

Investment totalling £15.5 million

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GCP Infrastructure Investments Ltd
30 July 2013

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(the "Company" or "GCP")

Investment totalling £15.5 million

c.19 year loan note yielding c.9.55%

The Board of Directors of GCP, the UK's only listed infrastructure fund focused primarily on investments in UK infrastructure debt, is pleased to announce that on 29 July 2013 the Master Fund completed a transaction subscribing for a loan note with a term of c.19 years and an aggregate value of £15.5 million (the "Loan Note"). The average yield on the Loan Note will be c. 9.55 per cent. per annum, payable half-yearly in arrears.

The Loan Note will be issued to the Master Fund by GCP Biomass 1 Limited and the proceeds used to provide a loan secured on a subordinated basis to part-finance the construction of a 15.8MWe wood-fuelled biomass combined heat and power plant on a ten acre site in Londonderry Port, Northern Ireland (the "Plant"). The Plant is expected to be the largest renewable energy project in Northern Ireland and will increase the amount of renewable electricity currently generated in Northern Ireland by approximately 10%. The loan from GCP Biomass 1 Ltd will be invested on a matched basis with a loan from the Green Investment Bank.

Following the commissioning of the Plant, all payments of both principal and interest in relation to the Loan Note are expected to be serviced from income arising from the Northern Ireland Renewables Obligation Certificates (that are issued by Ofgem) generated by the operation of the Plant, and from the sale of electricity.

The acquisition of the Loan Note has been financed fully from available cash reserves within the Master Fund.

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Notes to Editors

The Company

The Company is a closed-ended investment company that seeks to generate returns from senior and subordinated infrastructure debt and related and/or similar assets (the "Target Assets"). The Company achieves this by investing substantially all of its capital in GCP Infrastructure Fund Limited (the "Master Fund"), an open-ended investment company that holds the Target Assets. The Company is the majority shareholder of the Master Fund. The Company and the Master Fund are advised by Gravis Capital Partners LLP (the "Investment Adviser").

Green Investment Bank (the "GIB")

The UK Government has set up the world's first investment bank solely dedicated to greening the economy.

The initiative is part of the Government's commitment to setting the UK firmly on course towards a green and growing economy, while also delivering long-term sustainable growth.

The UK Government sees the GIB as being a key component of the progression towards a green economy, complementing other green policies to help accelerate additional capital into green infrastructure.

Its mission is to provide financial solutions to accelerate private sector investment in the green economy. Capitalised with £3 billion, the GIB role is to play a role in addressing market failures affecting green infrastructure projects in order to stimulate a step up in private investment.

The Northern Ireland Renewables Obligation

The Northern Ireland Renewables Obligation ("NIRO") is the main policy measure of the Department of Enterprise, Trade and Investment for supporting the development of renewable electricity in Northern Ireland. The NIRO was introduced on 1 April 2005. The NIRO places a legal requirement on electricity suppliers to account for a specified and increasing proportion of their electricity as having been supplied from renewable sources or to pay a buy-out fee that is proportionate to any shortfall. Suppliers provide evidence of compliance by presenting Renewables Obligation Certificates ("ROCs") which are issued to generators of renewable electricity for each unit of eligible output. The number of ROCs issued for each MWh unit varies depending on the technology involved and its generating capacity. The NIRO operates in tandem with two similar Obligations in Great Britain - the Renewables Obligation in England & Wales and the Renewables Obligation Scotland. ROCs issued in Northern Ireland under the NIRO ("NIROCs") are tradeable with those issued under the two GB Obligations ("GBROCs") in a UK-wide market for ROCs; both NIROCs and GBROCs are accepted as the necessary evidence under each of the Obligations. ROCs (both NIROCs and GBROCs) are issued by the Gas and Electricity Markets Authority, which, in the case of NIROCs, is acting on behalf of the Northern Ireland Authority for Utility Regulation. The Gas and Electricity Markets Authority carries out day to day administration of both NIROCs and GBROCs through its office (Ofgem).

It should be noted that the Consultation on the draft Electricity Reform Delivery Plan (the "Consultation"), published in July 2013 does not affect Government incentives for combined heat and power plants ("CHP"). The Consultation states that dedicated biomass plants that produce electricity only and are completed post 31st March 2017 will not be supported by Government incentives. As the Project is a CHP plant and is due for completion in 2015, neither of the above proposals is applicable to the Project.

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