

Velocys Plc

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Velocys shares rise as it unveils new strategic partnership

Velocys PLC (LON:VLS) shares advanced after it revealed it had struck a significant new partnership with gasification specialist ThermoChem Recovery International Inc (TRI).

TRI now becomes the preferred supplier of gasification systems to Velocys, as the AIM-quoted firm advances its biomass gas-to-liquids (BTL) plants.

It told investors that the strategic alliance would see a rapid deployment of an integrated biorefinery offering, combining TRI's proven gasification technology (which creates synthetic gas from biomass) with Velocys's technology, which converts synthetic gas into paraffinic hydrocarbons.

"We believe our integrated technology solution will be a proven and financeable route to cost-effective plants producing premium renewable fuels," said David Pummell, Velocys's chief executive.

A joint-development on engineering design is already underway, the company added. The design will envisage a 1,400 barrel per day BTL, using woody biomass to produce renewable diesel and jet fuels.

Before that, the partner's next steps will be to establish an integrated technology demonstration. The plan is to move the Velocys pilot plant (which is skid mounted) to a TRI facility in North Carolina.

This combined demo plant project is being supported by the US Department of Energy.

At present the partnership is based on a non-binding memorandum of understanding, though legally binding agreements are expected to be formalised in the coming months.

Pummell added: "We are excited to be working with TRI who we believe have best-in-class gasification technology."

"It represents a very significant step forward in the development of a fully integrated offer to our customers, increasing our control over delivery through world class partnerships.

"I look forward to providing further details of this deal and other strategic alliances that will support our new strategy."

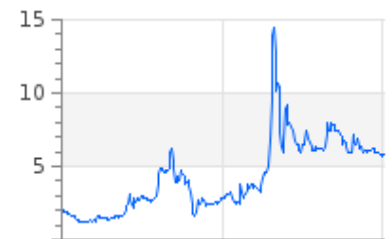
Meanwhile, TRI chief executive Dan Burciaga said: "We know that the close integration of syngas conversion technologies with TRI's gasification platform can yield superior integrated biorefineries and are convinced that the high intensity Velocys FT process will provide further enhancements."

"The TRI team looks forward to working with Velocys and its partners at an accelerated pace towards commercial renewable fuel facilities and, as part of that collaborative work, we intend to integrate the Velocys FT process into our

Price: 5.86

Market Cap: £62.34 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: VLS

Listing: AIM

52 week High Low
16.8 0.95

Sector: Energy

Website: www.velocys.com

Company Synopsis:

Velocys is a sustainable fuels technology company. Over 18 years we have developed and demonstrated proprietary Fischer-Tropsch technology that enables the production of drop-in fuels from a variety of waste materials. We are currently developing projects in the US and the UK to produce fuels that reduce greenhouse gas emissions for aviation and road transport.

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demonstration facility within the year."

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