

Announcement

Amsterdam, 26 February 2016

Blackwood signs strategic partnership with Eskom

Blackwood Technology B.V. (“Blackwood”) and Eskom Holdings SOC Ltd (“Eskom”) are pleased to announce the signing of a strategic licensing agreement, which could lead to the partial substitution of fossil coal used in Eskom’s fleet of coal-fired power stations with torrefied biomass.

Torrefied biomass is a carbon neutral, high quality sustainable bio-fuel, which can be co-fired in established power stations using the existing coal processing assets. There is no need to install additional infrastructure to process biomass.

Also, the higher energy density of torrefied biomass results in a substantial reduction of logistics cost in the biomass supply chain. The many advantages of torrefied biomass over regular wood pellets make torrefied biomass a superior alternative for utilities planning to replace fossil coal with biomass. The use of torrefied biomass in coal-fired facilities contributes to the reduction of CO₂ emissions and can therefore help mitigate climate change.

Blackwood is a renewable energy company which commercializes the leading biomass torrefaction technology.

Eskom is the South African electricity public utility and the largest producer of electricity on the African continent. A majority of the electricity generated by Eskom is produced by power stations using fossil coal as fuel. As a result, Eskom has a strategic interest in increasing the portion of electricity it produces from renewable sources, one of these options being torrefaction of biomass as a “green” fuel to replace coal.

As part of the agreement, Eskom and Blackwood will start the engineering of a torrefaction demonstration plant in South Africa. The agreement also allows Eskom to design and supply Blackwood’s torrefaction technology in the SADC region.

Mr Matshela Koko, Eskom’s Group Executive Generation, commented: “We have carefully studied the benefits of torrefaction on the use of biomass as a sustainable fuel and, after an extensive assessment process, Eskom has selected Blackwood’s technology to move forward in this field. With this agreement, we are taking yet another concrete step towards the de-carbonization of electricity production in South Africa.”

Mr Maarten Herrebrugh, Blackwood’s CEO, added: “We are delighted to enter into this partnership with Eskom. Our technology is a perfect match for the requirements of Eskom and this licensing agreement should ensure that our innovative torrefaction system is successfully rolled out in the whole of SADC.”