

INVESTORS SUPPORT BREAKTHROUGH RECYCLING TECHNOLOGY

November 8th 2006: Enval Limited (Enval), has obtained backing from a syndicate of investors to scale up applications of its patented waste processing technology. The technology extracts commercially usable aluminium, oil and gas from laminated packaging waste, such as drink cartons (e.g. Tetra Pak) and toothpaste tubes, allowing the waste to be completely recycled in an economically viable way.

Following results from Enval's prototype demonstration unit, Tetra Pak and several other companies and government agencies have already expressed their interest, and wish to support the development of the technology and gain early access to its industrial applications. As well as laminated packaging, Enval also plans in the future to develop solutions for many other types of wastes.

"We are delighted to support a very promising technology that if successful on a large scale will substantially increase recycling in the UK" said Richard Hands, Environment Manager for Tetra Pak UK & Ireland.

The average European generates around 500kg of waste personally each year, and landfill is becoming increasingly expensive. Even though laminated packaging represents a fraction of this, the amounts are still substantial due to the overall advantages comparing to other kinds of packaging. The EU-25 produces more than 1 million tonnes of drink cartons per year. Of this, already approximately 30% is collected post-consumer and taken to paper mills to be partially recycled as the paper is recovered as fibres. However, the valuable aluminium contained in most of the residue from this recycling process is often lost, as most residuals are only recovered as energy or otherwise sent to landfill sites.

Formed in 2005, Enval was initially the PhD project of Dr. Carlos Ludlow-Palafox who has been working on the idea for over eight years alongside his supervisor, Professor Howard Chase, Professor of Biochemical and Environmental Engineering and former Head of Department of Chemical Engineering, at the University of Cambridge.

Carlos Ludlow-Palafox, Co-Founder and CTO of Enval, said: "The opportunity for Enval is immense. Drink cartons collection and partial recycling has been increasing at a rate of 12% per year since 1992, but there is tremendous room for growth if we can recover value from the residue of the paper recycling process, in a manner that is not only environmentally friendly but that also brings large economical advantages. We are confident that Enval's success will result in many more tonnes of drink cartons being collected for recycling and that is why we are expanding our network of industry partners; we will capture the value in what business and households currently discard."

The syndicate of investors, led by CREATE Partners, was formed when Enval won both the 50k and 3P Cambridge University Entrepreneurs (CUE) Business Plan Competition in 2005. The syndicate has made an initial seed investment of £200,000 with a view to investing further amounts over the next three years. This investment will allow Enval to build a first-class execution team, to develop a pilot plant for industrial demonstration over the next 6 to 9 months and to secure initial contracts with industry partners around the world.

Boyd Mulvey, Chief Executive of CREATE, said: "Enval is a ground-breaking opportunity. The new process offers industry a simple and cost-effective solution to solving a serious environmental problem. Enval has a robust, patented technology, and, now with venture capital and angel investor backing, the company has the financial resources to deliver that solution. CREATE has worked successfully with GEIF Ventures, Cambridge Angels, Cambridge Capital Group and The University of Cambridge Challenge Fund to provide the investment into this compelling business plan."

Carlos Ludlow-Palafox said: "We are very pleased that our investors have made this commitment to Enval. It allows us to accelerate our business plan and realise our goal of helping to tackle the mountain of rubbish created by consumer packaging. Starting from the CUE business plan competition, the investment process has been a positive experience for us and it has strengthened the company's commercial potential. Enval and its investors worked hard together and we have developed a great partnership."

Robert Sansom from Cambridge Angels commented: "We're excited to be investing in a company that won the CUE Business Plan competition. We believe that Enval's environmental contribution by enabling aluminium recycling from waste packaging has great potential."

Notes to editors:

1. Enval Ltd. was founded in 2005 by Prof. Howard Chase, Dr. Carlos Ludlow-Palafox and Dr. Alexander Domin. For more information please contact Dr. Ludlow-Palafox at carlos.ludlow@enval.com
2. The investment round was led by CREATE Partners Limited which was advised by Mills & Reeve.

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CREATE Partners Limited (www.createpartners.com)

CREATE Partners Limited is a fund management company that is focused on providing value beyond capital. CREATE addresses the early stage funding gap between angels and mainstream venture capitalists and invests in companies focusing on emerging business opportunities that seek early international expansion. The team has significant experience in dealing with medium sized companies, including strategic reviews, flotations, fund raisings, MBOs, mergers and acquisitions.

Since its establishment in 2000, CREATE has built a reputation for successfully implementing an innovative investment approach to meet the needs of investors seeking international diversification in specialist private equity funds. In recognition for its high quality focus on early stage investments, CREATE was awarded 'Equity Gap Fund of the Year' in September 2006 by a panel comprising leading UK venture capital and private equity investors.

CREATE Partners Limited manages The Create East of England Fund, a £20m venture capital fund that has since 2003 made 25 investments across various sectors ranging from seed capital to MBO.

CREATE Partners Limited is authorised and regulated by the Financial Services Authority. CREATE is a member of the BVCA.

GEIF Ventures Early Growth Fund (www.geifventures.co.uk)

GEIF Ventures is a £5 million fund established in early 2003 to co-invest with GEIF and other business angels into promising seed and early stage businesses. GEIFV is able to invest up to £500,000 per company (up to £100,000 in the first round) and to-date has invested c.a. £3.5m into 21 seed and early stage companies. The fund is managed by NW Brown Group Ltd.

Cambridge Angels (www.cambridgeangels.net)

The Cambridge Angels is a group of high-net worth investors who have proven experience as successful entrepreneurs in technology and bio-technology. Members invest in and mentor high-quality technology and bio-technology companies mostly in the Cambridge (UK) area.

Cambridge Angels usually invest in technology and bio-technology start-up and early stage companies that have funding requirements in the range of £50,000 to £500,000. Members of Cambridge Angels have been responsible for a large number of the Cambridge phenomenon success stories over recent years. Therefore, in addition to a financial investment, the members of Cambridge Angels can offer companies the benefit of a wide range of expertise and experience in establishing and growing businesses successfully.

Cambridge Capital Group (www.cambridgecapitalgroup.co.uk)

Cambridge Capital Group offers development funding for early stage technology based companies, primarily in Cambridge, the pre-eminent technology cluster in the UK. We are a private equity syndicate of angel investors and have been active since 2000, although the founders have been successful private investors in technology start-ups for the last 10 years. In the late 1990's the founders of Cambridge Capital Group backed Bookham Technology and nCipher in early funding rounds, both of which floated very successfully on the London Stock Exchange in 2000.

Membership of Cambridge Capital Group is by invitation, and there is a top limit of 40 active members. The group now has a full membership; new applicants must be recommended by members. The group makes several investments each year. CCG is sponsored by Merrill Lynch Private Client Group, Taylor Vinters and Grant Thornton.

Mills & Reeve (www.mills-reeve.com)

Mills & Reeve is a national law firm with 78 partners and a total staff of over 700, operating from offices in Birmingham, Cambridge, London and Norwich. Mills & Reeve is listed in The Sunday Times Top 100 Best Companies to work for and has also been recognised as one of the country's top employers by the Corporate Research Foundation.

Mills & Reeve's corporate services group has 28 partners and a total of 110 lawyers. The group includes specialists in tax, intellectual property, employment and pensions, providing clients with a full range of services. The specialist corporate finance team acts for all types of commercial clients including small to medium sized enterprises, PLCs, entrepreneurs, banks, venture capitalists, angel funders and public institutions. They are experienced in acting on innovative and complex transactions in the UK and globally.

University of Cambridge £50K Business Creation Competition

The £50K Business Creation Competition was set up in 2000 by Cambridge University Entrepreneurs a student run society whose aim is to support and promote the creation of real businesses from within the University of Cambridge. The competition sees students' company plans assessed on the viability of their idea, the ability to construct a well-rounded business plan and the formal presentation of the plan. In 2005 the format of the competition was changed. Instead of receiving £50,000 in prize money, the winners were given the opportunity to bid for funding from a panel of business angels.
