

Baseload Capital finances landmark geothermal heat power deal

- Enabling distributed power in Iceland
- Financing key issue in geothermal success
- Big potential for geothermal heat power worldwide

Baseload Capital Sweden AB has approved financing for the Varmaorka geothermal heat power deal in Iceland. The agreement is a landmark deal in delivering distributed geothermal heat power, thereby offering a sustainable baseload addition to Iceland's energy mix.

Financing is a key issue in geothermal heat power deals, with operators often requiring initial upfront capital to develop and build the power plants, before any cash flow from sales of electricity is generated. Baseload Capital Sweden AB was founded to do exactly this, financially enable heat power operators to develop and build the power plants. This is a necessity in the shift from a fossil fuel baseload to a sustainable, renewable baseload utilizing geothermal heat power.

Now Baseload Capital Sweden AB has decided to finance a groundbreaking geothermal heat power deal in Europe with Icelandic heat power operator Varmaorka. The operation is possible through the Climeon Heat power system's ability to generate electricity from low temperature geothermal water. The innovative system offers a possibility for extensive use of geothermal energy in most geographical areas, which is necessary for a major shift into sustainable, clean energy solutions.

Baseload Capital AB will finance the purchase of Climeon's modules and auxiliary equipment with a combination of investments and debt. The agreement with Varmaorka covers the first phase, a purchase of seven modules, while the total order is for 100 modules and valued at more than 30 million Euro.

Hermann Baldursson, **Varmaorka**

"We are very happy to welcome Baseload Capital as an investor into Varmaorka. Baseload Capital will be an important partner in order to fund our first Heat Power plant as well as an experienced partner in project finance solutions that will enable us to expand all over Iceland".

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About Baseload Capital AB

Baseload can through its investors, partners and experience support technology providers with funds for projects as well as knowhow in financial structuring and being a committed long-term partner.

About Varmaorka

Varmaorka is an Icelandic project developer that focuses on harnessing geothermal resources in areas where heat temperatures are approximately 100° C.

Varmaorka develops, finances, constructs and operates small scale geothermal facilities in Iceland. The company's first facilities, with a total capacity of 1 MW, will commence operations in 2018 and plans are underway to add up to 15 MW in phases.