

21 November 2014

£110m funding secured for biggest waste wood renewable energy facility in the North West

- **New £110m project to construct a 20.2 MWe, 7.8 MWth Combined Heat and Power (CHP) plant in Widnes, Merseyside.**
- **The project will be the largest waste wood renewable energy plant in the North West.**
- **Over its lifetime, the project is estimated to save around 1.3m tonnes of greenhouse gas emissions and produce enough electricity to power the equivalent of 35,000 homes.**

Foresight Group (Foresight) and the UK Green Investment Bank (GIB) have today announced an investment in the construction of a new waste wood CHP facility in Merseyside.

The 20.2 MWe and 7.8 MWth CHP plant will be powered by 146,000 tonnes of Grade B-C recovered wood each year, sourced by Stobart Biomass Products Limited (Stobart) under a long-term fuel supply contract. The facility will be providing power to the grid and the heat offtake will be used by Stobart's adjacent wood drying facility.

It will be built within the Mersey Multimodal Gateway project, a 180 hectare logistics hub, just west of Liverpool.

The project, which is expected to become operational by December 2016, will be amongst the largest power plants of its type in the UK, and is the largest waste wood plant in the North West.

The plant will be built and operated by Danish power plant specialist Burmeister & Wain Scandinavian Contractor A/S, and over its expected 20-year lifetime, the facility is forecast to:

- supply renewable electricity equivalent to the needs of more than 35,000 homes each year;
- create more than 200 construction jobs and 20 full time jobs once operational; and
- deliver a reduction in greenhouse gas emissions of around 1.3m tonnes, equivalent to taking nearly 30,000 cars off the road.

GIB is providing £16.9m of mezzanine loans and also making a £13.2m equity investment, via its Foresight-managed fund, UK Waste Resources & Energy Investments (UKWREI), in which it is the cornerstone investor.

The remainder of the £42.1m mezzanine finance is being provided by GCP Infrastructure Investors (GCP).

Investec Bank plc (Investec Bank) and Eksport Kredit Fonden (EKF) have together committed £42.5m of senior loans, while Stobart and BWSC will both take an equity stake with commitments of £9.8m and £2.6m respectively.

This project has brought together the same investors who are behind the construction of the 15 MW CHP Evermore Renewable Energy project in Northern Ireland, announced by GIB and Foresight in July 2013.

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

“This project is a great example of how we can build the next generation of energy and waste management infrastructure in a way that is green, cost-effective and highly efficient. This type of innovative infrastructure adds to our domestic electricity generation and reduces our carbon emissions.

“What is particularly important is that these projects are replicable and scalable. The Widnes project has been brought together by the team that supported a similar project in Northern Ireland and I hope we will see many more.”

Business Secretary, Vince Cable, said:

“This investment in one of the largest green power plants in the UK will create more than 200 local jobs, cut greenhouse gas emissions and generate enough renewable energy to power 35,000 homes a year.

“The project would not have happened without the Green Investment Bank - it is at the heart of our industrial strategy, improving energy efficiency through innovation and creating sustainable jobs and growth.”

Philip Kent, Senior Investment Manager at Foresight Group, and Director of Mersey Bioenergy Ltd, commented:

“The Foresight team has worked over many months with our financing partners, our contractors and suppliers to structure and complete another landmark investment. This deal is further demonstration that Foresight can structure and deliver large scale renewable energy infrastructure investment opportunities that are attractive to both banks and other institutional investors.”

Christian Grundtvig, Director of Project Development & Investments of BWSC A/S, said:

“BWSC is very proud of being part of the development team who together with our strong partners have taken the Widnes project to Financial Close. This deal follows last year’s successful Financial Closure of the Lisahally CHP plant in Northern Ireland with the same financing partners and demonstrates BWSC’s strong commitment in providing sustainable energy solutions to the UK.”

Adam Gordon, co-head of Power Finance at Investec, said:

“We are pleased to have closed another landmark deal in this sector. This project really shows that experienced, capable partners working together can find solutions to deliver complex projects.”

Richard Butcher, CEO, Stobart Energy & Infrastructure, commented,

“This agreement secures an attractive energy investment for the Group and will make an important contribution towards achieving our target of delivering 2m tonnes of fuel per

annum into the UK biomass market by 2017/18. It also demonstrates the strength of our integrated infrastructure, energy and engineering capabilities.

“This CHP Plant will generate a strong return on investment in the plant’s equity as well as providing the Group with a 16 year biomass fuel supply contract, a long-term wood drying income stream and valuable engineering revenue on the development.”

David Conlon, Director Gravis Capital Partners, said:

“GCP is delighted to be part of another major biomass project. This deal will add to and continue to help diversify GCP’s renewable portfolio book and further demonstrates GCP’s ability to help fund large scale renewable projects.”

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About the project

Total project value: £110.3m

Total GIB direct investment: £16.9m mezzanine loan

Total GIB indirect investment (via UKWREI, its Foresight-managed fund): £13.2m equity

Investors: BWSC A/S, Stobart Group, UKWREI, Investec Bank, EKF, GCP and GIB

Environmental impact: reduction in greenhouse gas emissions of around 1.3m tonnes, equivalent to taking nearly 30,000 cars off the road

Energy generation: around 150 GWh of net electricity per year, enough to power more than 35,000 households **Developer:** BWSC A/S and Stobart Group

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.

www.greeninvestmentbank.com

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 £1.3 billion assets under management and boasts one of the UK's leading Environmental infrastructure investment teams. It is responsible for managing approximately £150 million of environmental assets which include the £68 million mandate from the UK Government's Green Investment Bank for UK environmental infrastructure. Foresight also manages the £60 million Foresight Environmental Fund (FEF).

www.foresightgroup.eu

About Investec Bank plc

Investec Bank plc is a specialist bank and asset manager. advises, structures, arranges and The Power and Infrastructure Finance division provides and arranges debt, equity, bond financing and financial risk management for power, infrastructure and PPP transactions around the globe.

www.investec.com/pif

About Eksport Kredit Fonden (EKF)

EKF strengthens the competitiveness of small and large Danish companies. As Denmark's official export credit agency, EKF helps the foreign customers of Danish companies obtain financing and thus make it attractive for them to place orders in Denmark. EKF is part of the Danish state and is operated as a modern financial institution on commercial terms. In 2013, EKF helped create or maintain more than 16,500 Danish jobs.

About Gravis Infrastructure Investors (GCP)

GCP is the only UK listed infrastructure fund focused on investments in infrastructure debt. GCP is a closed-ended investment company incorporated in Jersey, admitted to the Official List and to trading on the London Stock Exchange's Main Market. Gravis Capital Partners, the manager of GCP has in excess of £1 billion of assets under management and has a leading team focused on debt finance across the renewables and general infrastructure sectors.

www.gcpuk.com/gcp-infrastructure-fund-ltd

About BWSC

Burmeister & Wain Scandinavian Contractor (BWSC) is a world-leading turnkey developer, contractor, operator and service provider of medium and large-scale power plants. The technology is based on biomass, biogas and traditional fossil fuels, and over the past 30 years, BWSC has delivered more than 170 power plants to 53 countries worldwide. BWSC is currently constructing, operating or servicing power plants in, i.a. Suriname, Kenya, Panama, Lebanon and the UK. BWSC is an experienced EPC contractor of biomass power plants as the Widnes project is the company's fifth biomass power plant project within recent years in the UK.

www.bwsc.com

About Stobart Group

Stobart Group is an Infrastructure and Support Services business deriving income from Energy, Aviation, Civil Engineering and Investments. Its strategy is to drive growth and profitability in Energy and Aviation.

Stobart sources, processes and delivers fuel to power plants for third parties under long-term contracts. Revenue growth comes from the ongoing increase in tonnages supplied, which exceeded 900,000 tonnes in the year to February 2014.

Stobart plans to invest in minority stakes in sustainable CHP and anaerobic digestion plants over the next two years.