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Joint press release from St1 and SCA

St1 and SCA form partnership to produce renewable fuels

The energy company St1 and the forest products company SCA have formed a partnership to develop large-scale production of renewable fuels from tall oil. The planned production site will be St1's refinery in Gothenburg

The aim of the partnership is to construct a new facility to produce advanced renewable fuels from tall oil with a capacity of 100 000 tonnes per annum. Construction of the new facility, subject to permission process and final approval from both companies, is expected to cost around 500 MSEK to build and is planned to be operational in 2021. Tall oil is a residual product from the production of kraft pulp in SCA's mills Östrand, Obbola and Munksund. SCA is presently expanding its kraft pulp mill Östrand and as a result the production of tall oil from the mill will increase by more than 100 per cent.

Between the two partners, the parties constitute the full value-chain from the raw material to the refining process, distribution and sale of the renewable fuel to the customers.

"Partnership with SCA is a key element in implementation of our renewable fuels investment program and it secures supply of raw materials to meet the ambitious Nordic climate targets for 2030," says Mika Anttonen, Chairman of the Board of St1. "SCA works with a number of interesting development projects in renewable energy, and we see interesting opportunities to further develop the cooperation."

"When we start working on more refined energy products, partnership with a company that knows the processes and the market, is very valuable," says Ulf Larsson, President and CEO of SCA. "St1 is a company with the ambition to work with us in the change towards renewable fuels."

For further information, please contact

Björn Lyngfelt, SVP Communications SCA, tel. +46 60 19 34 98

Mikael Källgren, President Renewable Energy SCA, tel. +46 60 19 33 17

Bo-Erik Svensson, CEO St1 Refinery, tel. +46 31 744 6250, bo-erik.svensson@st1.se

St1 Nordic Oy is a Nordic energy group whose vision is to be the leading producer and seller of CO2-aware energy. The Group researches and develops economically viable, environmentally sustainable energy solutions. St1 focuses on fuels marketing activities, oil refining and renewable energy solutions such as waste-based advanced ethanol fuels and industrial wind power. The Group has 1400 St1 and Shell branded retail stations in Finland, Sweden and Norway. Headquartered in Helsinki, St1 employs currently more than 750 people.
www.st1.eu

The core of **SCA's** business is the forest, 2.6 million hectares in northern Sweden. Around this unique resource, we have built a well-developed value chain based on renewable raw material from our own and others' forests. We offer paper for packaging and print, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions.

2017 the forest products company Svenska Cellulosa Aktiebolaget SCA (publ) had approximately 4,000 employees and sales amounted to approximately SEK 16.7 bn (EUR 1,6 bn). SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. More information at www.sca.com.