Technical and commercial progress update for CHO Power

CHO MORCENX: NOMINAL EFFICIENCY IS REACHED

Following tests during September in which the LCV (Lower Calorific Value) of the synthesis gas was increased from 2.5 to 4.2 MJ/kg, the performance tests being undertaken in October at Morcenx have **validated the power plant's operation at its nominal efficiency**. At a waste/biomass feed rate of around 4 t/h, and operating both the turbine and two motors simultaneously, the power plant produced 5 MWe of renewable electricity for the grid.

Jean-Eric Petit, Chief Executive Officer of Europlasma, announced, "I would like to congratulate the CHO Power and CHOPEX teams for the results they have achieved. The learning curve has been steep in recent months and has required sustained effort but seeing **the plant operate at its nominal efficiency is a fundamental stage in the process of definitive validation of CHO Power's innovative technology**."

As stated during the Shareholders' Meeting on 1 September, the delay in preliminary delivery of the plant which occurred last June was due in the first place to the operator's lack of experience, confronted with the absence of any comparable process anywhere in the world. **The results of October's testing prove that the process has now been mastered**

The company will now focus on increasing the plant's capacity, replacing fragile auxiliaries and undersize equipment, issues identified in June 2014 and principally of a mechanical nature. Solutions are currently being implemented, as soon as deliveries are received from suppliers, and at this stage, we are still expecting definitive delivery of CHO Morcenx in the first quarter of 2015.

October's performance testing is ongoing, in the form of endurance tests in order to (i) confirm the high quality and stability of the synthesis gas, (ii) test the mechanical improvements made to the plant in September, and (iii) carry out acceptance testing on motors.

DEPLOYMENT OF CHO POWER TECHNOLOGY

As part of the deployment of its technology, and in line with the timeline announced, CHO Power and its development partner ENRgy have formed CHO Tiper SAS and applied for planning and operating permissions for the CHO Tiper electric power plant in Thouars (Deux-Sèvres, France).

Based on the same economic and industrial model as the CHO Morcenx plant, CHO Tiper will develop an electrical capacity of 10.5 MWe and meet the electricity requirements of one in eight of the French department's residents. This project will be put forward to CHO Morcenx's finance partner, in line with the agreement signed in principle for financing future plants.

The electricity will be generated using 52,000 tonnes/year of woodchips and ordinary industrial waste (OIW) sourced from the region, thus avoiding this waste being sent to landfill, in line with the department's waste management guidelines. The project will create 30 direct and 15 indirect jobs locally, which cannot be relocated elsewhere. Construction is expected to start in late 2015.

Supported by the Poitou-Charentes region, the *Conseil Général des Deux-Sèvres* (Deux-Sèvres departmental council) and the *Communauté de Communes du Thouarsais* (Thouars community of municipalities), the Tiper business park (Innovative technologies for the production of renewable energies), created in 2005, aims to develop a new model for producing energy, making the Thouars area independent in terms of energy, in line with the French government's energy transition plan. CHO Tiper is an excellent fit with this initiative.

CONTINUATION OF COMMERCIAL DRIVE IN FRANCE AND INTERNATIONALLY

In addition to this second plant, CHO Power is continuing to drive its commercial efforts. The RWM event held in Birmingham (UK) in September confirmed the dynamism of the UK market and the interest its players have in CHO Power's technology.

Moreover, real signs of interest in the technology developed by CHO Power are being seen from French, European and international players, strengthened by the preliminary delivery of the CHO Morcenx plant in June.

Qualified commercial contacts and delegations from different areas (Vietnam, the Middle East, Canada, the United Kingdom, Turkey, etc.) have already visited the Morcenx site, the first stage in commercial discussions. Having this industrial showcase is a significant competitive advantage.

The depth of international interest was demonstrated in September with the commissioning of a study designed to confirm the suitability of CHO Power's technology for the "zero waste territory" goal of the Tobago government in the Caribbean.

About Europlasma

Europlasma is a French group specialised in clean technologies and the production of renewable energy. Founded in 1992 to apply its proprietary plasma torch technology to the destruction and recovery of hazardous waste, the Europlasma Group now comprises three divisions:

- **Europlasma** is a global player in the field of plasma torch systems and related applications;
- **Inertam** is the global expert in the disposal of asbestos waste and hazardous waste;
- **CHO Power** is supplier and operator of energy power plants through the gasification of waste and biomass.

http://www.europlasma.com [Alternext - NYSE Euronext Paris – Ticker: ALEUP – ISIN: FR0000044810]

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