

Tees Renewable Energy Plant Concludes Financing Arrangements

11 August, 2016:

MGT Teesside Limited today announces the conclusion of financing arrangements for the Tees Renewable Energy Plant (Tees REP or “the project”), a 299 MWe biomass fuelled combined heat and power project located on land within the Teesport Estate near Middlesbrough in North East England.

Project developer MGT Power announced in July 2015 that it was partnering with Macquarie Capital and Macquarie Commodities and Financial Markets (together “Macquarie”) to deliver the project. Macquarie, together with Danish pension fund PKA, will now become the joint owners of MGT Teesside, which will own and manage the Tees REP.

The project will cost approximately £650m to construct and will be built under a turn-key “engineering, procurement and construction” contract by a consortium of Tecnicas Reunidas of Spain and Samsung Construction and Trading (SCT) of South Korea. The contractor is working to include local capabilities in the project and SCT owns Darlington-based Whessoe Engineering who will continue to support the project from a local perspective.

Site preparation works will begin within weeks, with main construction works starting a few months later. Commercial operations are due to start in 2020.

At least 600 jobs will be created during construction and about 100 full time jobs sustained on site once operational plus several hundred more in the supply chain – many in the local region. Biomass discharge services will be provided by PD Ports through the port of Teesport. Teesside-based energy and process industry specialist, the px group, has been engaged to support MGT Teesside during the construction phase alongside Poyry Energy, RPS and Mace.

Ben Elsworth, CEO of MGT Teesside, said “the Tees REP project has had to overcome many hurdles in development but we have now successfully reached the next stage despite the difficult financing environment. Support from the local region and a big team effort from Macquarie and all of the different parties involved in the project were instrumental in getting there. We can’t wait to get work started on site and make this project a huge success for the Teesside region”.

Mark Dooley, Head of Infrastructure, Utilities and Renewables, Macquarie Capital Europe commented: “We are delighted that our partnership with MGT Power will enable the delivery of this important project for the economy of North-East England. Macquarie is committed to supporting UK’s move to green energy and we see Tees REP as a key component of this transition”.

David Robinson, CEO of PD Ports, said: “This is excellent news for Teesside and gives substantial impetus to the long-term economic activity in the area as well as positioning the region as a major energy hub, creating hundreds of jobs and many more in the wider supply chain. Attracting such a significant UK energy infrastructure project to Teesport further complements recent investments made by PD Ports including the decision to redevelop our Number One Quay last year.”

Cllr Dale Quigley, cabinet member for economic growth at Redcar & Cleveland Borough Council, said: “This is a massive investment into Redcar and Cleveland, and we really welcome this news which will bring high quality jobs to people in our borough. We are proud to have supported MGT



Power to help bring this project to fruition and look forward to continuing our work to help them grow and create more employment opportunities for local people."

Ian Clifford, Chief Executive Officer of px group said: "We are delighted to have been selected to operate this site and very much look forward to working with MGT. The fact that the plant is on our doorstep and increases our involvement in the renewable energy sector makes it doubly satisfying. This is the second major contract we have won in 2016 and supports our expansion and diversification programme, securing and creating jobs in the energy sector."

Notes:

About the Tees Renewable Energy Plant

The Tees REP will be fuelled by wood pellets and chips from certified sustainable forestry sources in the United States and Europe (including the UK), with regular audits to ensure compliance with strict sustainability criteria mandated by the Project's CfD. When constructed, the Project will have a significantly smaller carbon footprint than fossil fuel alternatives. It will generate enough electricity to supply approximately 600,000 households as well as heat for supply on site and for nearby users. Biomass fuel will be delivered directly to the CHP plant from ships arriving at the adjacent Tees Dock.

The CHP plant will be comprised of one "circulating fluidised bed" boiler, to be supplied by Amec Foster Wheeler and incorporating the best available flue-gas emissions abatement technology. The boiler will produce steam which will be driven by a single steam turbine generating electricity that will be exported directly to the high voltage national grid system. The Tees REP is believed to be the largest new build dedicated biomass power plant in the world.

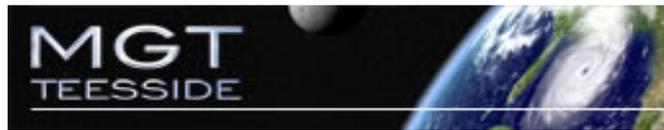
About MGT Power Limited

MGT Power is a UK independent power station developer focused on large-scale sustainable biomass projects. Its management team has experience in UK and overseas power generation projects totaling c.15 GWe. The team has a long history in biomass supply and sustainable sourcing. MGT Power's investors include Capeview Capital and Ecofrontier of South Korea.

About Macquarie Group

Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services. Founded in 1969, Macquarie operates in more than 64 office locations in 28 countries and employs more than 14,300 people. Assets under management total approximately £256 billion at 31 March, 2016.

Macquarie has been an active investor and adviser in the renewable energy and clean technology sectors for over 15 years. Drawing on its global network, sector expertise and strong record, Macquarie is supporting the transition to a lower carbon economy by servicing clients across various renewable energy technologies including solar, wind, waste to energy, geothermal, biomass and



energy efficiency. Since 2010 Macquarie and Macquarie-managed funds globally have invested or arranged £6 billion of capital into renewable projects.

About PD Ports

PD Ports is a leading UK port and logistics business based in the North-East with operations throughout the UK. PD Ports owns and operates Teesport, the UK's fifth largest port by volume and 2nd largest container port in the north. Teesport handles 36 million tonnes of cargo and 4,600 vessels each year as the UK's best connected feeder port.

About px group

The Stockton on Tees based px group operates and maintains energy and process industry facilities throughout the UK, as well as providing engineering consultancy services worldwide.

About PKA

PKA is one of the largest pension funds in Denmark with 275,000 members and more than £28bn in AuM. PKA has invested around £2bn in climate related projects, including wind farms, green bonds and the Danish Climate Investment Fund. The aim of PKA is that climate related projects will be 10% of total investments by 2020.

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