



Welcome to the EnviroDaq newsletter focusing on the UK's growing environmental goods and services (EGS) sector.

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EnviroDaq - The Environmental Markets Index

The EnviroDaq 100 Index is the first index for UK-listed environmental technology companies. It indexes the 100 largest UK-listed companies which derive at least 60% of their turnover from environmentally-focused goods and services. These include renewable energy; energy efficiency equipment; renewable materials; waste management; water and waste water treatment; air pollution control equipment; environmental monitoring and instrumentation; and cleaner technology processes.

The EnviroDaq 100 website (www.envirodaq.com) provides detailed company information, including key financials, company background, broker recommendations and investment ratios. It includes a graphing feature which allows you to create flexible and customisable share graphs for each of the EnviroDaq component securities.

In addition to this, companies are sub-divided into the 12 official EGS sub-sectors as used by the Department for Business Enterprise and Regulatory Reform. You can access these lists as well as focused sub-sector news by clicking on the new "Industry Sectors" link on the navigation column.

To ensure the index remains balanced, we will always list the largest 100 companies as determined by their market capital. This will be reviewed on a quarterly basis when the index will undergo rebalancing. The EnviroDaq 100 index is market capitalisation-weighted and free float adjusted in line with the methodology used by the FTSE AIM Index series. More information about this methodology can be found on the "Index Info" page.

EnviroDaq stats (as from today)

EnviroDaq Index Current Value: 127.76
EnviroDaq Index Movement Today: -1.1
EnviroDaq Index Movement Last 7 Days: -3.41

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News In Brief

Investment in CleanTech up a third in 2007

Investment in clean energy worldwide rose by a third last year to US\$117 billion, boosted by widespread concerns over global warming.

Government measures to combat climate change and support clean energy sources such as wind, biofuels and solar have drawn investment funding into the sector.

Researchers New Energy Finance say that the amount of new money invested in clean energy grew to US\$117.2 billion last year, up 35 percent from US\$86.5 billion in 2006, in both investment of public and private clean energy companies and assets.

To read more click [here](#).

EU sets out new climate plans

The European Commission has set out its new plans to cut climate warming carbon emissions by one-fifth and boost energy from renewables by 2020.

The plan, which implements renewable energy and emissions-cutting targets agreed by EU leaders last month, needs approval by EU member states and the European Parliament.

However, the plans have been met with a cool reception by many activists. Friends of the Earth campaigner, Sonja Meister, said that "Reducing greenhouse gases by only 20 per cent is simply not enough. The EU must live up to the agreements made in Bali."

To read more click [here](#).

High oil prices driving biofuel demand

Next-generation biofuel technologies are being sought after by venture capitalists after oil reached U\$100 a barrel leaving energy consumers looking for cheaper alternatives.

Cellulosic ethanol, a fuel that can be made from grasses and wood pulp, holds promise, but the first trickle of that fuel into the ocean of global motor fuel is not expected for at least four years.

"I think cellulosic ethanol will come. The question is how high will the price of food crops have to go before it becomes profitable to use new materials to make new fuels," said Lester Brown, the president of the Earth Policy Institute, who had predicted last year that corn prices would spike.

To read more click [here](#).

EnviroDaq Index Updates

On January 2nd 2008, the EnviroDaq Index was rebalanced to include new additions to the Index, and to remove those whose market capital values have fallen below the threshold.

8 new companies have been admitted to the index, all apart from one are renewable energy or energy management companies. This includes Gem Biofuels and the Greenko Group, who are both working to deliver alternative energy solutions.

VPhase and the FTSE 250 company eaga have also been admitted to the index in light of their work for reducing energy consumption.

To read more click [here](#).

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EnviroDaq 100 Company News

Renesola trial Polysilicon Production

Renesola Ltd has announced that it has commenced the trial production of polysilicon by its joint venture at Henan Province, China.

The estimated output of the joint venture is 200 tonnes to 300 tonnes in 2008.

Mr. Xian Shou Li, Chief Executive Officer of ReneSola, said "The commencement of trial production by the joint venture is a key milestone achieved in our polysilicon procurement strategy. The output from the joint venture will enhance our feedstock sufficiency and help to reduce raw material costs at a time when costs remain high as a result of the industry-wide shortage of polysilicon".

To read more click [here](#).

Traction in Hybrid Bus deal

Traction Technology has won a contract with Merseytravel to supply four hybrid Optare Solo buses. Each will be powered by a Traction hybrid diesel and supercapacitor power pack and are to be delivered during 2008.

This follows extensive competitive trial evaluation by Merseytravel of an existing Traction Technology offering. In addition to this vehicle, Traction continues to gain valuable experience on active routes with its hybrid technology and is running vehicles for Epsom Coaches, Arriva North West, Arriva Southern Counties and with Ipswich Buses Limited.

Nick Brayshaw, Chairman of Traction, commented, "To win this contract in such a competitive environment stands us in very good stead for future trials in London where we will find ourselves running against the same competition and others"

To read more click [here](#).

Ceramic Fuel Cells enter Japanese market

Ceramic Fuel Cells Limited (CFCL) has signed an agreement with Paloma Industries Ltd of Japan to evaluate and develop integrated fuel cell micro-combined heat and power (m-CHP) products for the Japanese market.

Japan represents a key market for CFCL. The Japanese Government is providing strong support for fuel cells and has set targets of generating 2.2GW of power from stationary fuel cell units - equal to 2.2 million 1kW units, by 2010.

Under the agreement, CFCL and Paloma will work together to evaluate and develop a commercial m-CHP product by integrating CFCL's advanced fuel cell module with a Paloma home heating appliance. The highly efficient m-CHP product can be easily connected to existing gas and electricity networks and will provide low-carbon emission electricity and heating for Japanese homes.

To read more click [here](#).

Ceres and Energetix to both develop domestic CHP

Ceres Power has signed a major new agreement with Centrica (trading as British Gas) including a funded trialling programme and a volume forward order for residential combined heat and power products ('CHP'). In a separate deal, an Energetix Group subsidiary has signed an agreement with E.ON UK to develop and deploy Genlec's micro combined heat and power (micro-CHP) technology in UK homes.

Subject to the approval of Ceres Power shareholders, Centrica will subscribe for new shares representing 9.999% of the Company's enlarged issued share capital at a price of 300 pence per share, equivalent to a cash investment of around £20 million.

Energetix's highly efficient Genlec system would be able to power a wide range of UK homes and would also help to lower carbon emissions in the UK and could reduce user energy bills by around £150 per annum.

To read more click [here](#) and [here](#).

Prometheus begins construction of LNG plant

Prometheus Energy has begun construction on its liquid natural gas (LNG) production plant in Lisbon, Utah. Commercial production of 12,000 gallons of LNG per day is expected to begin in the second quarter of 2008. In late 2008 plant output will increase to 22,000 gallons per day.

The Lisbon site is in addition to Prometheus' projects in California, including at the Bowerman Landfill and a site in Fresno County providing Prometheus access to gas resources capable of producing around 37,000 gallons of LNG per day by year end.

Prometheus also has obtained its building permit for the 10,000 gallon per day facility at the Krupinski Coal Mine in Poland and expects to break ground on that project by the end of March or earlier as weather permits.

To read more click [here](#).

EDF wave power agreement for Renewable Energy Holdings

Renewable Energy Holdings has entered into a collaboration agreement with EDF Energies Nouvelles relating to REH's CETO wave power technology.

The agreement will permit EDF EN exclusively to develop offshore wave power projects in the Northern Hemisphere and at Reunion Island in the Indian Ocean using REH's proprietary CETO wave power technology. In addition, EDF EN has invested a total of £3.0 million in REH.

Mike Proffitt, Chief Executive Officer of REH, commented, "EDF EN's interest in the CETO wave power technology demonstrates that the CETO wave energy device has an exciting commercial future ahead and the potential to be a global success."

To read more click [here](#).

Zenergy patent for wire production process

Zenergy Power plc, the specialist manufacturer and developer of commercial applications for high-temperature superconductive (HTS) materials, has been granted a core patent in relation to the low-cost industrial manufacture of 2nd Generation HTS materials and wire in Germany.

This patent is of particular significance to the Group's long-term commercial competitiveness as it protects a unique process eliminating the use of harmful fluoride compounds during the manufacture of 2G HTS materials, which delivers not only environmental benefits to the Group's processes but also significant cost savings.

Converteam have recently enjoyed success in a project to develop an 8MW direct-drive wind power generator based on Zenergy's HTS coils and components. Once this product has been developed and deployed it is estimated that Zenergy's addressable market for its HTS components within the wind power and hydro power markets will be worth in excess of Euro2.6bn per annum.

To read more click [here](#).

LCA invest £2.5m in Classical Renaissance

Low Carbon Accelerator Limited has invested £2.5 million in Classical Renaissance Espana SL, a developer of new community-scale sustainable, mixed use villages in selected inland mountainous areas of outstanding natural beauty in Spain.

Each village is expected to combine tourism and related facilities within a mixed residential community with all of the supporting infrastructure of a small town. The footprint ratio for these rural villages will typically be only 1% of the land acquired, the remainder being designated as nature reserve to help fulfil conservation objectives and provide a rural setting for the residents.

Classical Renaissance was founded by Nigel Tuersley, who has over 30 years experience in property development and sustainability related activities. Nigel has been responsible for several major property development projects including the first major proposals for the development of the London Docklands.

To read more click [here](#).

For all the EnviroDaq company news visit www.EnviroDaq.com and view the news archive.

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Venture News

Plastics recycler lands £2m

Newcastle-based recycling group Alternative Waste Solutions has received £2m growth funding. Early-stage tech specialist E-Synergy led the round with £1.4m from its Sustainable Technology Fund. The balance came from NorthStar Equity Investors with £400k, and a private investor.

AWS was formed in 2000 to recycle plastics waste collected by other bodies. The funding goes towards a £14m expansion of the firm's bottle processing plant in Lincolnshire.

To read more click [here](#).

Envirotreast secures future

Hazardous waste specialist Envirotreast has secured £1.7m funding and a new chief executive. E-Synergy led the round with a £1m investment, while Pre-X invested £350k and Catapult Venture Managers £325k.

Based near Dudley, Envirotreast has so far supplied its proprietary soil, waste and groundwater remediation services to over 60 sites nationwide. Duncan Martin, formerly a director at Veolia Environmental Services, joins as CEO to drive the next stage of growth.

To read more click [here](#).

First round for waste water spin-out

Waste water treatment start-up Microbial Solutions Ltd has raised a £1.2m round led by Oxford Capital Partners. Existing investors H2O Venture Partners and Rainbow Seed Fund also increased their funding.

Oxford-based Microbial Solutions was spun out from the Centre for Ecology and Hydrology, part of the National Environment Research Council (NERC), in September 2007. The firm uses patent-protected bacteria to clean waste fluids from metalworking processes, so that they can be safely disposed of as sewage.

To read more click [here](#).

Funding boost for QuantaSol

Next-gen solar cell developer QuantaSol has received £320k follow-on funding from specialist investor Low Carbon Accelerator. LCA participated in the firm's £1.35m seed round in June 2007.

QuantaSol, a spin-out from Imperial College London, is developing thin-film photovoltaic cells for use in concentrating solar modules. The Surrey-based firm used its initial funding to develop prototypes of its high-efficiency gallium-arsenide cells, and will use this new investment to continue product development.

To read more click [here](#).

Venture news provided for EnviroDaq by [Clean Ventures](#).

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Company Case Study

The following case studies of companies in the EnviroDaq index were penned by the companies themselves and have not been edited by the EnviroDaq editor. We therefore accept no liability for the accuracy of the information contained within them and they should not be used as a prospectus for investment purposes.

Company: Sabien Technology

Sabien Technology is a UK company specialising in managing carbon emissions through energy reduction. Sabien targets large multi-site companies tasked by shareholders and management to reduce and manage their carbon footprint and energy consumption.

The M2G and M3G products both integrate with existing heating and air-conditioning systems. M2G is an advanced intelligent boiler control which increases the efficiency and performance of commercial boilers resulting in substantial energy reductions with no impact on heating systems or comfort levels in buildings.

Similarly, M3G uses self learning intelligence to control most types of air conditioning systems to achieve a balance between maximum cooling and efficiency and minimal energy consumption. Both M2G and M3G reduce energy consumption and carbon emissions by up to 35% with typical pay back in under 18 months.

In the UK, Sabien markets and sells direct to clients using in-house business development and marketing teams and is currently setting up several UK indirect sales channels.

A number of blue chip clients are already using Sabien's technology. These include: the Royal Bank of Scotland Group, Ford Motor Company, Bank of England, Institution of Mechanical Engineers, Investec Bank and an NHS Trust.

Sabien's strategies for Europe, North America and Asia centre solely on issuing product licences to businesses to market and sell its products in these regions and during the current period it has signed non-exclusive distribution agreements in China, Italy and the Republic of Ireland. Sabien estimates that the installed commercial boiler base in China is over 100 million and over 26 million in Italy. The UK market alone is valued at £7bn.

These markets represent significant opportunities for the Group.

Sabien listed on the Alternative Investment Market (AIM) of the London Stock Exchange in December 2006, raising gross proceeds of £3.2m at a valuation of £13m.

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EnviroDaq has been developed by the UK Centre for Economic and Environmental Development (UK CEED), a charitable foundation and a not-for-profit company. The aim is for the index to become an authoritative benchmark for performance in the environmental industries and to attract recognition for, and investment activity in the sector. Please get in touch if you wish to give feedback on our newsletter or submit relevant news or case studies. For more information on EnviroDaq visit www.envirodaq.com or contact EnviroDaq Manager - Gareth Jones (g.jones@ukceed.org; Tel: 01733 311644)

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