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## **Volvo Technology Transfer and VantagePoint invest in Swedish Black Liquor Gasification which can produce biomass based automotive fuels or electricity.**

**Volvo Technology Transfer and the US venture capital fund VantagePoint Venture Partners participate in a private placement of the Swedish company Chemrec AB**

**The company develops and commercializes technology for converting pulp mills to bio-refineries for highly efficient co-production of pulp and renewable fuels or electricity based on so called black liquor gasification.**

Chemrec's technology gasifies the biomass in so called black liquor from the pulp industry in order to produce renewable fuels or electricity while recycling pulping chemicals in the black liquor. A development plant is in operation in Piteå, Sweden and a commercial plant based on earlier-generation technology is in commercial operation in North Carolina, USA.

The energy content in the black liquor at all Swedish pulp mills could replace up to 25% of all gasoline and diesel in Sweden or produce up to five percent of all electricity consumed. Pulp mills can with Chemrec's technology produce several second-generation renewable fuels, for example methanol, synthetic diesel, DME or hydrogen.

Volvo is developing heavy truck engines for different biomass based automotive fuels. It is Volvo's venture capital company, Volvo Technology Transfer, VTT that invests in Chemrec.

- We are contributing to the launch of production of second generation fuels, stresses Anders Brännström, CEO of VTT.

The US fund VantagePoint Venture Partners situates this deal within its Clean Tech group which covers technology companies in energy, water and materials.

VantagePoint manages over 4 billion US of investment and is one of the large venture capital funds in the world.

- We have evaluated several technologies for conversion of woody biomass to green fuels or electricity and see great potential in Chemrec as its technology is both well progressed and on a scientific basis superior to the alternatives, explains Bernie Bulkin, partner in VantagePoint and previously Chief Scientist at BP.

Max Jonsson, Nykomb Synergetics, which were the previous 100 % owners of Chemrec, emphasizes the value of the new ownership structure:

- With our new base of owners, Chemrec gains the financial strength needed to accelerate the market introduction of the technology. Chemrec has always been leading in technology but now obtains the resources required to be a very strong partner to the pulp industry across the whole spectrum from technology to development of projects to implement plants.

Jonas Rudberg, Managing Director of Chemrec is pleased with the new owners who, in addition to funding, contribute global experience, significant business development and technology knowledge, and a strong commitment to bring renewable energy technology to market, and stresses the potential of the company:

- Gasification of black liquor is by far the most energy efficient use of biomass with a very high efficiency from biomass to useful energy compared to alternative processes. The process is superior to alternatives for production of second-generation fuels in terms of energy efficiency and in terms of cost of fuel production.
- The number of employees in Chemrec will treble from seven to 21 persons. The company will among others build up a new technical department with six engineers.

In addition to Chemrec's own process development in Piteå, the Swedish national research and development program continues in close partnership with industry, public bodies and universities and higher education in order to continue world-class research and strengthen the network of stakeholders around this key technology.

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