

RWE Innogy

Press release

RWE Innogy invests in technology for producing biocoal pellets

- First transaction in the venture capital business - 25% equity in Dutch start-up company Topell
- Ground-breaking process for producing biocoal pellets as fuel for conventional power plants
- Effective method of reducing CO₂ emissions through co-firing of coal and biocoal pellets

Essen, 21 Mai 2008

RWE Innogy has acquired a 25% share in the Dutch start-up company Topell. The company has developed a ground-breaking process for converting biomass into biocoal pellets and holds the worldwide usage license. Together with the company, the aim is to build the first commercial plant in the Netherlands for producing biocoal pellets. The plant is planned to be realized in 2009. Biocoal pellets have a very high energy density as well as significantly improved product properties and can be burned together with coal in conventional power plants (co-firing).

Prof. Fritz Vahrenholt, CEO of RWE Innogy, explained: "With our venture engagement with Topell, we have secured access at a very early stage to a technology that effectively reduces CO₂ emissions in conventional power plants and the associated financial burdens. Once a successful test run of the first commercial plant has been completed, we therefore plan to expand production to a higher degree."

Ewout Maaskant, CEO of Topell, commented: "We are very pleased to have RWE Innogy on board as a reliable investor and partner. We are convinced that our respective competences will complement each other excellently during the further development and market launch of our biocoal pellets."

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The process developed by Topell can be applied to various raw organic materials. Even comparatively difficult biomass, such as roots and switch grass, are converted into pellets through torrefaction and pelletisation using a special reactor technology. Compared with conventional wood pellets, biocoal pellets have a significantly higher energy density and better incineration properties. The production process guarantees high flexibility with the regard to the raw material used; it is therefore unnecessary to draw on foodstuffs. Biocoal is also easy to transport. For co-firing with conventional coal, no further infrastructure measures, e.g. separate storage or crushing, are required.

As a driving force for future technologies, RWE Innogy is investing in highly promising young technology enterprises, decisively contributing towards the development of future technologies in Europe. Priority is given to financing fledgling companies in the start-up or growth phase and providing equity capital or financial resources similar to equity capital. For 2008, a budget of € 50 million has been earmarked for this purpose.

Information on Topell: www.topell.nl

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