



Climate Change Capital Private Equity invests €10 million in Metallkraft AS, a Norwegian solar technology company

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Climate Change Capital Private Equity (“CPE”), a €200 million fund dedicated to investments in clean technology companies, has led a convertible bond issue in Metallkraft, a Norwegian company that has developed a patented process to recycle spent slurry* used in cutting solar silicon wafers.

CPE subscribed for NOK85 million (€10.3 million) of the NOK140 million (€17.0 million) total convertible bond issue alongside existing shareholders and other investors. The convertible bonds have a 12% coupon per annum and a three year term.

With plants already operational in Norway and China, Metallkraft will use the proceeds from the convertible bond issue to support its new plant in Singapore which will service the 740 MW wafer plant being commissioned by Renewable Energy Corporation (“REC”), part of the world’s largest integrated solar plant, and future expansion plans in China.

Metallkraft has developed a unique and proprietary advanced mechanical process able to recover 100% of spent slurry used in the solar silicon wafer cutting process. Metallkraft’s solution involves no added chemicals, no waste streams and has a low energy consumption.

Simon Drury, a CPE Partner, said: “In addition to the environmental benefits of its solution, Metallkraft is able to dramatically reduce the slurry costs, providing solar wafer manufacturers with a decisive competitive edge in a fast moving solar industry continuously striving to reduce the overall cost of solar energy.”

“Metallkraft is a perfect fit for CPE’s investment strategy. We firmly believe that Metallkraft’s management team is one of the best we have seen and in my experience this is the most important investment factor to get right” he added.

In relation to CPE’s investment, Simon Drury will take a seat on Metallkraft’s Board of Directors.

Metallkraft’s CEO, Gunnar Kulia, said: “The management team of Metallkraft warmly welcome CPE as a key stakeholder in our company. CPE’s due diligence process led to a positive result and our discussions during the process were detailed, professional and very constructive. I am convinced that CPE’s active participation on Metallkraft’s Board will contribute significantly to our development.”

SEB Enskilda acted as financial advisers to Metallkraft.

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PRESS RELEASE

NOTES TO EDITORS

About Climate Change Capital Ltd (www.climatechange-capital.com)

Climate Change Capital Ltd ("CCC") is an environmental investment and advisory group. Its activities aim to make the world's environment cleaner while delivering attractive financial returns. With over 120 employees in offices in London, Beijing and Washington, CCC has two distinct but complementary business groups:

- **Asset Management:** Develops and manages funds that invest in companies, projects and technologies that provide products or services facilitating climate change mitigation or adaptation. CCC manages investment funds with commitments totalling US\$1.5 billion as of December 2009 in the following asset classes: Carbon Finance, Private Equity, Property and Energy Infrastructure
- **Advisory:** Provides financial, strategic and policy advice to energy-intensive industries, financial institutions, clean technology companies and governments

CCC raises and deploys capital for numerous low carbon activities including:

- Carbon financing a variety of renewable and energy efficiency projects in China including: land fill gas, biomass, wind and hydro
- Investing in clean technology businesses in Europe
- Financing renewable energy projects and retrofitting commercial property in the UK

About Metallkraft AS (www.metalkraft.no)

Metalkraft has introduced a unique and proprietary advanced mechanical process that ensures that the spent slurry is fully recycled and that all other materials are recovered. This technology results in 100% recycling without adding any chemicals and with no waste streams. The recycled slurry retains fully its cutting abilities, at a fraction of the cost of virgin slurry.

Metalkraft is headquartered in Kristiansand, Norway. It has built its expertise on years of research and development in the area of silicon and spent slurry recycling. Its 140+ staff are highly skilled and dedicated to serving the solar industry and the environment.

Metalkraft has factories in Kristiansand, Norway and Yangzhou, China which are in full production, and a plant in Singapore which will start servicing REC ScanWafer in April 2010.

***About advanced SiC / PEG spent slurry recycling**

The silicon wafer cutting process, a crucial step in the production of silicon solar modules, requires large amounts of SiC / PEG slurry. The SiC / PEG slurry consists of abrasive silicon carbide particles (SiC) and polyethylene glycol (PEG), which becomes polluted during the wafer cutting process by silicon dust, metal particles from the saw wire and water.

The slurry used in the saw machine needs to be replaced with fresh slurry to ensure the most efficient cutting process. The used slurry (also known as spent slurry) must be recycled in the most economical, efficient and environmentally friendly way. Metallkraft's solution enables 100% of the spent slurry to be recycled without adding any chemicals and with no waste streams. The process is low on energy consumption and produces recycled slurry with the same properties for cutting silicon wafers as virgin slurry, but at a fraction of the cost.