LARGE SCALE BIOMASS POWER PLANT TO BE BUILT ON TEESSIDE

Date: July 15th 2009

The £500m Tees Renewable Energy Plant, located at Teesport, and being developed by British company MGT Power Limited has received consent from the British Government under Section 36 of the Electricity Act.

At 295MW capacity, the plant will generate enough electricity to meet the needs of approximately 600,000 homes and will be one of the largest-ever biomass plants to be built in the world, and one of the largest of all renewable energy projects. The Tees Renewable Energy Plant will enter commercial operation in late 2012.

Chris Moore, Director of MGT Power said: "The Government's consent is welcome news as we are at an advanced stage with forestry establishment for fuel sourcing, and power plant procurement. We can now mandate our banks, conclude the financing and reach agreement with our preferred technology bidders. We are moving towards an early construction start with a high degree of confidence."

He added: "Other similarly sized biomass plants are proposed in other parts of the country but our Teesport project is currently two years ahead of the pack and likely to be one of the first to be operational. It comes at a time when replacement UK energy generation capacity is urgently needed. We will continue to work closely with Redcar & Cleveland Council as well as PD Ports, the owners of Teesport, Renew Tees Valley and the local Trade Unions to complete the project. Their support and commitment to the project over the last 2 years has been invaluable. "

The Tees Renewable Energy Plant will help to meet the Government's environmental and renewable energy targets and add to the country's growing need to diversify its power generation. It will create 600 jobs during the three year construction period, 150 permanent jobs during the station's lifetime, and once operating will contribute about £30m per annum into the North East's economy, supporting a further 300-400 jobs indirectly. It will save 1.2million tonnes of CO_2 per year and will account for 5.5% of the UK's renewable electricity target.

David Kidney MP, Parliamentary Under-Secretary at the UK Department of Energy & Climate Change said: "The Tees Renewable Energy Plant brings a range of economic and environmental benefits, not least creating new jobs at Teesport, and the use of clean technology will help reduce carbon emissions. Biomass generation, using sustainable

sources, is starting to make a significant contribution to the UK's energy market and will help us reach our renewable targets."

The biomass feedstock for the Tees Renewable Energy Plant will be sourced from certified sustainable forestry projects developed by the MGT team and partners in North and South America and the Baltic States. These projects will provide clean burning woodchip, which delivers 95% greenhouse gas savings in comparison to coal or natural gas through the life cycle and will not use high quality land suitable for food crops.

The plant will use around 2.4m tonnes of woodchips per annum and will operate at baseload – 24 hours a day, all year round. This means the Tees Renewable Energy Plant will produce the same amount of renewable electricity over a year as a 1,000MW wind farm.

Notes to Editors:

1. MGT Power (www.mgtpower.com) was established in December 2007 to develop biomass generation projects in the UK and Europe. The management team includes Chris Moore, Ben Elsworth, Thiago Azevedo and Noel Forrest who have backgrounds in UK power generation and the supply of renewable energy feedstocks. The company's main shareholders include Trafalgar Asset Managers and MKM Longboat. The firm's financial advisors are Ernst & Young and engineering consultants are Pöyry Energy and PB Power. Legal advisors include Taylor Wessing, Dickinson Dees and Shadbolt.

2. The site is about 6kms east of Middlesbrough and 5kms west of Redcar. It is situated on land adjacent to the main southern dock at Teesport on the south bank of the River Tees. It has a number of advantages: available industrial zone land, suitable dockside acreage in a deep water port, good access to the National Grid and associated electrical infrastructure, excellent highly skilled local industrial workforce and contracting base, and excellent road links.

3. As a storable, concentrated energy form, wood biomass allows electricity generation 24 hours a day, all year round, in contrast to intermittent renewable sources such as wind or solar. MGT Power will use trees sustainably planted specifically for use as fuel, such as Short Rotation Forestry (eg. Eucalyptus, Pines) and Short Rotation Coppicing (eg. Willow, Poplar).

For further information:
MGT Power Ltd (www.mgtpower.com)
Tel.: 020 3178 5449

Or

Taylor Keogh Communications
Paul Taylor: 020 3170 8465 / 07966 782611