



PRESS RELEASE

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Arla Foods and Xergi progress with biogas project

The ambitious project to establish a new biogas plant to supply Arla's production at Videbæk, Denmark, is now entering a new phase. Arla Foods amba and Xergi A/S have agreed to continue their partnership on the project which is yet to be described in detail and obtain official approval.

Arla Foods amba and Xergi A/S have established a basis for decisions for the construction of a biogas plant which is to supply the energy-hungry processes at Danmarks Protein (DP) and Arinco with biogas instead of natural gas. The plant will be capable of reducing CO2 emissions from production.

The plant will produce 16 million cubic metres of methane from agricultural animal manures and waste products from Arla's own production. The plant will be the largest biogas plant in Denmark. It has been agreed that Xergi A/S will handle project development, construction, operation and maintenance of the new biogas plant.

Povl Krosgaard, Senior Vice President at Arla Foods, is delighted that work is progressing on the project and sees it as a natural part of Arla's development:

"The initiative should be seen as part of Arla Foods' climate strategy where our ambition is to reduce our CO2 emissions by 25% by 2020. We hope that the initiative will benefit the climate as well as farmers and investors. It is, however, a prerequisite that the right framework is in place for biogas which we are now able to clarify as we have a more precise basis for decisions. Until further notice, we see this as a very positive step on the way."

Jørgen Ballermann, Managing Director of Xergi A/S, is delighted that Xergi has been chosen as Arla Foods partner. "The project supports our strategy of being a leading supplier of biogas technology for the processing and exploitation of animal fertiliser. The project will be of a size and importance that will provide a benchmark for the industry both nationally and internationally."

Ove Kloch, Chairman of the Board of Xergi A/S, is also looking forward to the partnership which is in line with Denmark's environmental ambitions.

"We hope that, with this initiative, we will help to push developments in the biogas industry in Denmark in the right direction and contribute to the government's ambitions of using 50% of animal manures in Denmark for biogas."

It is expected that official processing and project development will take approximately two years and that the plant will be ready for biogas production by 2015.



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Xergi A/S has a UK subsidiary Xergi Ltd based in Woking, Surrey.

Xergi Ltd has build two AD plants in the UK.

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