



MGT POWER ANNOUNCE PLANS FOR 295MW BIOMASS POWER STATION AT THE PORT OF TYNE

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MGT Power Ltd today announce plans to develop a second major biomass power generation project at the Port of Tyne in the North Tyneside.

The proposed 295MW Tyne Renewable Energy Plant (Tyne REP) will be located on industrial land in the Port of Tyne, North Shields and is 10 kms east of Newcastle City Centre. The site is on the north bank of the River Tyne. The scheme will generate carbon neutral electricity for around 600,000 homes in the North East of England. Subject to planning, this major plant, generating power from sustainable sources of biomass, is targeted for commercial operation in 2014.

Chris Moore, Director of MGT Power said: "With the Government committed to more renewable electricity generation over the next decade, our Tyne biomass project along with our consented scheme at Teesport will make a significant contribution to the Government's targets. Large scale biomass projects can operate at baseload and each scheme will produce in one year as much green electricity as the largest 1,000MW wind farm project. Each biomass project will also save 1.2 million tonnes of CO₂ from being emitted every year."

As a first stage in the Tyne REP planning process, MGT Power has outlined details of the project in a "Scoping Document" which has been circulated to a large number of local and national organisations, including North Tyneside Council, the Environment Agency and the Department of Energy & Climate Change. The Scoping Document outlines the rationale for the project, the energy and planning policy framework and the technical studies and consultations that MGT Power will undertake as part of the project's Environmental Impact Assessment (EIA).

Chris Moore added: "Just as we did with our Tees Renewable Energy scheme, we are consulting widely from the start, both with key organisations and local people. We see the Tyne project as not only a major green power project for the UK, but one that will contribute positively to the local area and the North East economy, primarily in terms of local investment and employment. We intend to hold a public

exhibition of our plans in September.”

North Tyneside Mayor, Linda Arkley, said: “Tyne REP would bring substantial benefits to the borough and the wider region, representing an investment of over £400 million, the creation of hundreds of construction jobs, future permanent on-site jobs, 300–400 indirect jobs and an annual spend of £30 million in the local economy.

“We are committed to the regeneration of the North Bank of the Tyne and bringing jobs to the area. I welcome the fact that MGT Power Ltd have chosen North Tyneside as their preferred location and look forward to supporting them for the benefit of our residents.”

Andrew Moffat, Chief Executive of the Port of Tyne welcomed MGT Power’s plans: “Our mission is to provide a sustainable, vibrant Port of Tyne and the Tyne Renewable Energy Plant represents a major long term investment that will take full advantage of the excellent facilities, infrastructure and capabilities offered by the Port.”

The biomass feedstock for the Tyne Renewable Energy Plant will be sourced from certified sustainable forestry projects developed by the MGT Power team and partners in North and South America and the Baltic States, and in the longer-term UK sources. The biomass is 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.

Notes to Editors:

1. Details of the Tyne Renewable Energy Plant and a copy of the Scoping Document can be obtained via a dedicated website www.mgttyne.com <http://www.mgttyne.com> or by contacting MGT Power via email at info@mgttyne.com.
2. MGT Power (<http://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.
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).

4. The Port of Tyne Authority, created by statute, is a trust port (<http://www.portoftyne.co.uk>). It is a deep river port, with round-the-clock access, 2.5 miles from the mouth of the river Tyne. Its main function is the improvement, maintenance and management of the Port. The Port is a commercial enterprise, but it is not funded by Government and has no shareholders. It has five main business areas: conventional and bulk cargoes; logistics; car terminals; cruise and ferries; and estates. Any surplus is reinvested into a programme of continuous improvement to the benefit of the users, the community and the North East economy. The Port of Tyne Authority is chaired by Sir Ian Wigglesworth.

5. MGT Power Ltd is the developer of the Tees Renewable Energy Plant, which secured planning consent from the UK Government on July 15th and is scheduled to start operating in 2012.

6. The Mayor and Cabinet have no involvement in the determination of planning matters and any application that is submitted by the developer will be dealt with in accordance with the Council's adopted planning process including if appropriate referral to the Planning Committee.