

Biogas briefing sheet

Commitments to reduce greenhouse gas (GHG) emissions are leading to a carbon-constrained economy.

A market is emerging in carbon, providing opportunities for cost-effective management of a business' carbon assets and liabilities.

Biogas projects can reduce emissions, produce heat and electricity and provide the host with an additional stream of revenue

Background

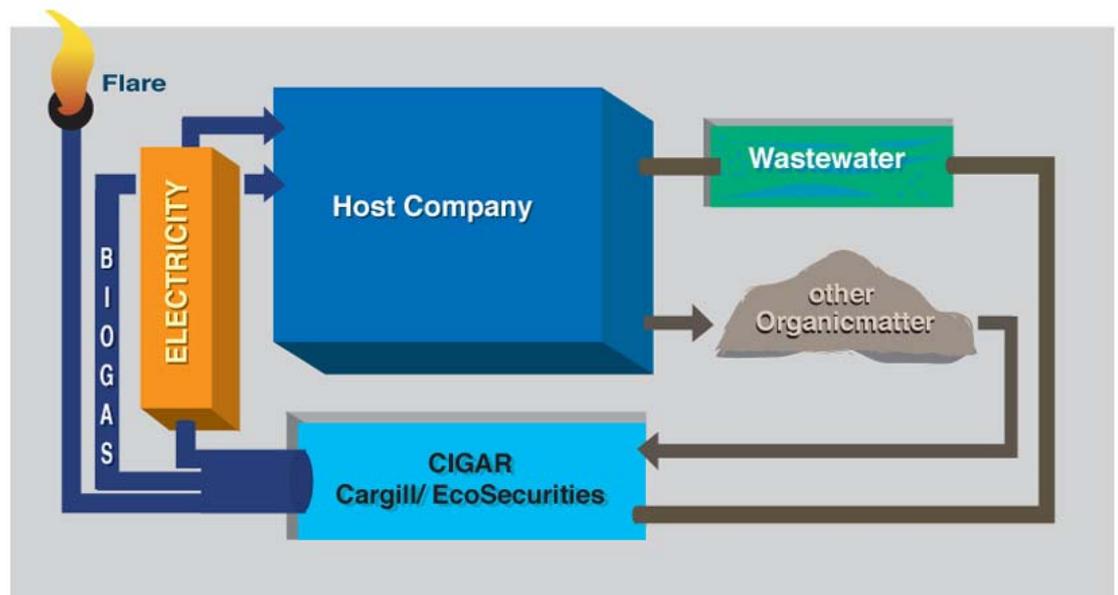
EcoSecurities Group plc (ESGP) Biogas Development Group (BDG) works with clients throughout agribusiness supply chains to develop clean and renewable energy projects from agricultural waste streams. Using a combination of in-house and external expert resources, BDG provides clients with a one stop solution to both waste management and energy needs. Working with its principal partner Cargill, a leading agribusiness trader and a direct investor in ESGP – the Biogas Development Group provides cost-effective and seamless solutions to its pool of partner organizations.

Benefits of Biogas Development

- reduces emissions of Greenhouse Gases (GHG)
- provides cleaner final wastewater emissions
- biogas can supply heat or electricity to the host and potentially to local grids – savings against current and future energy costs are guaranteed
- increased supply and greater reliability of energy

Why choose CDM/JI?

- good PR for your company: high visibility activity that positively demonstrates environmental commitment
- for companies trading into Europe or Japan, involvement in Kyoto activities can create high positive recognition among the general public and trading partners
- sharing in Certified Emission Reduction (CER) revenue from the Kyoto Protocol



BOOT Business Arrangement

For certain qualified partners, ESGP can furthermore provide a variety of turnkey development services and mixed financing options. For projects where partners are engaged in their own financing and technology implementation, ESGP offers facilities to develop, qualify, quantify and purchase Kyoto Protocol CERs from the underlying implementation, again with no risk to the seller.

Unlike the majority of project developers in the anaerobic digestion business, EcoSecurities is not connected to any particular technology. We always seek to provide the most appropriate and effective solution that matches the characteristic of the waste stream with the needs and capabilities of the underlying client, relying on a combination of global expertise with local knowledge and capabilities. Our partners include global leaders in biogas development technologies, including Waste Solutions (New Zealand), UEM (India) RCM (United States) and a variety of local project management firms which execute projects on our behalf.

Opportunities in the biogas sector

While there are no specific restrictions on any project types, from an investment perspective the BDG is principally focused on waste streams where energy extraction technologies are well characterized and where ESGP has a significant presence via a local office (see contact information below) . In practice, this means that we are principally seeking investment opportunities in animal waste, breweries and distilleries, starch and flour production and certain edible oils, such as palm. In opportunities that do not fit these parameters, BDG will work on developing the carbon credit stream directly, while potentially with our technology and other financing partners to get the project executed.

How does it work?

The process of working with ESGP is designed to be simple and does not interfere whatsoever in the underlying operations of the partner organization. Following initial contact, a member of ESGP's BDG team will contact the

relevant technicians within the organization to collect some base data on the facility. This usually occurs either through – or in conjunction with - a site visit, so that visual analysis of the asset can confirm the data flows that are claimed. Assuming that initial analysis is broadly positive, ESGP will provide the client with a formal MOU describing process timelines, further requirements and general outline of contracting terms. Upon signature, this enables full due diligence, project design and financial analysis to commence. Following this stage, BDG will make a formal proposal to the project partner to engage the potential project in a particular commercial arrangement that benefits both parties appropriately. Assuming that contracting terms can be reached, construction and operations begin as soon as feasible. All responsibilities are assumed to be that of BDG, unless alternative arrangements are made.

EcoSecurities is positioned at the forefront of carbon market development, and is a world leader in origination and development of CDM projects and trading of carbon credits.

EcoSecurities developed the first project to obtain CDM registration and was one of the first to be issued carbon credits under CDM. They are currently involved in 213 projects, spanning 26 countries using 17 technologies, and have been voted the best CDM/JI Advisory Company by Environmental Finance Magazine survey for the past five years.