

For Immediate Release

December 13, 2012

Media Contact: Christine Rambo, V.P.
NLEP Communications & Corporate Affairs
(W) 318.677.2531 (C) 318.537.0703
(E-mail) crambo@nlep.org

Biomass Company Locates in Morehouse Parish

(Bastrop, LA) Congratulations to Morehouse Parish for winning a \$120-million economic development project, which will create 63 new direct jobs. Drax Biomass International Inc. executives, along with Gov. Bobby Jindal and local and state officials, announced on December 13, 2012 the company plans to build a wood pellet facility in Beekman, a community 10 miles north of Bastrop. In addition, the biomass company will build a storage-and-shipping facility at the Port of Greater Baton Rouge. Drax will ship wood pellets formed in Morehouse Parish to its U.K. energy facilities for use in generating renewable power.

"This is an exciting step for us," said Drax Biomass CEO Chuck Davis. "With Louisiana's support, we are looking forward to moving these projects through development and into construction during the first part of 2013. Drax Biomass is focused on building and operating clean, safe manufacturing facilities that will support local economies, create long-term jobs, and interface with regional forest industries."

Thanks to teamwork between Morehouse Economic Development Corp. (MEDC), Louisiana Economic Development (LED), Entergy and the northeast Louisiana legislative delegation, another 47 jobs will be created in Morehouse Parish. The community has made great strides in recovering from the shutdown of its biggest employer, International Paper, in 2008. Another 16 jobs will be created at the shipping facility in Port Allen near Baton Rouge. LED estimates the project will result in an additional 143 indirect jobs in the state. Drax Biomass also expects to generate 250 construction jobs at the peak of the year-long building phase. Hiring is projected to begin in early in 2014.

Gov. Jindal said, "The people of Bastrop and Morehouse Parish are no strangers to the challenges in dealing with the effects of the national recession. When Morehouse Parish received the news that International Paper would close its paper mill in Bastrop four years ago, we made a promise then to work with the leaders of the impacted communities to develop and execute a long-term economic recovery plan for this area. We committed to working together to get the people in this area back on their feet. We talked about making the local communities in this area stronger than before. That's why since 2008, we have made a strong commitment to aggressively pursue companies that want to invest in Northeast Louisiana and create jobs here for our people."

"Today's announcement by Drax is evidence that our work is paying off and we are attracting good companies here to create opportunities for our people. Drax could have invested in other states, but

chose Louisiana because of our strong business climate and our incomparable workforce. Drax's decision to invest here is not only good news for our economy and our workers, but also for our timber industry and this area," said Jindal.

With 169,000 acres of timberland as a renewable resource hub in Morehouse Parish, Drax also will draw on forestry products within a 50-mile radius of its wood pellet facility. The company will tap private and industrial landowners who manage sustainable forests in the region, using logs and residual forest products that will be sized and dried before being pelletized at the Drax plant. The wood pellets will be transported to the U.K. via bulk cargo ships. Historically reliant on coal to produce electricity, U.K. parent company Drax Group plc is advancing plans to transform into a predominantly biomass-fueled generator, burning sustainable biomass in place of coal.

The state began discussions with Drax in January 2012 about its plans for wood pellet facility. To secure the project, the state offered Drax a custom incentive package that will include a \$1.7 million Economic Development Loan Program commitment that will not require repayment if the company meets payroll performance obligations. Drax will receive the services of the nation's No. 1 state workforce training program, LED FastStart™, at no cost. The company also is expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption program incentives.

"It is exciting to have an international company select Morehouse Parish as a site for their North American expansion," said President Terry Matthews of the Morehouse Parish Police Jury. "The parish has a long history of welcoming industry, and this announcement confirms that we are still attractive to new development. The Morehouse Parish Police Jury is committed to do what we can to make Drax a successful addition to our community."

"We appreciate the investment that Drax Biomass is making in our parish," said CEO Kay King of the Morehouse Economic Development Corporation. "The plant will create not only jobs in our parish but sustain the forestry industry in our region. Developments of this size are always a team effort and there have been many dedicated people working at the state and local level to make this happen. It has been a pleasure for our organization to be involved in this process."

ABOUT DRAX BIOMASS INTERNATIONAL INC.

Drax Biomass is a development and operating company focused on manufacturing wood pellets for renewable, low-carbon power generation from sustainable biomass. Drax Biomass intends to employ proven, innovative practices and state-of-the-art technologies to manufacture a product that can be readily used to generate renewable energy by developing, building and operating safe and efficient wood pellet manufacturing facilities. Led by an experienced and entrepreneurial team, Drax Biomass will help support the forestry industry and its communities through economic development and manufacturing processes that use fiber from actively and sustainably managed forests. Drax Biomass is a wholly owned U.S. subsidiary of **Drax Group plc**, a major electricity generator in the United Kingdom with a commitment to producing renewable power.

ABOUT NORTH LOUISIANA ECONOMIC PARTNERSHIP

NLEP is a non-profit economic development marketing organization, promoting 14 parishes in North Louisiana as a desirable and profitable business location. The NLEP and its many partners work with both existing companies and prospective employers to encourage incremental capital investment and job creation as a way to build a strong and thriving economy.

###