

## Schmack Announces Start-up of Europe's Largest Biomethane Plant

### Cleveland, OH, July 17, 2008

Mel Kurtz, President of Schmack BioEnergy, said "The project in Schwandorf, Germany is another example of Schmack's ability to successfully design, build, own, and operate large biogas systems. And by upgrading the biogas to biomethane, we add further value to the energy output. Gas upgrading gives us another way to produce affordable renewable energy while improving the environment of the communities in which we do business."

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- Europe's largest biomethane plant inaugurated by Bavarian Minister President Günther Beckstein
- Joint investment in carbon-neutral energy generation by Schmack Biogas and E.ON (69 billion in revenue and 88,000 employees)

### Schwandorf, July 15, 2008

Bavarian Minister President Günther Beckstein yesterday inaugurated Europe's largest and most advanced biomethane plant. Located in Schwandorf in the Upper Palatinate (Oberpfalz) region, the facility is rated for a biogas output of approximately 10 megawatts. The biogas produced by the plant is fed into the existing natural gas grid following refinement to natural gas standards. 'We need to tap into domestic energy supplies in order to lessen our dependence on energy imports. We have to work towards efficient energy supplies in order to save energy. And we are challenged to ensure the sustainability of our energy supplies in order to take the strain off the earth's climate. This is exactly what is being done here in Schwandorf,' said Bavarian Minister President Günther Beckstein at the inauguration of the new biogas plant in Schwandorf. Advances in biogas production According to the Bavarian Minister President, the construction of Europe's largest renewables-based biomethane plant impressively demonstrates the advances which can be attained in the biogas area. Built by Schmack Biogas in cooperation with E.ON Climate&Renewables and E.ON Bayern, this technologically advanced plant refines biogas to natural gas quality, which allows it to be fed into the natural gas grid. The plant processes approximately 80,000 tons of maize, grass and other catch crops per year. Using state-of-the-art equipment, this quantity is sufficient to produce approximately 16 million cubic metres of biogas, enough to supply some 5,000 households with energy. The materials come from more than 100 farms in the Schwandorf region. Compared to similarly sized biogas plants, smart use of crop sequences and catch crops cuts the required arable land by about one third, thereby alleviating the competition for arable land between food production and energy generation. Bio natural gas, i.e. biogas refined to natural gas standards, is highly versatile and can be used both to produce heat and to generate electricity. In addition, it is easy to transport and store. Biomethane makes by far the most efficient use of the input materials. Energy yields per acre are three times higher than for other types of bio-energies. Dr. Frank Mastiaux, Managing Director of E.ON Climate&Renewables, explained in his inauguration speech: 'If used in a cogeneration plant, the biomethane produced in Schwandorf could reduce greenhouse gas emissions by 65%.' Ulrich Schmack, Vice-chairman of the Management Board, believes that the Schwandorf plant marks the inception of a new era of biogas technology: 'This plant allows the most varied agricultural products to be converted into biomethane in a highly energy efficient way.' Renewable energies a new pillar in E.ON's business model E.ON Climate & Renewables pursues the

mission of building renewable energies into an important strategic pillar in E.ON's business model and has budgeted investments in renewable energies worth six billion euros by 2010 alone. Drawing on many decades of experience in the energy sector, E.ON has the right strategy for reconciling the challenges of climate change, supply security and affordability.