



Moscow

September 4, 2012 г.

About Vireo Energy

Business model

- **B**uild, **O**wn and **O**perate small scale energy production
- Focus exclusively on renewable energy, especially biogas from waste streams
- Technology independent – chose optimal technology and sub-suppliers
- Build in-house when necessary

Short facts about Vireo

- Started in 2010
- > 20 employees
- Daughter companies in Poland, Russia and Belarus

Investor

- Investment AB Kinnevik, one of Sweden's oldest and largest investments groups
- Formed in 1936
- Asset base ~EUR 5 billion
- Present in Russia through e.g., Tele2, Avito.ru, Black Earth Farming, etcetera

Current holdings of Vireo Energy

Vireo in Poland

- 100 % owned daughter company started in 2010, headquarter in Warsaw
- 4 landfill gas installations in operation
 - Production of renewable energy, selling power to the grid, heat to private companies
- Project under development: traditional biogas projects i.e. from waste streams that is converted to biogas for power and heat production

Vireo in Belarus

- 100 % owned daughter company started in 2011, headquarter in Minsk
- 3 landfill gas installations to be commissioned in 2012
- Plans to increase investments in 2013

Vireo in Russia

- 100 % daughter company started in 2012, headquarter in Saint Petersburg
- Actively developing projects in Russia
- Ready to invest in renewable energy projects on a federal level

Key elements of landfill gas extraction (Vireo examples)

Open or closed landfill (Belarus)



Test pumping



Gas pipes to gas container (Vitebsk, Belarus)



Automatic well regulation



Gas engine



First object in Belarus (Orsha)



What's necessary to invest in a renewable energy project?

<u>Factor</u>	<u>Requirement</u>
1.Favorable tariff regime	Minimum level per KWh (12-15 euro ct / KWh, i.e. 5-6 rubles)
2.Right to connect to grid	Established in law, defined through technical conditions
3.Right to sell power to e.g., grid company or company	Established in the law
4.Rent of land plot	Indisputable right to use land plot for the lifespan of the project
5.Substrate agreement (if applicable) or right to gas	Predictability to purchase substrates such as manure, corn silage. Or right to produce and use gas from municipal solid waste
6.Investment agreement	Extra protection if provided by law, optional

Why did Vireo decide to invest in renewable energy in Belarus?

<u>Factor</u>	<u>Comment on Belarusian conditions</u>
1.Favorable tariff regime	13 euro ct / KWh, OK level
2.Right to connect to grid	<ul style="list-style-type: none">•Established through the Law on Renewable Energy (LRE) from 2011•Technical conditions given within a month
3.Right to sell power to grid company	<ul style="list-style-type: none">•Established in the LRE•Power sold directly to local power company e.g., Vitebsk Energo•Paid monthly within 15 days
4.Rent of land plot for power production	<ul style="list-style-type: none">•Land plots for renewable energy exempt from tax•Hassle free process to define and register land plot
5.Substrate agreement (if applicable) or right to gas	<ul style="list-style-type: none">•Right to produce and use gas freely
6.Investment agreement	<ul style="list-style-type: none">•Investment agreement signed with respective oblast•Protects investor during the duration of the project (20 years)

Vireo is ready to invest in renewable energy projects in Russia when conditions are in place

Type of investment

1.Landfill gas

Benefits other than economic ones

- Eliminates risk for fires of landfills
- Reduces unpleasant smells
- Extremely positive climate impact (1 MWe ~30 000 tons CO2 equivalent per year)

2.Traditional biogas

- Small scale, local energy with a lot higher reliability and stableness compared with e.g., wind and solar energy
- Creates energy from waste products
- Turns waste products into first class fertilizers in the anaerobic process
- Reduce waste volume

- Vireo is already present in Russia and developing its first projects
- Vireo has mobilized a Russian team of experts with extensive experience
- Vireo has an investor with experience from Russia and an appetite for renewable energy

Спасибо за внимание!



Vireo Energy AB

А/я 2094
103 13 Стокгольм
Швеция

Фредрик Карлман
Основатель и заместитель генерального директора
Директор ИООО Вирео Энерджи, Минск

fredrik.carlman@vireoenergy.se

+46 8 515 141 54

+46 76 006 85 55



ООО «ЛВС»

191186, Россия, Санкт-Петербург,
Б.Морская., дом 3-5, офис 505

Денис Давыдов
Генеральный директор

denis.davydov@vireoenergy.se

+7 812 963 30 77

+7 921 980 20 37