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UPM and Andritz/Carbona team up for biomass based synthetic gas production

(UPM, Helsinki, May, 23, 2007 at 11.30) – Global forestry company UPM, international technology group Andritz and its associated company Carbona intend to co-operate on the development of the technology for biomass gasification and synthetic gas purification. Gasification technology is required for the production of synthetic gas that will feed the Fischer-Tropsch based second generation biodiesel production facility.

The companies plan to start the joint testing project of Carbona's gasification technology at the Gas Technology Institute's pilot plant located close to Chicago in the United States. Laboratory testing and modification of GTI's test plant would start in July. The institute has equipment which can be applied for synthetic gas production under conditions similar to commercial scale plants.

Estimated total costs of the piloting are EUR 5 to 10 million. Pilot testing is expected to be finished by the end of 2008. The co-operation also covers the design and supply of a commercial scale biomass gasification plants.

UPM announced in October 2006 that it will strongly increase its stake in second generation biodiesel in the next few years and prepares to become a significant producer of renewable biofuels. The main raw material used in UPM's biodiesel production will be wood based biomass. The company is already known for making efficient use of biomass in production of paper and wood products as well as in energy generation. Locating biodiesel production plants adjacent to existing UPM pulp or paper mills would further enhance the company's ability to utilise the wood raw material efficiently.

Andritz has a comprehensive product portfolio for biomass starting from wood handling equipment, dryers and pellet machines to fluid bed boilers and gasifiers for lime kilns. Recent addition of Carbona's special gasification technology enables further gasification applications to complement the product family.

For further information please contact:

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Previous press releases and additional material related to UPM and biofuels and biochemicals are available on www.upm-kymmene.com => Media Relations => Press Kits => Biofuels and Biochemicals

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Notes to the editor:

UPM is one of the world's leading forest products groups. The Group's sales in 2006 were EUR 10 billion, and it has about 28,000 employees. UPM's main products include printing papers, self-adhesive label materials and wood products. The company has production plants in 15 countries and its main market areas are Europe and North America. UPM's shares are listed on the Helsinki and New York stock exchanges. www.upm-kymmene.com

Andritz Group develops high-tech production systems and industrial process solutions for various standard and highly specialized products. The Group has approximately 10,400 employees and runs 35 production/service facilities and over 120 affiliates and distribution firms around the world. The Group focuses on five Business Areas: Pulp and Paper, Rolling Mills and Strip Processing Lines, Environment and Process, Feed and Biofuel and Hydro Power. www.andritz.com

Carbona is a privately owned technology based company started in 1996. It is specialised in the development and commercialisation of biomass gasification processes. For the time being it has offices in Finland and USA. Carbona has worked in close co-operation with Gas Technology Institute throughout its existence. Contact carbona@carbona.us or carbona@carbona.fi

Gas Technology Institute (GTI) is a non-profit research & development organization with nearly 250-person staff based in Des Plaines, Illinois. The organization performs contract research, development and demonstration projects as well as plans and manages technology development programmes for the gas industry and other energy clients. www.gastechnology.org