

Albion Ventures

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Albion Ventures Makes First Hydro Investment

Albion Ventures has invested £1.3 million in partnership with Welsh based developer, Dragon Hydro Limited, to fund the development of a single 300kW hydropower scheme on the Afon Cadair river in the county of Gwynedd in Wales.

The site in Wales will benefit from the Feed-in-Tariff regime and is expecting to generate its first electricity in Q3 2013. The installation is forecast to generate an average 1,300MWh of electricity per year, enough to power up to 300 households.

This investment is Albion's seventh investment into renewable energy and continues Albion's strategy of expanding into this sector. Dragon Hydro will provide funds managed by Albion with an attractive long-term yield as well as the potential for capital growth.

Michael Kaplan, Partner at Albion Ventures, said: "We are extremely pleased to make our first hydro investment with Dragon Hydro as we continue to diversify our holdings across a range of renewable energy technologies. The Company demonstrates a very high standard of engineering excellence and commitment, having spent a considerable effort on planning and obtaining all required consents.

"This investment highlights Albion's continued commitment to the renewables sector. The investment will provide attractive long-term returns for our shareholders. Hydropower is the oldest renewable technology and we are very pleased that the government continues to support small-scale hydro through Feed-in-Tariffs."

Jonathan Bensted, Director at Dragon Hydro Limited, said: "Dragon Hydro welcomes Albion as a valued investor and business adviser. With its solid background and track record in supporting businesses in the renewables sector, we are pleased to be working with them. The investment will support the Company's continued growth."

Gary Markham, partner in Cader Idris Farms and Estate who own the land said: "This project fits well with our existing organic farming business; hydro power being a natural low impact activity in this fragile landscape. We are delighted to have both Albion and Dragon Hydro to develop the project, both have demonstrated considerable professionalism whilst being sympathetic to local farming businesses"

MorbenHydro, a specialised hydro engineering firm is acting as consultant to the project.

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About Albion Ventures

Albion Ventures LLP is a venture capital investor, specialising in VCTs with around £230 million under management. The business of Albion Ventures was formerly known as Close Ventures and was acquired by its management in early 2009 from Close Brothers Group plc. In the fifteen years since the first fund was launched a dividend has been paid by each fund every year, totalling some £103 million, more than any other VCT manager.

Albion Ventures looks to invest £1-10m in a wide range of growing businesses, from technology-oriented companies to asset-based businesses. Albion Ventures is authorised and regulated by the Financial Services Authority.

About Dragon Hydro Limited

Dragon Hydro Limited is a small independently owned engineering company, specialising in the development, financing, construction and operation of hydro power generated plants. Dragon Hydro is headquartered in Bedford.

Dragon Hydro is backed by Albion Ventures – one of the largest independent venture capital investors in the UK, with a successful track record in the environmental sector. Information about Dragon Hydro Limited can be found at <http://dragonhydro.com>