

Investor Presentation – Preliminary Results FY 2010

March 2011



The Way Forward with Organic Waste



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Highlights

- Revenue growth of 35%
- Underlying EBT loss down 14% (adjusted for negative goodwill)
- Positive net cash from operating activities £2,866k (net cash loss in 2009 of £1,934k)
- IVC Build Own Operate revenues up 80%
- Total waste processed up 99%
- Plant sales revenues up 24%
- Completion of UTS Licensing Agreement for AD technology
- Execution of first AD project with SPV project finance in place
- Successful acquisition and integration of Simpro Limited
- Successful expansion of Carleton Rode by 25%
- Site secured for first London facility (Dagenham)

The Way Forward with Organic Waste

2010 Full Year Underlying Results

	FY 2010 £'000	FY 2009 £'000	▲▼
Revenue	20,740	15,394	35%
Gross Profit	4,864	3,489	39%
Underlying EBITDA ¹	1,067	419	155%
Underlying EBIT ¹	(398)	(720)	56%
Underlying loss ¹	(479)	(713)	67%
Underlying EPS ¹	(0.74)	(1.41)	52%

¹Adjusted for negative goodwill

2010 Full Year Results

	FY 2010	FY 2009
	£'000	£'000
Underlying EBIT ¹	(398)	(720)
Negative Goodwill	15	956
EBIT	(383)	236
Net finance costs	(245)	(81)
Loss / profit before tax	(628)	155
Tax credit	164	88
Loss / profit for period	(464)	243

¹Adjusted for negative goodwill

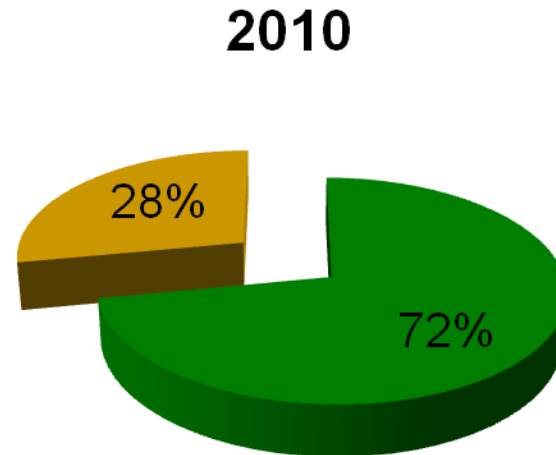
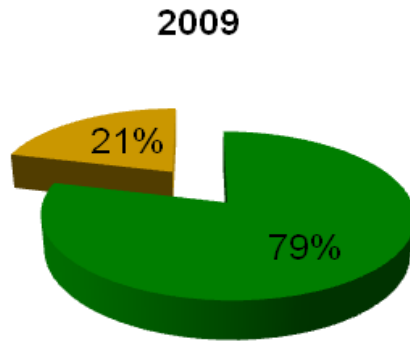
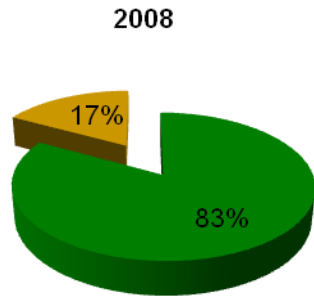
Balance Sheet

	FY 2010	FY 2009
	£'000	£'000
Non-current assets	26,688	16,670
Current assets	11,316	13,145
Cash	3,389	3,770
Current liabilities	9,735	8,507
Non-current liabilities	3,344	3,125
NET ASSETS	24,925	18,183

Cash Flow

	FY 2010	FY 2009
	£'000	£'000
Net cash from operating activities	2,866	(1,934)
Net cash used in investing activities	(8,909)	(2,610)
Net cash from financing activities	5,662	1,483
Net increase in cash	(381)	(3,061)
Cash at end of period	3,389	3,770

Revenue mix



% build own operate revenue



% third party sales & other revenue



SIMPRO acquisition

- Summary of key benefits
 - Strong financials and excellent platform for further growth opportunities
 - Immediate cashflow and profits
 - Multiple sites – six across the Midlands region with 180,000 tonnes per annum capacity
 - Scope on at least three further sites for IVC and AD developments
 - No geographic overlap – TEG had no presence in the Midlands
 - No competing technology to cause conflict with TEG
 - Sites currently only processing green waste - opportunity to upgrade to food waste, increasing average gate fees
 - Solid contract bank - >100,000 tonnes per annum contracted

- Post deal progress
 - Integration has gone very well
 - Hit performance targets for H2 2010
 - New management structure in place
 - Strategic development programme now underway
 - Note a charge was made for amortisation of intangible assets

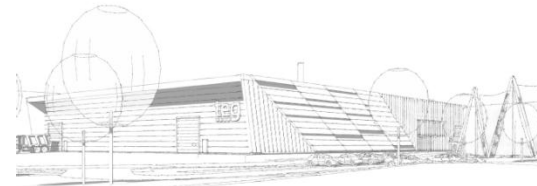
Perth AD project

- First TEG AD facility
- Summary specification
 - 16,000 tpa
 - 0.70 MW power
 - 0.25 MW heat
 - £4m facility
- Funding secured from Albion LLP
 - 50:50 JV (TEG Biogas (Perth) Limited)
 - £700k grant
 - TEG to supply plant as principal contractor
 - TEG to supply working capital loan
- Timetable
 - Contract completion 26 July 2010
 - Construction commenced 26 Sept 2010
 - Commissioning expected Q2 2011
 - Handover Q3 2011
- Heat to be supplied to Binn Eco Park
 - Sustainable agriculture
 - Commercial heat supply independent of RHI



London (Dagenham) project

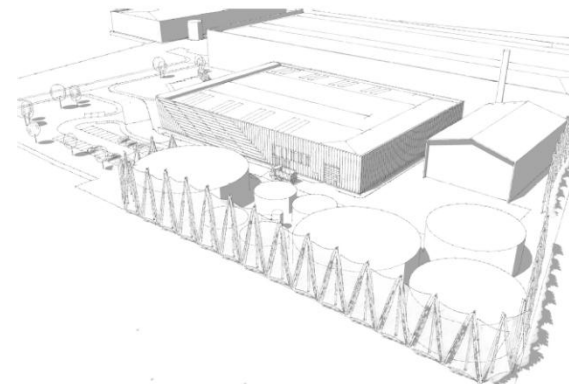
- Excellent site in Dagenham Sustainable Industries Park
- London Waste and Recycling Board (LWaRB) has offered £1.9m debt funding
- Future district heating scheme for sale of surplus heat
- First TEG facility in London, first AD plant within M25
- Summary specification
 - 50,000 tpa
 - IVC and AD technologies
 - 1.0 MW power
 - £15m facility (including 999 year leasehold)
- Timetable
 - Planning application Q1 2011
 - Planning permission and permitting Q3 2011
 - Construction commencement Q3 2011
 - Commissioning expected Q3 2012
 - Handover Q4 2012
- London market needs organic waste facilities
 - LondonWaste contract supplies >12,000 tpa
 - Private sector partner offers 5-10,000 tpa food waste
 - LWaRB forecast demand for 1.19m tonnes capacity by 2020, 1.84m tonnes by 2030



Proposed street view of facing Northeast



Proposed street view of West Elevation from highway

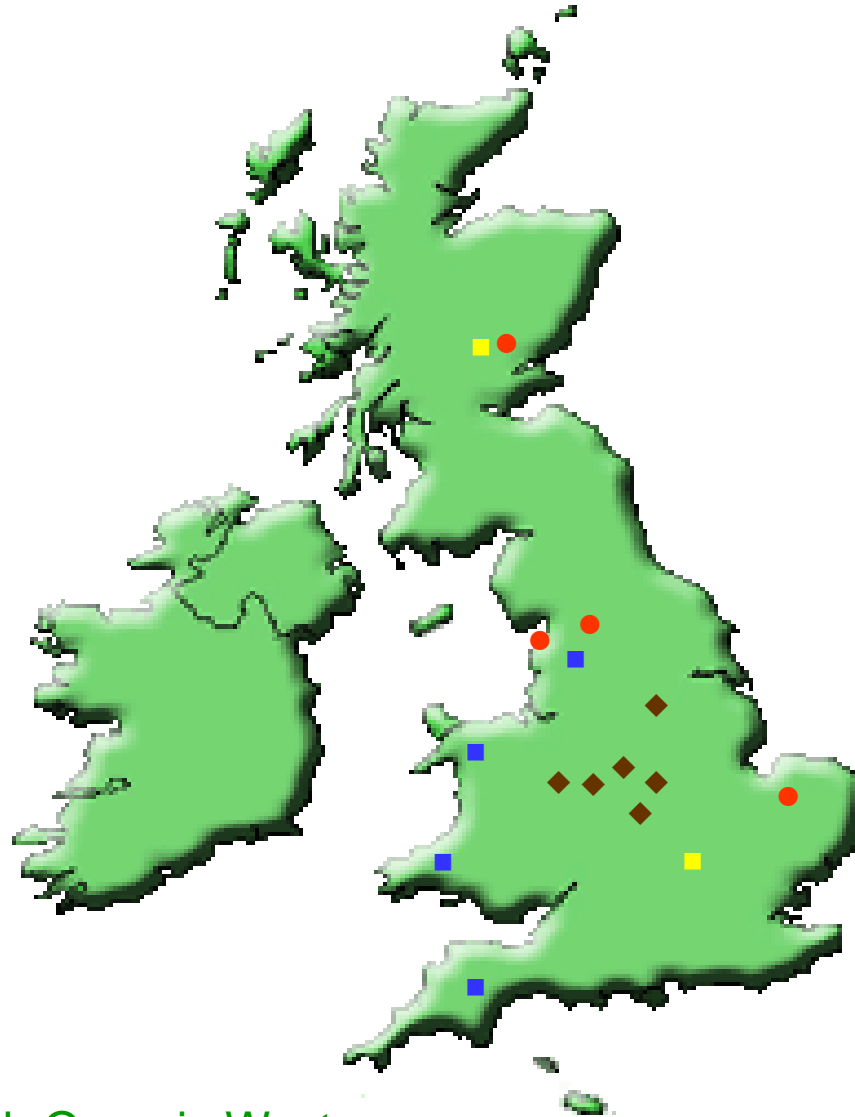


Aerial View facing East illustrating screening to tanks and bio filter

The Way Forward with Organic Waste

TEG at a glance

- TEG IVC SITES ●
- TEG GREEN WASTE SITES ◆
- TEG PLANT SALES ■
- AD SITES IN DEVELOPMENT ■



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Operational Review - Greater Manchester

- First site (Rochdale) in operation since November 2009
 - Warranty and snagging period due to be completed March 2011
- Second site (Bredbury) construction completed July 2010
 - 54,000 tpa
 - Commissioning close to completion
 - Hand over expected Q1 2011
- Third site (Trafford) construction underway
 - 50,000 tpa
 - Commissioning expected Q2 2011
 - Handover Q3 2011
- Fourth site (Bolton) order delayed owing to client site due diligence delays
 - Order expected in H1 2011
 - 50,000 tpa



Operational Review - TEG BOO Plants

A record performance from the IVC plants....

- Perth (38,000 tpa)
 - 9% increase in sales on 2009
 - Perth & Kinross and Fife contracts secured
 - Biofilter and air management system upgrade completed in Q4 2010
- Todmorden (37,000 tpa)
 - Overall sales up 33% on 2009
 - Building and biofilter upgrade completed in Q4 2010
- Carleton Rode (35,000 tpa)
 - Post acquisition upgrade to 35,000 tpa completed
 - Capacity expanded by relocating Sherdley Farm equipment
 - Sales overall for 2010 met expectations
 - Plant performance exceeding expectations
- Sherdley
 - Site operations discontinued by the end of 2010
 - R&D activities to be transferred to site



The Way Forward with Organic Waste

Market Background – Key Points

- Landfill tax increases confirmed by new Government
 - Rising £8 per tonne per annum to 2013
 - Likely to rise further – “floor not ceiling”
 - Landfill tax now £48 per tonne
 - Landfill prices now around £70 per tonne
- Government Comprehensive Spending Review has had some impact
 - Some roll-outs of new collection services delayed
 - Shift in procurement policy to outsourced contracts and private capital investment
- Landfill Allowance Trading Scheme (“LATS”) in place
 - Recycling and composting targets grow annually
 - Tonnage and revenues into landfill now falling
 - Welsh Assembly Government and Scottish Executive consulting on possible ban of organic waste to landfill
- Energy recovery momentum continues
 - ROCS and Feed-In Tariffs established...though Government to review FITs again
 - RHIs still under review
 - Government is placing emphasis on AD as a renewable energy option
 - Measures intended to promote “huge” growth in sector
- Regulatory environment favouring in vessel systems and PAS100 operations
 - EA has made policy statement against low grade green waste disposal
 - “On farm” facilities to be subject to permitting for the first time
 - EA statement confirms higher level of enforcement of current sites
 - Non PAS100 products no longer accepted for LATS

Update on Projects

- >20 major projects in pipeline – from pre-qualification through to submitted tender
- Local Authority activity levels are very high
- Energy projects (AD) key part of TEG portfolio
- Significantly improved opportunities for debt and project finance for new projects
- Acquisition opportunities provide potential for step-change in growth

Summary of capital (BOO) projects

Name	Type	Estimated construction start	Estimated operation
Announced projects			
London Dagenham	IVC/AD	Q3 2011	Q3 2012
Stormydown	IVC/AD	Q3 2011	Q3 2012
Perth AD	AD	Sept 2010	Q2 2011
High priority – medium term			
Local Authority projects (3)	IVC/AD	2011/2012	2011/2014
Further BOOs (5)	IVC/AD	2011/2012	2011/2014
High priority – longer term			
Local Authority projects & BOOs (4)	IVC/AD	2011	2015

Summary of plant and technology sales pipeline

Name	Type	Estimated construction start	Estimated operation
Trafford	IVC	Apr 2010	June 2011
Taywell	IVC	Q3 2011	Q4 2011
Perth AD	AD	Sept 2010	Q2 2011
Bolton	IVC	Q3 2011	Q3 2012
IVC sales bids (6)	IVC	2011/2013	2012/2015
AD sales bids (5)	AD	2011/2013	2012/2015

Strategy

TEG has established itself as a leader in its market

- Strong growth for five years has provided a solid platform
- Now focusing on the next phase of development of the business.....

Aim is for continued growth through

1. Build Own and Operate projects (BOOs)

- Strategy to increase proportion of long term recurring revenues
- In-line with market procurement policy

2. 3rd party plant sales

- Provide large revenues and profits
- Service market preferring to make capital investments (including PFI market)

3. IVC and AD technologies

- TEG capability to offer both technologies provides competitive advantage
- AD provides opportunity for enhanced recurring revenues through power sales

4. Opportunistic acquisition

- Success of the BCL and Simpro acquisitions demonstrate the opportunities in the market
- Strict criteria to ensure synergy and strong financial benefits

Strategy (2)

While ensuring consolidation and efficient performance of established business

- Turning turnover into profit
- Increasing the proportion of long term contracts

And securing robust finance streams

- Delivering the capital finance to secure expansion of BOOs
- Meeting the demands of the market and drive for private sector finance
- Exploiting TEG's established presence and track record

Key sectors remain

Local Authorities and major waste management companies – private sector adds opportunities on top

- Long Term supply agreements lock in cashflows
- Enhances ability to secure debt and project finance
- Particular focus on Wales, the Midlands and London/South East

Summary

- Another successful year of growth and development with positive trading cash flow
- Record plant performance from TEG IVCs
- Successful Simpro acquisition and integration brought immediate profit and further growth potential
- First AD project secured with project finance in place and in construction
- Market continues to grow and bring strong opportunities for AD and IVC
- TEG is better positioned than ever to take advantage of the market opportunities
- Drive now towards sustained profit, increasing proportion of long term contracts and further BOOs