UK) commented:

“We are delighted to be partnering with Greenergy to source our willow energy crop requirements for Wilton 10. Greenergy’s track record in establishing the innovative Field to Forecourt contract demonstrates its unique competence in establishing significant, commercially viable, sustainable supply chains. “

The contract between Greenergy and SembCorp for supply of biomass will be signed at the Greenergy stand no 421 at Cereals 2005 at 11.30am on 15 June. The signing ceremony will be followed by a briefing for the farming industry on the new contract including details on pricing structure.

- Ends -

For further information, interview or comment:
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Notes to editors

Greenergy

The drive to reduce greenhouse gas emissions is creating new opportunities for companies to buy and sell low carbon products and services. Greenergy is a business-to-business energy company at the forefront of these new markets. It has been operating since 1992 initially as

a supplier of low emission fuels and more recently also as a producer and supplier of low carbon biofuels. The company now has an annual turnover of £1.3 billion (£350 million excluding duty), and operates in the UK and other European markets.

SembCorp

SembCorp Utilities UK, a subsidiary of the Singapore-based SembCorp Utilities, is the leading industrial utilities and services business on Teesside and one of the largest in the UK, providing steam and electricity to the major manufacturers on the Wilton International site.

A wide range of support services are also offered, including an industrial fire fighting and spill protection team, pipeline assurance and high voltage electrical expertise, analytical and environmental services, storage and warehousing and a contact centre. The business, which has around 630 employees, also owns and markets much of the 400 acres of available development land on the near 2000 acre Wilton International Site to inward investors.

Refa – Renewable Energy for Agriculture

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