

MEDIA RELEASE

10th Feb 2011

Renewable Heat Incentive New Tariff for Renewable Heat Announced

CNG Services welcomes the announcement today of the Renewable Heat Incentive (RHI) proposals that set out the tariff rates for a range of renewable heat technologies. The RHI offers premium payments for heat generated using renewable methods such as anaerobic digestion, heat from CHP and injection of biomethane to the gas grid (BtG).

The tariff for Biomethane injection into the gas grid has been set at 6.5p/kWh, guaranteed for 20 years. CNG Services believes that this tariff will provide an attractive option for plants sized over 300m³/hr. With the RHI in place, injecting biomethane into the gas grid will give broadly similar returns to using it to generate electricity, so producers of biomethane now have a choice between these options.

John Baldwin, MD of CNG Services said, *"We have been working on biomethane projects since 2006 and are delighted that the UK Government has introduced the RHI tariff to support this market. We will now be moving into a new office in April and recruiting new staff on the basis of this announcement which is good news for the development of the low carbon economy."*

Greg Barker commented, *"The RHI is the first of its kind in the world... The scheme will help drive around a seven-fold increase in renewable heat over the coming decade, which will help shift what currently is a fringe option, firmly into the mainstream."*

Further information can be found in the latest CNG Services Newsletter via the following link:
<http://www.cngservices.co.uk/cng-services-spring-2011-newsletter-rhi-announcement-10th-march-201/>

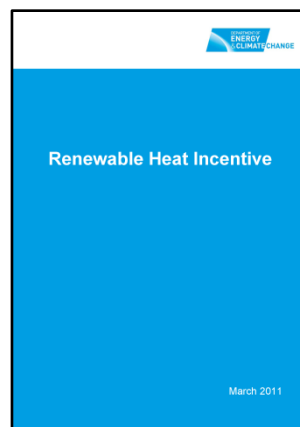
About CNG Services Ltd

CNG Services Ltd ("CSL") supports the development of new anaerobic digester projects including a range of utilisation options for the biogas:

- Use to generate electricity in "good quality" CHP
- Clean-up of biogas to produce biomethane
- Injection of bio-methane into gas distribution networks
- Compression of bio-methane for use as fuel in road vehicles
- Support to introduction of biomethane fuelled vehicles

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