



5 May 2006

'NEXT GEN' POWER STATION TAKES FIRST DELIVERY OF WOOD CHIPS

- **Growth market sees appointment of Greenergy's first Biomass Trader**
- **55,000 tonnes of Short Rotation Coppice required per annum**
- **Greenergy looks to UK farmers for future supplies**

Greenergy Bioenergy Ltd, a subsidiary of leading independent UK fuels business Greenergy, confirmed today [date] that deliveries are now underway of the first 1000 wet tonnes of 'Short Rotation Coppice' [SRC] willow wood chip to the Wilton 10 biomass power station located on Teesside.

The 30 MW plant, built and operated by SembCorp Utilities UK Ltd., is expected to come on-line in summer 2007. It will consume 55,000 wet tonnes of SRC wood chip annually, an energy crop grown by farmers, as well as 170,000 tonnes of forestry logs, sawmill chips and recycled timber. The use of renewable and recycled resources for power generation delivers reduced emissions of greenhouse gas carbon dioxide when compared to fossil fuels as well as ensuring reliable and secure energy derived from UK grown fuels.

In order to meet the early demand Greenergy has been acquiring stocks from a number of suppliers from across the UK as well as working with Coppice Resources Ltd to offer contracts for the growth of SRC to farmers operating within a 50 mile radius of Wilton 10.

First deliveries of SRC were acquired from Manco Energy Ltd., grown at the Seborwens Farm in Penrith, which is owned by the University of Central Lancashire, and were harvested by Renewable Fuels Limited. A further 800 wet tonnes have been acquired from Renewable Energy Growers and are scheduled for delivery in mid May.

Willie McGhee, Biomass Trader at Greenergy commented:

"Biomass will become an increasingly important market as demand rises: demand for supply of feedstock to the next generation of biomass power stations; demand for replacement feed stock at coal fired power stations and demand for biomass as a fossil fuel substitute for commercial and domestic heating. It is a market that creates new and sustainable opportunities for UK farmers and other suppliers of renewable or recycled wood stock whilst providing a UK grown alternative to oil, gas and coal.

Founded in 1992 Greenergy has annual sales approaching £2 billion and supplies nearly 6 per cent of the UK road fuels market and 50 per cent of the biofuels market. It is already a major buyer of UK grown rapeseed, with over 1000 farmers contracted under Greenergy's Field to Forecourt contract to supply rapeseed for biodiesel production at its biodiesel plant at Immingham, which is due to come into production

Q4 2006. Greenergy plans to double capacity at this plant and a feasibility study is also underway on an additional plant in Liverpool.

Greenergy has a track record of innovation having introduced Ultra Low Sulphur Diesel in 1995, launched the first biodiesel blend, Greenergy GlobalDiesel in 2002, introduced the first rapeseed for biodiesel contract to the UK farming community in 2003, led the introduction of bioethanol blended petrols and created the next generation of premium quality biofuels blends with the launch of Tesco 99 Octane in 2005.

- ENDS -

For further information on Greenergy products and services visit www.greenergy.com

Those interested in supplying SRC should contact Willie McGhee on 020 7404 7700.

For information or comment on the UK fuels sector and the low carbon economy:

Tim Lewis / Greg Moore at Four Communications plc

Tel: + 44 (0) 870 420 3216 or email: greg.moore@fourplc.com