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Order from Forest Energy on a Basic Engineering for project in Japan

Forest Energy has today placed an order worth € 550,000 for a Basic Engineering for a first WoodRoll plant in Japan for small-scale electricity generation based on biomass.

As previously announced (2 May) a strategic cooperation agreement was signed between Forest Energy (www.forestenergy.jp) and Cortus Energy to develop the Japanese market for small-scale electricity generation based on biomass. In accordance with the agreement, Forest Energy has ordered a Basic Engineering for a first installation.

Cortus Energy shall, within the framework of the Basic Engineering during the second half of 2016 supply technical documentation. The results will form the basis for an investment decision to build a WoodRoll plant of 2 MW electricity generation capacity. The facility will be using local fuels (forest based biomass) which ensures a high feed-in tariff for the generated electricity that will be feed into the Japanese power grid.

Forest Energy will in parallel with the Basic Engineering determine the final location, ensure long-term fuel supply and secure all necessary permits and structured finance. With this in place it is expected that an investment decision and an order for a complete plant could be obtained during the first half of 2017. The plant is expected to be in operation a year after such order.

This first facility for 2 MW of electricity, based on the modular 6 MW WoodRoll facility, will provide the basis for future cooperation. As previously reported, the potential for the next 5 years is up to 25 projects. The incentive system in Japan for biomass-based electricity generation is strong, probably the strongest in the world. The small-scale segment, up to 2 MW of electricity, has the strongest incentives (20-year support agreement) and is at 40 JPY / kWh (which corresponds to approx. 0.33 EUR / kWh).

"We are very pleased that our collaboration with Forest Energy developed as planned and that the first step towards realize a plant is now taken. This lays the foundation for working together with Forest Energy to further develop the huge business potential for WoodRoll on the Japanese market." says Rolf Ljunggren, CEO Cortus Energy.

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About Cortus Energy

Cortus Energy (Publ) offers cost-effective energy gas for power, industrial and automotive

applications based on its patented WoodRoll technology. WoodRoll has great feedstock flexibility, which means that the process can utilize low-grade renewable feedstock without compromising processing performance. Cortus Energy's shares are traded on Nasdaq First North (Stockholm, Sweden). Mangold Fondkommission, phone +46 8-503 01 550, is the Company's Certified Adviser.