

PRESS RELEASE

EnviTec Biogas believes biogas sector is set for growth:

Coalition agreement commits incoming German government to renewable energies

Lohne, 27 October 2009 – EnviTec Biogas AG takes a positive view of the incoming German government’s coalition agreement which it believes represents a clear commitment to the use of renewable energies and the promotion of these energies through Germany’s Renewable Energy Sources Act (EEG). According to the coalition agreement, the share of wind, solar and biomass power in domestic energy production is to be increased further. In addition, German companies’ technological leadership in this field is to be expanded.

Being a leading supplier and operator of biogas plants, EnviTec Biogas is directly exposed to the effects of the new government’s energy and environmental guidelines and policies. While the coming into force of the new EEG in January 2009 restored a reliable framework for the biogas industry, section 19 of the 2009 Act put certain existing biogas plants at a disadvantage and was therefore deemed to be inconsistent with the legal principle of “Bestandsschutz” which traditionally exempts installations erected in good faith from retroactive reclassification. Kunibert Ruhe, EnviTec Biogas’ Chief Technology Officer, explains: “We repeatedly pointed out the erroneous nature of the regulation on existing biogas plants and farms in the January 2009 Act. We welcome the incoming government’s decision to revoke this section of the Act, which we believe is the right decision and represents an urgently required correction which restores investment certainty for the biogas sector.”

The new government has put a focus on the feeding of biomethane into local gas grids and also intends to continue the existing market incentive programme, thereby pushing ahead the use of biogas as a substitute for natural gas alongside the promotion of biogas-based electricity and heat generation. EnviTec Biogas is also looking forward to the presentation of draft legislation on the use of biofuels as announced by the incoming government with a view to coming into force on 1 January 2010. Kunibert Ruhe says: “We are convinced that the positive perception of biomethane by the general public would improve further if its use as a fuel were to be subsidised in the future.”

In addition, the new government has announced an amendment to the Renewable Energy Sources Act which is to give greater weight to the use of organic residues relative to renewable input materials. Kunibert Ruhe says: "This would expand the range of potential input materials for biomass-based electricity generation." Noting that biogas is the most efficient and most versatile option among the renewable energies, he adds that the new government is creating the required incentives to enable the sector to return to the growth path and move forward with technological development following the crisis years 2008 and 2009. "Being the industry leader, we cannot but fully endorse the measures now being taken and we look forward to making a positive contribution to the accomplishment of Germany's ambitious climate protection objectives."

EnviTec Biogas AG covers the entire value chain for the production of biogas - including the planning and turnkey construction of biogas plants as well as their commissioning. The company provides the biological and technical service and also offers the full plant and operating management. In Güstrow, in the German state of Mecklenburg-Western Pomerania, EnviTec built the world's largest plant for the production of biogas to natural gas standards with a thermal output of 55 megawatts. In addition, the company also operates its own biogas plants. Today, the company is represented in more than 15 countries throughout Europe and as well in China and South Korea. In 2008 EnviTec generated revenues of EUR 101 million and EBIT of EUR 3.2 million. The EnviTec Group currently has about 377 employees. Since July 2007 EnviTec is listed on the Prime Standard segment of the Frankfurt Stock Exchange.

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