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## **Press Release**

### **For immediate release**

**16 May 2006**

#### **Tees Valley Biofuels ready for first flush of flowers with oil seed rape crop.**

Tees Valley Biofuels, the privately owned business aiming to build a seed processing facility by the river Tees, is making good progress towards funding the investment required to start main engineering work. The facility, when complete, will process oil seed rape and turn it into products for the transport fuel and electricity generation markets. These products will help reduce carbon emissions. Work done by Northeast Biofuels suggests that transport fuels made from rape seed can reduce transport carbon emissions by up to 94%.

Having completed a tender process for the selection of main process technology some while ago now, the management team supporting the project have made a number of further substantial decisions in taking the project forward. These include the appointment of:

- Climate Change Capital as London-based investment bankers for the project.
- Dickinson Dees as legal advisors for the business.
- K Home International as main contractor for the engineering, procurement and construction work.
- Ian Waller to the board of Directors, as Managing Director designate.

With this structure in place, the project is now working on the final stages of development, in particular:

- Completing the planning application in anticipation of planning permission being granted by late summer 2006.
- Completing pre-engineering works for the plant during summer 2006.
- Recruiting the rest of the executive team to support the business plan.
- Agreeing heads of terms with customers for sales of the plant's output products: rape meal and oil.
- Pursuing supplies of oil seed rape to support the business plan.

The project aims to begin main engineering works during late summer 2006, then start construction during quarter 4 2006, with the facility being commissioned towards the end of quarter 1 2008.

The team are determined to maintain this excellent progress, and will be ready to make a planning application for the facility in the coming weeks. They are also starting to recruit the business team that will run the operation. This is expected to provide around 45 full-time permanent direct jobs in due course. Many more jobs will be secured and created in the agricultural supply chain, to provide oil seed rape to the facility.

Frances Rowe of ONE North East says "We are pleased to see such good progress being made by Tees Valley Biofuels. This kind of investment fits well with the strategic aims of ONE North East. In particular, the development of new industrial jobs, the support and development of new jobs in the rural community and set against a back drop of improving the environment by using the skills and strengths that we have in the North East of England."

"We are very positive about this project", said Chairman of Tees Valley Biofuels, John Reynolds. "We have been planning this project for some while now, but as every day goes by, we feel more positive about the benefits to our environment, Teesside and the rural community"

Nigel Williams, who heads up the Dickinson Dees team, said "we are hugely excited about our involvement in this landmark project."

Ian Waller, recently appointed to the Board as Managing Director designate adds "It is very exciting to be involved in a project that builds on the natural strengths of the region, in growing crops for industrial processing. It is even better when the project supplies product into a growing market sector that we can all feel good about."