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Scotland set for new first-of-kind £111m recycling and waste plant

- 1. UK Green Investment Bank, Foresight and Zouk Capital announce investment in new facility at Forth by Lanark**
- 2. £111m project to construct 12.3 MWe Energy from Waste (EfW) plant and adjacent Materials Recycling Facility (MRF)**
- 3. The project will recycle over a million tonnes of materials including plastics, metals, paper and aggregates over its lifetime and will generate the heat required by the MRF**
- 4. The project is also expected to save around 1.3 million tonnes of CO₂e emissions, divert over 1.4 million tonnes of waste from landfill and produce enough electricity to supply the equivalent of almost 18,000 homes over its lifetime**
- 5. First-of-a kind project for the UK, combining fluidised bed gasification technology and Refuse Derived Fuel (RDF)**

UK Green Investment Bank plc (GIB), Foresight Group and Zouk Capital LLP have today announced equity investments in the construction of the £111 million Levenseat Renewable Energy Limited 12.3 MWe Energy from Waste (EfW) plant and adjacent Materials Recycling Facility (MRF) at Forth by Lanark, Scotland.

GIB's £28.25m investment was made via UK Waste & Resource & Energy Investments (UKWREI), the Foresight managed fund, in which GIB is a cornerstone investor. This is the eighth investment made by the fund which has now fully deployed £78m having mobilised capital in excess of £350m.

The project is also backed by an equity investment from Levenseat Limited and senior debt from Investec Bank plc.

This will be the first time a UK plant has combined fluidised bed gasification technology with Refuse Derived Fuel (RDF), processed by the MRF.

The MRF will recover plastics, metals, paper and card for recycling. The project is forecast to recycle over a million tonnes of materials over its lifetime and will generate the heat required by the MRF.

The development is also forecast to supply electricity equivalent to the needs of nearly 18,000 homes over its expected 25-year lifespan. It is also expected to save 1.4 million tonnes of waste from going into landfill and deliver a reduction in greenhouse gas emissions of around 1.3 million tonnes, equivalent to taking over 23,000 cars off the road for every year it operates.

The electricity will be supplied to the national grid with the heat output assisting the operation of the MRF. It will create more than 100 jobs during the construction phase and support 50 full-time jobs when complete.

The MRF is expected to become operational in January 2017, with the complete plant commencing operations in June of that year. Given its location near the centre of the M8 corridor, the facility will be well placed to process household waste from several local authorities and commercial waste from the Glasgow and Edinburgh regions.

M+W Group has been appointed main (EPC) contractor for the project.

Shaun Kingsbury, Chief Executive, UK Green Investment Bank, said:

“This first-of-kind project is the latest innovative example of how the UK is modernising its waste management infrastructure. By increasing recycling and using the remaining waste to produce energy, the Levenseat project will make a significant contribution towards Scotland’s ‘zero waste plan’.”

James Samworth, Director, Foresight Group, said:

“The Levenseat EfW plant and MRF will be a significant boost to waste infrastructure capacity in Scotland. The high tech EfW plant will benefit from the certainty of supply and the superior feedstock quality delivered by the high-specification MRF plant adjacent to the plant, which itself will benefit from the heat generated, improving efficiency of operation and maximising power output.”

Colin Campbell, Managing Partner, Zouk Capital LLP, said:

“We are excited to be involved in this pioneering and strategically well placed project. Zouk’s distinct power sector and project finance approach to investing in infrastructure allowed us to deliver this complex project and for it to be one of the few Advanced Conversion Technology projects to be built under the UK Government’s Renewables Obligation regime.”

Peter MacLaren, Director, Levenseat, said:

“Levenseat is delighted to be delivering a first-of-kind technology to the UK market. This is further evidence of our commitment to developing new environmental and economic solutions for waste management and with the construction of our new plant together with our wider established facility we will be delivering to the market Scotland’s largest integrated facility providing treatment and recovery for a wide range of waste materials. We look forward to announcing further details shortly regarding the technology being used and our programme of Community Benefits including opportunities for local recruitment. We are also actively pursuing the opportunity to supply spare heat from the new plant to local homes.”

Neil Bennett, M+W Group Sector Lead Waste to Energy, added:

“We are delighted to be appointed as the EPC contractor for this impressive project. M+W Group has proven expertise in the design, process engineering and construction of major complex projects, using project finance and other funding mechanisms. We are looking forward to successfully delivering the new infrastructure that will enable Levenseat to play a strategically important role in helping Scotland achieve its long term, low-carbon future”

Notes to editors

About the UK Green Investment Bank

The UK Green Investment Bank was launched in November 2012. With £3.8 billion of funding from the UK Government, it is the first bank of its kind in the world. It is a “for profit” bank, whose mission is to accelerate the UK’s transition to a greener economy, and to create an enduring institution, operating independently of Government.

About Foresight

Foresight Group has been managing investment funds on behalf of institutions and retail clients for 30 years. With a background in Private Equity and Venture Capital, Foresight has diversified activities and today manages institutional funds principally in European Infrastructure (Solar and PPP), Environmental and UK small cap Private Equity, including six years of specific Infrastructure experience.

Foresight has in excess of £1.3bn assets under management and boasts one of the UK’s leading Environmental infrastructure investment teams. It is responsible for managing approximately £250m of environmental assets which include the £78m UKWREI Fund which has now reached full

deployment and the recently announced £50m Recycling and Waste (RAW)] mandates which will target waste and recycling projects up to £30m in size. Both funds cornerstoned by the UK Government's Green Investment Bank for UK environmental infrastructure. Foresight also manages the £60m Foresight Environmental Fund (FEF).

About UKWREI Fund: <http://www.greeninvestmentbank.com/news-and-insight/2015/business-minister-announces-new-50m-fund-for-uk-waste-infrastructure-during-visit-to-new-advanced-technology-waste-to-energy-plant/>

About Zouk Capital LLP

Zouk Capital is a private equity and infrastructure fund manager investing in the clean economy. Zouk's distinctive dual-track strategy of Growth Capital and Infrastructure capitalises on the investment opportunities created by the global shift to greater resource efficiency.

Zouk's Infrastructure investment funds finance the construction of new high-yielding assets, by acquiring, developing and funding infrastructure projects during the late-stage of development and investing across a broad range of renewable energy and environmental sectors, including distributed energy, energy efficiency, storage, waste to energy and geothermal.

The Growth Capital funds invest in companies that enable a more intelligent use of resources across sectors such as IT and communications management, industrial goods and services, energy and transport and logistics. Zouk has invested in the clean economy since 2000 and is one of the largest fund managers of its strategy in Europe. Zouk has €600m under management and offices in London and Singapore.

www.zouk.com

About Levenseat Ltd

Levenseat is a Recycling and Waste management company based in Central Scotland. Established in 1986, the company combines over 25 years of industry experience with the latest technologies to deliver a bespoke recycling and resource management service to each and every customer.

About Investec Bank plc

Investec Project and Infrastructure Finance, part of Investec Bank plc advises, structures, arranges and provides financing options across a wide range of specialist infrastructure sectors. A global team of over 50 dedicated staff specialises in the power and transport and social infrastructure sectors. The team is part of Investec's Corporate and Institutional Banking division.

Investec Export and Agency Finance arranges financing for energy, resources, transport and telecom projects, with a focus on power and aviation. As a project developer and lessor in its own right, Investec brings a unique perspective to the Export Finance market with a first-hand understanding of the challenges clients face in mobilising investments including equity, mezzanine and senior debt financing.

Investec is an international, specialist banking group providing a diverse range of financial products and services to a client base in three principal markets, the United Kingdom, South Africa and Australia, as well as certain other geographies.

About M+W Group

M+W Group is an international design, engineering and construction company. Established in 1912 in Stuttgart, Germany it now operates in over 30 countries worldwide. The company specialises in the delivery of major, complex projects in technology-led industry sectors in energy and environmental technologies, life science and chemicals, IT and electronics.

With annual sales in 2014 excess of 2 billion euros and with over 7000 employees the company is a recognised global leader in the construction of facilities that require the highest levels of technical skill. From design and engineering services to complete turnkey construction, M+W Group is able to offer the full range of contracting services.

For more information please visit: www.mwgroup.net.

About the project

Total project value: £111m

Total GIB indirect investment: £28.25m equity

Investors: GIB, Zouk Capital, Levenseat Limited

Environmental impact: recovery and recycling of over a million tonnes of materials over its lifetime, reduction in lifetime greenhouse gas emissions of over 1,300,000 tonnes, equivalent to taking over 23,000 cars off the road

Energy generation: 75GWh of electricity produced per year

Feedstock supply: from adjacent MRF facility with capacity to process 215,000 tpa

Developer: Levenseat Renewable Energy Holdings Limited

EPC Contractor: M+W Group

Technology Provider, O&M Operator: Outotec Energy Products

Contacts:

Ross Nisbet, UK Green Investment Bank: ross.nisbet@greeninvestmentbank.com / 0330 123 2153

Ben Thompson, Foresight Group: bthompson@foresightgroup.eu / 0203 667 8155

Louise Ballard, Zouk Capital: lb Ballard@zouk.com / 07974 333 704