

Press Release

Smethwick, Friday 7th September 2007

UK BIOFUEL CAPACITY GEARS UP WITH FCL'S PRIO SA DEAL

FCL Biofuels has joined forces with European sustainable fuel company, Prio SA, to launch the Portuguese consumer brand, PrioBio into the UK. The biodiesel will be available as of 1 November 2007, in time to help forecourt fuel retailers meet the Renewable Transport Fuel Obligation¹ (RTFO).

By the end of this year (2007), the partnership's two biodiesel refineries will have a total capacity of 200,000 tonnes which will reach 400,000 tonnes by the end of 2010. This makes FCL Biofuels one of the UK's biggest suppliers of biodiesel².

"The challenges presented by global warming are equivalent in scale and potential as another industrial revolution," says Colin Walker, managing director of FCL Biofuels. "The RTFO is the minimum our governments need to do to move us into a more sustainable future and our partnership with Martifer is another milestone in the UK achieving its target.

"We see ourselves as the ideal biofuels partner because we control the whole supply chain - from plant to pump. We plant the seed, grow it, harvest it, and refine it in one of two, specialist, European-based biodiesel refineries. We then deliver it through our in-house logistics and it's all backed up with our sales and marketing," stated Colin Walker.

Carlos Martins, CEO of the Martifer group says, "The partnership with FCL shows our clear commitment in developing the biodiesel market in the UK. The European Union has agreed that road transport fuel suppliers should ensure an increasing percentage of their sales come from renewable sources. Through its directive on biofuels, the EU has set a target of 5.75% usage by 2010. Biodiesel has major advantages: it helps reduce global warming gas emissions, it's biodegradable, non toxic and does not contain sulphur. We are convinced the commitment to reducing the environmental impact of road transportation by introducing mandatory blending in Europe is a trend that we will witness in a growing number of countries."

Notes to editors:-

1. The **Renewable Transport Fuel Obligation Programme** is a requirement on transport fuel suppliers to ensure that, by 2010, 5% of all road vehicle fuel supplied to the UK is from sustainable renewable sources.

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The transport sector is responsible for 25% of emissions and, through this initiative, the RTFO expects to reduce the carbon emissions from road transport in 2010 by about 1 million tonnes, equivalent to taking 1 million cars off the road.

It is one of the main policy instruments in the transport sector to aid the UK in meeting its international obligations under the Kyoto Protocol and the EU Biofuels Directive.

The levels of the obligation under the RTFO are expected to increase gradually – 2.565% for 2008/9 and 3.8961% for 2009/10. It is anticipated that by the time the level of the RTFO reaches 5%, it will have created a demand for 2.5 billion litres of biofuels a year (across the UK).

Information taken from:-

<http://www.dft.gov.uk/pgr/roads/environment/rtfo/aboutrtfo>

<http://www.pinsentmasons.com/media/982978789.pdf> - update April 2007

2. Producing and distributing biofuels is one of four divisions within **Martifer SPGS SA**. The other three divisions are: metallic constructions, energy systems and electricity generation.

Founded in 1990, Martifer now employs over 1800 people. The group's initial public offering in June 2007 valued the company at €800 million.

Prio SA is the biofuels division of Martifer Group which has earmarked an investment of about €320m comprising over 22 thousand hectares of land under cultivation for biofuel feedstock, two biodiesel refineries (in Romania and Portugal) and its own storage and distribution networks.

More information available from:-

<http://www.martifer.com>

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