

# Press Release

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## Press Release

### **Schmack Biogas signs framework agreement with HgCapital**

#### **Order volume of approx. EUR 130 million until 2010**

Schwandorf, December 20, 2007. Schmack Biogas AG and HgCapital, a leading private equity investor in Europe, have signed a EUR 130 million framework agreement that will run until 2010. Under the agreement, Schmack Biogas will build 12 to 15 biogas plants with a combined capacity of approximately 30 MW. The bulk of the plant construction volume is expected to be ordered in 2008 and 2009. The framework agreement also covers the development of the respective project sites. Schmack Biogas AG assumes that the site development services provided will be reflected in 2007 and 2008 sales and earnings.

Ulrich Schmack, CEO of Schmack Biogas AG: "HgCapital is an experienced investor in renewable energies and already has extensive experience with biogas technology. Against this background, the strategic partnership is all the more valuable. We are particularly pleased that Aufwind Schmack, Regensburg, will be in charge of the commercial management of the projects, as the company has already worked successfully with HgCapital in the past."

Emma Tinker, Director at HgCapital, said: "We are delighted to have expanded our existing investment commitment in biogas through our partnership with Schmack Biogas, the world's leading biogas business. We believe that biogas is the most technically efficient and economically attractive segment of the bioenergy industry and that the feeding-in of biogas into the natural gas grid is a market with huge potential. Through Aufwind Schmack we have already invested in a number of biogas plants in Germany that use Schmack Biogas's technology. In Schmack Biogas we have found a partner that combines mature technology with a compelling and innovative feedstock and service concept."



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## **HgCapital:**

HgCapital makes long-term equity investments in Western European renewable energy projects and development companies. We cover a broad spectrum of renewable energy technologies and focus on projects and companies with total investment volumes of EUR 20-EUR 500 million. We are also active buyout investors with a focus on investments in businesses with enterprise values ranging between EUR 75 and EUR 750 million. Our business model combines sector specialisation with pro-active company support as well as the corresponding management expertise across each phase of the investment process. HgCapital manages more than EUR 2.7 billion for some of the world's leading institutional and private investors. Our goal is to achieve outstanding results for our investors, management teams and intermediaries.

For more information on HgCapital please visit [www.hgcapital.com](http://www.hgcapital.com).

## **Schmack Biogas AG:**

Schmack Biogas AG is a leading German supplier of biogas plants. Established in 1995, the company provides its services through two divisions, namely Planning and Construction and Plant Management and Service, and is one of the few full-service providers in the industry. Apart from technical support, the company focuses on comprehensive microbiological service.

Through its subsidiary, Schmack Energie Holding the company now also operates its own plants and markets the biogas produced as well as the electricity and heat generated – mainly together with joint venture partners. To date, Schmack Biogas has built 204 plants with a combined nominal output of approx. 61 MW.

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