

Press Release

New VERBIO plant for the production of biomethane from 100 percent straw commissioned as scheduled

Jörg Vogelsänger, Minister in the government of the Federal State of Brandenburg, and Kerstin Lichtenvort, EU project coordinator, witness the effectiveness of VERBIOS's innovative technology on-site

Schwedt/Oder, April 15, 2015 – VERBIO Vereinigte BioEnergie AG successfully commissions another major production site for the production of biomethane at Schwedt/Oder. The new plant uses a new internally generated technology to manufacture biomethane from 100 percent straw.

The development of this innovative technology at the Schwedt/Oder location is supported by the European Union's NER 300 subsidy project, providing funding of up to EUR 22.3 million over the period from 2014 to 2019.

VERBIO Vereinigte BioEnergie AG has reached the first project milestone on schedule, feeding the first gigawatt hours of biomethane generated from 100 percent straw since October 2014 into the local natural gas network operated by Stadtwerke Schwedt.

Dr. Lüdtke, Chairman of the Management Board of VERBIO AG, said: "With our straw biomethane technology we are demonstrating that second generation biofuels using local supply chains are no longer a thing of the future, but are today's reality. We appreciate the support provided by the European Union NER 300 program, and see this as a clear EU commitment to the future of biofuels." He added, "Our biomethane is generated using straw from local farmers. This is 'hands-on climate protection' for our customers driving natural gas vehicles."

Jörg Vogelsänger, Minister for Rural Development, Environment and Agriculture in the Federal State of Brandenburg, and Kerstin Lichtenvort, the EU coordinator for the NER 300 subsidy program, were on hand together with other regional and national politicians to convince themselves of the economic and ecological efficiency, sustainability, and functional capabilities of the VER-BIO technology.

"With this innovation VERBIO is meeting the challenge to provide advanced biofuels. It provides an example of cascading the use of residual materials, providing a high level of greenhouse gas savings with a regional material life-cycle," said Jörg Vogelsänger. "The plant demonstrates that VERBIO's innovative technology is ready for production. It also demonstrates that we are no longer dependent on foodstuff raw materials to produce biofuels, but we can also use residual materials from agriculture for this purpose."

DE VERBIOstraw – as the subsidy project is officially called – is one of fifteen projects funded by the NER 300 program to date, and one of the first of these which has already generated actual production volumes.

VERBIO Vereinigte BioEnergie AG

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Kerstin Lichtenvort, EU project coordinator for the NER 300 program in Brussels, explained the subsidy award to VERBIO as follows: "With this first-of-a-kind project, we will help protect the climate and make Europe less energy dependent. The innovative VERBIOstraw project is funded under the European Commission's NER 300 programme with €22 million because it demonstrates an advanced biogas technology at large scale. We welcome the private investment in this project which we need in Europe and the use of 100% agricultural residue which does not require farmland to be used to grow energy crops."

VERBIO AG has been the operator of two large biomethane plants since as long ago as 2011, each with a capacity of 30 MW. These plants produce approximately 480 GWh of biomethane from distillation slop, a waste raw material by-product generated from bioethanol production, with the resulting biomethane used as biofuel for vehicles powered by natural gas. With the volume produced VERBIO supplies more than 100 of the 900 natural gas fuel stations in Germany, making it the unchallenged market leader in this segment.

The new plant, also developed internally, is based on mono straw fermentation technology. The plant will be extended to reach 16.5 MW capacity by the year 2019, generating 140 gigawatt hours of biomethane annually for sale as biofuel from approximately 40,000 tons of straw. To date, EUR 25 million has already been invested in the construction of the plant. Further amounts will be invested in the coming years to optimize the plant.

The straw used to fuel the plant is gathered within a radius of 80km of the plant to ensure maximum economic and ecological efficiency. In exchange, the fermentation waste is provided to farmers as organic fertilizer. This local production chain is creating employment in the region's agricultural sector and ensure maximum CO₂ efficiency.

The new VERBIO technology makes it possible to leverage a massive potential raw material source which has been unused to date. In Germany alone, an annual quantity of between eight and thirteen million tons of straw that could be used to manufacture bioenergy currently remain unused according to a study by the DBFZ (Deutsches Biomasseforschungszentrum – German biomass research center). This energy quantity represents the fuel required annually by more than five million motor cars.

However, we need political commitments to targets and to subsidy mechanisms for second generation biofuels to ensure that we can continue to make unhindered innovative progress.

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO is one of the leading independent producers and providers of biofuels and is at the same time the only large industrial producer of biodiesel, bioethanol and biomethane in Europe. The nominal capacity is at a rounded 450,000 tons biodiesel, 270,000 tons bioethanol and 480 gigawatt hours biomethane per year. In the production of its highly efficient fuels, the company uses energy-saving production processes and innovative technologies of own development. The biofuels of VERBIO achieve CO2 reductions of up to 90 percent compared to petrol or diesel. VERBIO delivers its products directly to the European mineral oil conglomerates, mineral oil trading companies, independent gas stations, freight forwarders, municipal utilities and vehicle fleets. In addition, VERBIO markets high-quality pharma glycerine for the consumer goods and cosmetics industry (glycerine is gained as a by-product in biodiesel production). Within the group, VERBIO Vereinigte BioEnergie AG acts as Management Holding. The operative business is exercised by the subsidiaries, VERBIO Diesel Bitterfeld GmbH & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, VERBIO Ethanol Schwedt GmbH & Co. KG and Märka GmbH. The VERBIO stock (ISIN DE000A0JL9W6 / WKN A0JL9W) has been listed at the Prime Standard of the Frankfurt stock exchange since October 2006.

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