



5 May 2016



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## **CANADIAN** **BIOMASS**

### **German Pellets administrator agrees to sell plants**

May 03, 2016

Written by Argus Media

May 3, 2016 - Three of wood pellet producer German Pellets' German production plants will have new owners, insolvency administrator Bettina Schmulde, partner at law firm White and Case, said.

German Pellets filed for preliminary insolvency in February, with insolvency proceedings starting on May 1st.

U.S. private equity fund Metropolitan Equity Partners (MEP) will acquire German Pellets' 256,000 t/yr Wismar plant in north Germany. Newly formed company Wismar Pellets, comprising new management and the existing on-site team, will operate the plant, White and Case said. MEP plans to "lead the Wismar plant back to its original promise and capabilities", MEP managing partner Paul Lisiak said. The plant has been operating at half its production capacity since early March.

German pulp producer JRS will take over the 128,000 t/yr Ettenheim and the 256,000 t/yr Herbrechtingen plants in south Germany. JRS plans to get the plants up and running again "despite the difficult market environment", JRS chief executive Josef Otto Rettenmaier said. The Ettenheim plant has been producing at half its output capacity since the end of March. The Herbrechtingen facility is off line.

The finalization of these transactions is subject to several conditions and no timescale was given. The businesses will continue under the direction of the insolvency administrator on an interim basis until the deals close, Schmulde said.

Schmulde is conducting negotiations for German Pellets' Torgau 150,000 t/yr plant in eastern Germany with "various interested parties", she said. The plant is off line. Negotiations concerning the sale of Belgian coal-fired power plant Langerlo, which German Pellets acquired in December, will continue with the involvement of the Belgian government, White and Case said

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