



## **Europolasma announces the order of the additional engines for the CHO Morcenx power plant, funded under attractive terms.**

- **The installation of additional engines will constitute the last structural modification required to deliver FA (Final Acceptance) at CHO Morcenx.**
- **These engines are funded at attractive conditions, evidencing the interest of qualified investors for the environmental solutions developed by Europolasma.**

### **1- Engines Order**

Following the success of FAR on 30 November 2015, the group has now finalized the order for additional engines, funded under attractive terms.

The installation of these engines, combined with scheduled operational and environmental improvements, will enable the CHO Morcenx plant to deliver nominal power, and thus economic performance.

These two additional engines of 2MWe each will be purposely built for syngas applications by GE Jenbacher, world leader in gas engines.

Given the manufacturing leadtime (usually about 7 months for gas engines), and the subsequent period of installation and commissioning, the ultimate power output of the plant will be reached by end-2016. This is essentially a mechanical process with limited risk, since the capacity of the plant to deliver its nominal quantity of energy has already been proven.

In the meantime, periods of stable production allowing to fine-tune operational settings (to increase availability, reduce operating costs, and diminish cash consumption) will be combined with stoppages to execute the scheduled modifications necessary to lift the reserves of environmental or aesthetic nature.

Commenting this order, Jean-Eric Petit, CEO, declares: *“The rapidly expanding synthetic gas segment clearly constitutes a growth area for Jenbacher, whom I am pleased to welcome in Morcenx as partners. The CHO Morcenx renewable energy plant will incorporate four engines, two from Caterpillar (existing) and two from GE Jenbacher (new). Partnering with the two world leaders in gas engines will enable us to benefit from their technical expertise in lean gas and from a unique return of experience, as well as to enhance our flexibility in the design and selection of equipment for the future CHO Power plants”*

### **2- Attractive Financing**

As indicated on 11 December, 2015, CHO Power is funding the purchase of these additional engines thanks to the success of a private placement amongst qualified investors.

Terms are attractive to the company and its shareholders: €5 million raised in the form of convertible bonds, at a strike price of €1.06 per share (a premium of 23% over the closing price on 10 Dec.), with a coupon of 6%. The bonds conversion can be forced by the company if the VWA Listing Price is higher than 130% of the conversion price, i.e. €1.38/share, thereby limiting the dilutive impact for all shareholders arising from a potential appreciation in value.

The additional engines will in due course be leased to CHO Morcenx, under a 5-years leasing agreement, with an interest rate in line with the market.

The above financing is a validation of Europlasma's standing in the market, demonstrating our continued ability to have access to attractive financing sources to fund its short-term cash requirements.

### 3- Other updates

#### Progress at CHO Morcenx

The plant continued to operate successfully for a week after FAR, then was stopped to execute some modifications in accordance with the planning of lifting of reserves. Production re-started early January.

#### New Projects

The progressive deployment plan of future CHO Power plants continues, particularly with respect to preliminary administrative milestones, and validates the expectations of local authorities for solutions combining renewable energy, waste elimination, and protection of the environment.

**CHO Tiper:** the new Building Permit has been granted early January. The final authorization (Arrêté Préfectoral) is still expected in Q2 2016.

**CHO Locminé:** Having already secured the building permit, another milestone was achieved with the DDAE admissibility certificate (Application for Operating Licence) received from the environmental authorities.

**CHO Le Pother:** this new SPV had been set up to develop a new project in Carhaix, Finistère (North West France). The CODOA (Feed in Tariff certificate) has been secured.

#### **Disclaimer**

*This release contains provisional information on the best estimates of the Management at the date of their publication. This information is by nature subject to risks and uncertainties which are difficult to predict and generally outside the Group's field of action. These risks include the risks listed in the Group's reference document available on its website <http://www.europlasma.com>.*

*Consequently, the future performance of the Group may differ significantly from the provisional data communicated and the Group can make no commitment to the achievement of these provisional elements.*

#### **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](http://www.europlasma.com)

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