VERBIO WELCOMES AND SUPPORTS THE EUROPEAN COMMISSION’S PROPOSAL TO CHANGE BIOFUEL TARGETS

EC’S PROPOSAL BACKS VERBIO’S BUSINESS MODEL

Leipzig, 13 September 2012 - Claus Sauter, CEO of VERBIO, has welcomed the European Commission’s call for at least half the biofuel produced from renewable resources and making up 10pc of the fuel used in the transport sector to come from waste and residuals. Finally the sustainable production of carbon-cutting biofuels not made from crops used for food and feed is in the focus of energy transition in the transport sector of the EC.

While under the proposal, the quota would remain unchanged, until 2020 no more than 5pc of CO₂ reduction would be allowed to come from conventional (first-generation) biofuels. The other 5pc would have to stem from waste, agricultural residuals, cellulose, and algae (second-generation biofuels).

VERBIO has been the world’s largest producer of biomethane from agricultural residuals since 2010, with the resulting biofuel being available at nearly 100 natural gas service station across Germany in the meantime. The EC’s proposal hence supports VERBIO’s business strategy to limit the use of grain and vegetable oil for producing biofuel in order to further increase the share of biofuels in the transport sector. VERBIO has been suggesting for years that an increase in biodiesel and bioethanol use requires imports. However, recent scandals involving biodiesel imports from Indonesia and Argentina have shown that such imports for the most part do not comply with European sustainability requirements—which did not discourage some mineral oil companies from using them in order to meet their biofuel quotas.

Furthermore, VERBIO fully agrees with the EC’s proposal to raise the necessary CO₂ savings for all biofuels from currently 35pc to at least 50pc or 60pc for new production plants, thus rewarding the efforts of innovative biofuel producers in Germany. This will boost biofuels which are sustainable and thus have a better CO₂ balance. The EC’s current draft is completely in line with VERBIO’s call for advancing Europe’s biofuel strategy in a responsible and reliable way without challenging the role of the currently established biofuels, biodiesel and bioethanol.

VERBIO already produces biofuels which slash greenhouse gas emissions by 60–90pc. What is more, the EC’s proposal is creating the past due requirement to introduce second-generation biofuels to the market which are not produced from food and generate huge CO₂ savings. In fact, second-generation biofuels not produced from food raw materials are available today. Due to incorrect legal regulations, however, they are not in demand; also, traditional biodiesel and bioethanol are easier to handle.

Moreover, the EC’s proposal supports a sustainable European agriculture in meeting CO₂ savings targets in the transport sector by limiting the provision of agricultural residuals such...
as cereal straw, maize straw, and slurry to local value chains because this is the only way to achieve substantial CO₂ savings.

Now the EC needs to quickly adopt its proposal to allow the German government to transpose the guidelines set by Brussels into national law in a timely fashion so the reduction of CO₂ emissions in the transport sector can be accomplished more quickly, more efficiently, more sustainable and cost-effectively.

About VERBIO Vereinigte BioEnergie AG (VERBIO)
VERBIO is one of the leading independent producers and suppliers of biofuels and also the only industrial-scale producer of biodiesel, bioethanol and biomethane in Europe. Nominal capacity currently amounts to around 450,000 tons of biodiesel, 300,000 tons of bioethanol and 480 gigawatt hours of biomethane per year. In the production of its highly efficient fuels, the company uses its own energy-saving production processes and innovative technologies. The biofuels produced by VERBIO achieve CO₂ reductions of up to 90 % compared with petrol and diesel. VERBIO supplies its products directly to European mineral oil corporations, mineral oil traders, independent petrol stations, haulage companies, public utilities and vehicle fleets. VERBIO AG also markets high-quality pharma glycerine for the consumer goods and cosmetic industries (glycerine is a by-product of biodiesel production). VERBIO Vereinigte BioEnergie AG acts as the management holding company within the Group. The Group's operating business is run by its subsidiaries VERBIO Diesel Bitterfeld GmbH & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, VERBIO Ethanol Schwedt GmbH & Co. KG, VERBIO Ethanol Zörbzig GmbH & Co. KG and Märka GmbH. VERBIO shares (ISIN DE000A0JL9W6 / WKN A0JL9W) have been listed on the Prime Standard of the Frankfurt Stock Exchange since October 2006.