

# Baltania to invest in an industrial scale torrefaction biocoal plant in Vägari, Estonia

Baltania OÜ, a 100% owned subsidiary of Dutch private equity investment firm Momentum Capital, has made a conditional investment decision to commission an industrial scale torrefaction biocoal plant in Vägari, Estonia. Value of the investment is approximately EUR 45 million. Providing, that all conditions of the investment decision are met, the construction of the biocoal plant will start in Q2 2018.

## Investment in sustainable energy

Baltania's production will focus on torrefied biocoal pellets produced from sustainable woody biomass. The biocoal pellets can be used to partially or to fully replace fossil coal in electrical power or heat generation plants as a sustainable alternative without significant additional investment in plant conversion. The energy density and grind-ability of renewable and sustainable biocoal pellets are similar to thermal steam coal and significantly higher than that of white wood pellets or wood chips. This also means that logistic costs per tonne transported are significantly lower. The main customer base will consist of utility companies in Nordic countries and Central Europe.

The biocoal plant will be commissioned on CEG's torrefaction technology [www.cegeneration.com](http://www.cegeneration.com). The biocoal pellets, based on CEG's technology, can be stored and handled using existing fossil coal infrastructure, and are strongly hydrophobic in nature. Hydrophobicity can be further improved using CEG's premium water proof pellet specification. The output capacity of the biocoal plant will be approximately 160,000 tonnes of torrefied biocoal pellets per annum.

The investment of approximately EUR 45 million will be funded by Momentum Capital together with other investors and financial institutions. European Union has approved NER300 grant of EUR 25 million for the torrefaction project. The torrefaction project will be carried out in co-operation with the Estonian Ministry of the Environment.

The biocoal plant investment will have a significantly positive impact on employment in surroundings of Vägari. The biocoal plant will offer directly at least 30 jobs in production, added with many overhead support opportunities via third party local businesses to be selected. In addition, approximately 300 jobs will be created in harvesting and logistics, and more than 200 temporary jobs are to be created during construction of the biocoal plant.

Pöyry, one of the World's leading engineering and consulting companies, has been assigned to carry out a torrefaction project feasibility study on behalf of Baltania OÜ.