

Investments totalling £7.5 million

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("GCP" or "the Company")

Investments totalling £7.5 million
c.16 year loan notes yielding c.9.1 %

GCP, the UK's only listed infrastructure fund focused primarily on investments in UK infrastructure debt, is pleased to announce that on 1 August 2013 the Master Fund completed a transaction subscribing for loan notes with a term of c.16 years and an aggregate value of £7.5 million (the **Notes**). The yield on the Notes will be c. 9.1 per cent. per annum.

The Notes will be issued by GCP Onshore Wind 1 Limited, a single purpose company, which will use the proceeds to make two loans secured on a senior-ranking basis against two single site, two turbine, 4MW wind farms to be developed in England.

All payments of both principal and interest in relation to the Notes are expected to be serviced following commissioning from income arising from the Renewables Obligation Certificates (**ROCs**) generated by the operation of the wind farm and from the sale of electricity. ROCs are issued by Ofgem.

The acquisition of the Notes has been financed fully from available cash reserves.

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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").

The Renewables Obligation

The Renewables Obligation ("RO") was introduced in the UK in 2002 and is administered by Ofgem. It was established to encourage the development of renewable energy generation by providing financial support to primarily mid- to large-scale renewable electricity generation projects in the UK. The end date for the RO of 2037 provides long-term certainty for investors and promotes the continued deployment of renewable energy projects to meet the UK's 2020 green energy target and beyond.

Under the RO, Ofgem issues ROCs to renewable electricity generators ("Renewable Generators") for every megawatt hour ("MWh") of eligible renewable electricity they generate. Policy in respect of ROCs in the UK is set by the Department for Energy and Climate Change.

UK electricity suppliers (the "Suppliers") are required to present a certain number of ROCs per MWh of electricity they supply (the "Obligation") to Ofgem at the end of each six month period. The Renewables Obligation Order (ROO) 2009 requires that the Secretary of State announces the level of the Obligation six months preceding an obligation period. Driven by the expected production of electricity from eligible renewable sources in any given period, the Obligation is floored at 8% above the expected number of ROCs to be issued (the "Headroom").

Where Suppliers do not present sufficient ROCs, they have to pay a penalty known as the buy-out price. This is set at £42.02 per ROC for the 2013/14 compliance period, and rises annually by reference to RPI. All buyout payments are redistributed to Suppliers who have presented ROCs against their obligation in proportion with the number of ROCs that each has presented.

Renewable Generators can sell ROCs either with or separately from the electricity generated thus creating a market for ROCs. The Headroom means that the value of ROCs is likely to be floored at the buyout price (unless in any given period the actual renewable energy produced exceeds expectations by more than 8%).

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