

Investment totalling £14.5 million

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GCP Infrastructure Investments Ltd
12 December 2013

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("the Company" or "GCP")

Investment totalling £14.5 million

c.17 year loan note yielding 9.1%

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 10 December 2013 the Master Fund completed a transaction subscribing for a loan note with a term of c.17 years and an aggregate value of £14.5 million (the "Loan Note"). The yield on the Loan Note will be 9.1% per annum, payable quarterly in arrears.

The Loan Note will be issued to the Master Fund by GCP Biomass 2 Limited and the proceeds used to provide a loan secured on a senior basis to part-finance the construction of a 10.3 MWe recovered wood-fuelled power plant on a two acre site in Tyseley, Birmingham (the "Plant"). The Plant is forecast to supply enough renewable energy to power 17,000 homes a year over its expected 20 year lifetime. It is expected to deliver a reduction in greenhouse gas emissions of around 2.1 million tonnes and save around 1.3 million tonnes of wood from landfill over the lifetime of the Plant. The loan from GCP Biomass 2 Ltd will be invested on a matched basis with a loan from the UK Green Investment Bank. The equity investment will be made by a consortium of Balfour Beatty Investments, Eternity Capital Management, Foresight Group managed funds and O-Gen.

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 Renewables Obligation Certificates (that are issued by Ofgem) generated by the operation of the Plant.

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").

About the Green Investment Bank (GIB)

The UK Green Investment Bank was launched in November 2012. With £3.8 billion of funding from the UK Government, it is the first bank of its kind in the world. It is a "for profit" bank, whose mission is to accelerate the UK's transition to a greener economy, and to create an enduring institution, operating independently of Government.

www.greeninvestmentbank.com

The Renewables Obligation

The Renewables Obligation ("RO") was introduced in the UK in 2002 and in Northern Ireland in 2005, 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 and NI. In April 2010, the end date of the RO was extended from

2027 to 2037 for new projects to provide long-term certainty for investors and to ensure continued deployment of renewables to meet the UK's 2020 renewables target and beyond.

Ofgem issues Renewables Obligation Certificates ("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, and in NI by the Department of Enterprise, Trade and Investment ("DETI") (as energy regulation is a devolved matter).

All Renewable Generators apply to Ofgem for accreditation that their electricity is generated from eligible renewable sources. The number of ROCs issued per MWh generated varies according to the size and type of project, but once established will not vary over the life of the project.

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 advanced conversion technology ("ACT"). 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 Plant is an ACT plant and is due for completion in 2015, neither of the above proposals is applicable to the Project.

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