

Oil companies follow Shell's renewables lead

SUNDAY, 16 JANUARY 2011 19:09 HIEWENERGYWORLDNETWORK.COM

London. Two key biofuel deals laid down the carpet for the string of acquisitions, with Shell and Cargill co-investing \$46.4m in US-based alternative fuel developer Virent. The Shell and Cosan tie-up raised its head again last week for securing European Union clearance. Virent also secured a \$900,000 government grant for Israeli and US government investment foundation BIRD to demonstrate the viability of drop-in biofuels.

Oil and gas producer EGPI Firecreek and Valero today announced their respective renewable energy investments, with Valero inking a non-binding \$50m investment into a Mascoma commercial wood-based biofuel project.

The Valero deal will see the gas station operator, which already owns ten ethanol plants, broaden its biofuel offerings to encompass non-food cellulose biofuel at the pump.

The EGPI Firecreek meanwhile entered into a more secure binding deal to acquire Missouri-based solar thermal systems supplier and integrator business Arctic Solar Engineering.

'The trend of oil companies investing in younger biofuel companies is a rising trend that we may see being imitated elsewhere,' said BIRD Foundation executive director Dr Eitan Yudilevich.

'We saw this when BIRD portfolio biofuel developer Virent recently raised a large amount of money from Shell. The Chinese markets may also affect the clean energy industry in Israel in 2011, as Chinese companies are often an opener to investments.'

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