

German Pellets proceeds with plan to double production at LA wood pellet mill to approx. 1.2 million tonnes/yr

URANIA, LA, July 23, 2015 (Press Release) - German Pellets, one of the biggest producers and providers of wood pellets in the world, completes the commissioning of the first construction phase of the American plant in Urania, Louisiana. Work on the second construction phase has now started. The financing for the capacity increase of the plant from the current capacity of 578,000 to 1,156 million tonnes per year has been raised in full. "We are delighted at the fast realization of the expansion of our second plant in the US and, hence, the increased production," says Peter H. Leibold, managing partner at German Pellets GmbH.

By internationalizing its production in the USA, the German Pellets Group is optimizing its production costs and, at the same time, making an essential contribution towards the sustainable guaranteed supply of the pellet market, against a background of the globally increasingly demand for the renewable source of energy. It is predicted that global pellet consumption is set to rise from 25 million tons in 2014 to 29 million tons by the end of this year. It is the intention of German Pellets to keep on growing in this market environment - aided by the desire of both society and politicians for climate-friendly, fixed-price energy whose supply is secure. "Pushing ahead with our internationalization strategy, including by means of the increase in capacity at the plant in Urania, is therefore a logical step," says Peter H. Leibold. Especially since the existing port complex of the German Pellets Group in Port Arthur, Texas, can be used for the production volumes. The first ship is currently being loaded with wood pellets produced in Urania, Louisiana. In 2013, German Pellets built a loading facility with a capacity of 75,000 tons of wood pellets and which can handle large ships up to Panamax size (60,000 to 70,000 tons) in the deep water port on the Gulf of Mexico.

The construction works both above and below ground for the second construction phase are ongoing. Machinery parts and plant parts are currently being manufactured. Upon completion of the plant, German Pellets will have an annual production capacity of around 17 million tons of wood pellets. These volumes will be exported to Europe.

Upon commissioning of the first construction phase, the certification of the plant in accordance with the PEFC Chain of Custody sustainability was also launched.



23 July 2015



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

Richard P. Vlosky, Ph.D.
 Director, Louisiana Forest Products Development Center
 Crosby Land & Resources Endowed Professor of Forest Sector Business Development
 Room 227, School of Renewable Natural Resources
 Louisiana State University, Baton Rouge, LA 70803
 Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
 Web Site: www.LFPDC.lsu.edu



President-Elect, Forest Products Society; President-Elect, WoodEMA i.a.

