EnviTec Biogas

PRESS RELEASE

Biogas refinement is a success story for EnviTec Biogas:
German company benefits from growing use of biogas as a natural gas substitute

Lohne, 29 October 2009 – "Biogas offers enormous potential as a substitute for imported natural gas," says Kunibert Ruhe, Chief Technology Officer of Envitec Biogas AG. "Eco-friendly biomethane production offers attractive investment opportunities for operators of industrial and agricultural plants." The anticipated market growth is based on the German government's objective to feed six billion cubic metres of biomethane through the country's gas grid by 2020. According to computations by dena, the German Energy Agency, this will require the construction of up to 2,000 new biogas production plants. At present refined biogas is fed into the country's natural gas grid by fewer than 20 plants. EnviTec is determined to tap into this growth potential and can point to remarkable progress in this field.

Following less than 24 months of construction the world's largest biomethane plant has been largely completed and connected to the grid in Güstrow, in the state of Mecklenburg-Western Pomerania. Rated for a thermal capacity of 55 megawatts (MW), the "NAWARO BioEnergie Park Güstrow" plant marks a new chapter in industrial-scale biogas production. EnviTec has been the largest contractor involved in this project, being in charge of the entire biogas production and gas refinement facilities. Once completed, the 20 hectare site will comprise twenty fermenters plus the required silos as well as administrative buildings and fermentation residue stores. The input materials for the biogas production process - such as maize, cereals and cut grass - will be sourced from farms within a 50 kilometre radius. Odour nuisance from the operation will not be an issue, given that the plant will be fitted with highly advanced exhaust air treatment equipment. The first production lines were started up in the summer of this year and more than 4 million cubic metres of biomethane have since been fed into the gas grid operated by ONTRAS VNG Gastransport GmbH. The equivalent amount of energy would be sufficient to fuel a Volkswagen Passat 1.4 TSI EcoFuel for 60 million kilometres - enough to travel 80 times the distance to the moon and back and theoretically allowing to save more than five million litres of petrol.

The operator of the plant, Leipzig-based NAWARO Engineering GmbH, is a repeat customer of EnviTec. Felix Hess, managing director of NAWARO Engineering, says: "We look back on

a number of projects where EnviTec convinced us that they were the right partner to meet our requirements. We know we can rely on the quality and the technical expertise of the market leader." Another grid feeding plant worth more than EUR 25 million will be built by EnviTec in the eastern Brandenburg region. The approval process for this 25 MW (thermal capacity) plant is already under way and the facility is planned to start producing biomethane before year-end 2010. The rural location offers excellent conditions for the procurement of such input materials as grass, maize and whole crop silage. Local farmers will be involved in supplying these materials to the plant. Following exact weighing, the input materials are mixed at the new, fully automated input station and pumped into one of eight fermenters. The produced biogas is subsequently refined into biomethane using the water scrubber process. The plant produces enough energy to supply 20,000 households. Kunibert Ruhe says: "Biomethane can be produced wherever this is most efficient and can then be supplied to consumers nationwide. This allows to reduce the country's dependence on natural gas imports." Apart from environmentally friendly energy, the plant will also produce high-quality natural fertiliser in the form of fermentation residues. The costs of these fertilisers can be significantly below those of conventional fertilisers.

Apart from such large plants, EnviTec Biogas is increasingly active also in the market for smaller gas refinement facilities, allowing customers to benefit from the expertise gained in the construction of major plants. Current examples include a 4 MW biomethane plant at Zwickau in the state of Saxony. The customer is Bioenergieerzeugung Zwickau e.G., an umbrella cooperative comprised of five farming cooperatives based in the region. Its members have decided to build this biogas plant as a reliable source of revenue. Kunibert Ruhe says: "Biogas production is an ideal sideline activity for farmers who stand to get both a fixed monthly income stream and natural fertilisers for the fields."

In addition, EnviTec's Own Plant Operation segment is developing several biomethane plants including refinement units with capacity ratings upwards from 2.5 MW. These projects are currently at the planning or approval stages.

Going forward, EnviTec Biogas AG plans to build on its technological leadership on an even more sustained basis in order to fully meet the needs of the fast-growing biogas market.

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 350 employees. Since July 2007 EnviTec is listed on the Prime Standard segment of the Frankfurt Stock Exchange.

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