

FAIR WINDS BLOWING FOR URRAS ENERGY SHAREHOLDERS

Urras Energy Society has announced that its shareholders will receive a market-leading 4% interest for their investments for the first year. Interest will be reviewed each year and scope remains for higher returns in future years for the 167 members.

The new Board of Directors, who were appointed at the Annual General Meeting last November, met on 19th April to consider the interest rate for investors and discuss a range of set-up issues. Directors received an update on the installation and commissioning of the two new turbines at Baile an Truiseil plus a summary of production over the winter. Performance reached 94% of the forecast over the six months to March which was considered a satisfactory outcome for the initial period.

Carola Bell, Chair of Urras Energy Society commented "It was hugely encouraging to see the new Board of Directors come together for the first time and engage so wholeheartedly with the project. We were so pleased to be in a position to consider the first interest payment to the shareholders after only six months of the new turbines being in operation. We are delighted with the progress made since the launch of the share offer and with the support of our shareholders and our partner organisations, Galson Energy and Urras Oighreachd Ghabhsainn. It's very rewarding to see Urras Energy Society delivering so effectively on its original promise to offer a competitive return on investments that are both green and ethical."

Directors also heard that the financing of the new turbines had been concluded on very satisfactory terms with significant savings on capital expenditure and competitive loan interest rates achieved by the subsidiary company, Galson Energy, from Triodos Bank. On operational issues, the main challenge for Galson Energy continues to be the scale of planned maintenance by Scottish and Southern Energy on the electricity grid each year as the community wind turbines currently are unable to export electricity during these periods.

An update was also provided to directors on the strategic planning being undertaken by Urras Oighreachd Ghabhsainn across the Galson Estate to guide the distribution of wind energy incomes. A number of strategy workshops have been held with members of the community and the early indications are that tourism developments, elderly care provision and crofting/land use are the priorities for development.

A small pilot Community Investment Fund offering up to £1,000 is already in operation within the Galson Estate and, to date, Urras Oighreachd Ghabhsainn has grant supported 16 community projects. With the imminent release of wind income to the organisation, higher levels of intervention will be rolled out after completion of the strategic planning exercise currently underway.

Urras Energy directors plan to meet again in the autumn to review progress and plan ahead for the second AGM which is now earmarked for March 2017.

Ends

Background Notes :

- *Urras Energy Society is the trading name of Sminig Energy Society Ltd. (registered with the Financial Conduct Authority reg. no. 7020) which raised £705,800 during October 2014 to February 2015 from 167 investors, equating to an average investment of £4,226*
- *Galson Energy Ltd. owns and operates the wind turbines and it is now a wholly owned subsidiary of Urras Energy Society*

- *Urras Oighreachd Ghabhsainn (Galson Estate Trust) is the community-run landowner that obtained full planning permission for three wind turbines at Baile an Truiseil in May 2009, which were subsequently delivered by Galson Energy in two separate phases*
- *The total project cost of the first turbine was £2.4m with funds sourced from various parties including the Co-operative Bank, BIG Lottery Fund, Scottish Government's Community and Renewable Energy Scheme and Renewable Energy Investment Fund plus Urras Oighreachd Ghabhsainn itself*
- *The cost of phase two was £2.9m with funds sourced from Triodos Bank as well as through the Urras Energy Society community share offer*
- *Finance for Phase 2 was preceded by re-financing of the original £1.6m Co-operative Bank loan by Triodos Bank*
- *Urras Oighreachd Ghabhsainn as community landowner will receive the wind energy net profits to invest to the benefit of residents, businesses and organisation within the Galson Estate.*

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For immediate use

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