



CHO POWER: FAR secured at Morcenx

- FAR (Final Acceptance with Reserves) tests completed at CHO Morcenx: all the fundamental parameters of the process are technically validated and the plant is provisionally delivered
- Stable production of renewable electricity will generate revenues
- From FAR to FA (Final Acceptance): economic and environmental optimizations of the process, last areas of improvement before lifting the reserves
- FAR to serve as catalyst for development of future projects

EUROPLASMA (ALEUP, ISIN FR0000044810) announces the successful delivery of a critical milestone, having secured the FAR of the CHO Morcenx advanced gasification plant.

Commenting on the FAR tests completion, Jean-Eric Petit, CEO, declared:

“Securing FAR at Morcenx constitutes a major milestone for the Europlasma group, concluding the validation of all the fundamental parameters of CHO Power’s pioneering technology. The installation of additional engines, combined with implementation of identified operational improvements, will optimize the process and progressively associate economic performance with power output.”

I commend the efforts and the tenacity of the CHO Power and CHOPEX teams during this difficult, often rocky, journey. We remain absolutely focused on the CHO Morcenx progress, as well as on the fine-tuning and deployment of future similar plants, which will all benefit from the unique experience and expertise gained at Morcenx.”

1. What is FAR Protocol ?

As a reminder, execution of the FAR protocol started last summer. Amongst the various tests having been performed, the plant ability to run for 15 days, delivering maximum capacity set points, and in particular the delivery of energy in the syngas corresponding to production of 10MW+ of renewable electricity – once additional engines are installed - was demonstrated.

The final test, provisionally delivering the plant, consisted in performing an endurance test during which renewable electricity (over 5MWe) was produced through both turbine and engines, a world’s first on a waste gasification plant.

2. What does it Mean for CHO Power ?

All the performance and endurance tests listed in the FAR protocol, innovative and highly demanding, have now been successfully performed. They unequivocally validate all the fundamental parameters of the CHO Power technology at commercial scale and reinforce its economic potential.

Several opportunities to fine-tune the process have been further identified, with a positive impact on its economic or environmental performance, some of which have actually already been implemented.

More importantly in the short-term, FAR will allow, in the context of the plant ramp-up, to start stable production of renewable electricity which will generate revenues for CHO Power and reduce cash consumption proportionally to power output.

3. What are the next steps ?

Remaining Engines Purchase and Ramp up

CHO Morcenx will finally reach nominal power output (10MWe+) once the additional engines are installed. Having now secured FAR, the optimization study on the engine plant configuration, performed by CHO Power will be submitted to CHO Morcenx very shortly, to place the order for the additional engines.

From FAR to FA: What does lifting of reserves mean?

Securing the FA will require CHO Power to lift the reserves, which fall into 2 categories:

- Reserves inherent to power output of the plant: announced in March 2015, these reserves are essentially related to installation and commissioning of the additional engines, a mechanical process with limited risks, as well as to the fine-tuning of certain operating parameters necessary to reach contractual availability at full load. During this period, CHOPEX will operate the plant in stable conditions, and fine-tune the operational settings to increase the power output, improve availability, and reduce costs.
- Reserves inherent to environmental performance and aesthetics: announced in December 2014, these are essentially related to retention of chemicals (glycol), handling and storage of by-products (ash and soot), and management of liquid effluents. These operational improvements are common to most process plants. As such, these reserves will also be lifted over the next few months.

Development of Future Projects

FAR also permits CHO Power to enter fully into the next stage of development for future projects, including CHO Tiper, CHO Locminé (Building Permit was granted November 26, 2015) and CHO Brocéliande.

Note: precisions (in French) regarding evolution of key milestones for delivery of the CHO Morcenx plant are available on the company's website (<http://www.europlasma.com/en/financial-information/presentations.html>).

About EUROPLASMA

At the heart of environmental issues, EUROPLASMA designs and develops innovative plasma solutions for renewable energy generation and hazardous waste recovery, as well as related applications for multi-sector companies wishing to reduce their environmental footprint.

EUROPLASMA is listed on Alternext (FR0000044810-ALEUP). For more information: www.europlasma.com

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