

PRESS RELEASE

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## **Rottneros and RenFuel invest in renewable fuels**

**Rottneros and RenFuel have entered into an agreement regarding delivery of the forest product lignin. Lignin is used for production of Lignol, RenFuel's patented lignin oil. Lignol can be refined into renewable gasoline and diesel. During 2018, Rottneros will initiate deliveries of lignin from the company's pulp plant in Vallvik outside Söderhamn to RenFuel's test and pilot plant in Bäckhammar, Värmland County.**

RenFuel has developed a patented method of refining lignin from the wood pulp industry's renewable rest product black liquor to lignin oil under the product name Lignol. Lignol can replace fossil oil and be used in the production of renewable gasoline and diesel. By using black liquor Lignol can be produced in a larger scaled. It also allows for an increased production capacity of pulp and thus a possible increased profitability in the paper and pulp industry.

- This is an important step for Rottneros and allows us to further strengthen the Swedish bio economy. The pulp industry already is a vital part of it. While contributing to reversing climate change through participating in the transport sector's energy conversion, the extraction of lignin also gives us the opportunity to increase our own pulp production. In this way, the agreement favors all parts, says Lennart Eberleh, CEO of Rottneros.

During the spring of 2017, RenFuel has started the production of Lignol in its pilot plant in Bäckhammar, Värmland County. The pilot plant is financed by a government grant of SEK 71 million (approx. € 7,5 million) from the Swedish Energy Agency. The grant finances the development of, and testing in the pilot plant to produce Lignol from lignin, extracted from black liquor, as well as the development of RenFuels patented method of membrane filtering. RenFuel's access to lignin, which is needed to increase the production of bio oils, is secured through the cooperation with Rottneros. RenFuel will thus be able to meet the increasing demand for environmentally-friendly fuels.

- Our product, Lignol, is key to reach the Government's goal of a fossil free vehicle fleet in 2030. Cooperating with Rottneros, a company of long-standing tradition and knowledge of forestry and pulp production, is an important step forward for RenFuel. Using membrane filtering of black liquor, a highly energy-efficient and environmental process, further strengthens the Lignol's potential as a climate-friendly fuel, even with regards to the production process, says RenFuel CEO Sven Löchen.

### **About RenFuel**

*RenFuel is a Swedish bioenergy company that has patented an energy-efficient catalytic process of converting lignin from forestry rest products to the renewable lignin oil Lignol®. RenFuel is a company of scientists, coworkers, and owners with experience of industry, that*

*through deep knowledge of forestry and green chemistry aim to replace fossil fuels with sustainable gasoline and diesel.*

## **About Rottneros**

*Rottneros is an independent producer of pulp. The Rottneros Group consists of the parent company Rottneros AB, listed on NASDAQ Stockholm, with the subsidiaries Rottneros Bruk AB and Vallviks Bruk AB, active in the production and selling of pulp. Rottneros Packaging AB, a producer of fiber trays, and the raw material procurement company SIA Rottneros Baltic in Latvia, are also part of the Group. In total, the Group has about 280 employees and a turnover of SEK 1,7 billion (€ 170 m) in 2016.*

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