



PRESS RELEASE

Reykjavik/Luxembourg, June 9th 2016

EIB supports geothermal energy in Iceland

The European Investment Bank (EIB) has signed a EUR 125 million loan agreement with Landsvirkjun, the National Power Company of Iceland, to finance a new geothermal power station and its geothermal wells at Theistareykir, near Húsavík in north-eastern Iceland.

The financing will be used to support the design, construction and operation of a new 90 MWe geothermal power station and its geothermal wells, operated by the National Power Company of Iceland. The project will be located at Theistareykir, some 30 km south-east of Húsavík in the northeast of the country, where nine wells with over 50 MWe capacity have already been drilled and tested.

Vice-President **Cristian Popa**, responsible for EIB-operations EFTA-countries, commented: "Iceland is in a very special position when it comes to renewable energy and it's great to see how Landsvirkjun is making the most of it. The EIB is glad that it can support this important energy project, which also highlights how the bank supports the energy sector around Europe. The Icelandic expertise in this area is state of the art and serves as a blue print for geothermal projects around the globe."

"This is an important milestone for Landsvirkjun and we are grateful for the support the EIB is showing renewable energy in Iceland. The EIB has in the past demonstrated its strong support in providing funding for sound and sustainable projects in Europe and we see this agreement as a sign of confidence in our company." added **Hörður Arnarson**, CEO of Landsvirkjun.

The loan is the first EIB project in Iceland since 2011, when it lent EUR 70 million also to Landsvirkjun, for the construction of the Budarhals hydropower plant in the lower highlands of southern Iceland on the rivers Tungnaa and Kaldakvisl. These projects are crucial in the fight against climate change through support for renewable energy, one of the main priorities for the European Investment Bank. Last year, more than a quarter of all EIB-lending supported projects that help safeguard the environment.

Background Information:

The **European Investment Bank (EIB)** is the European Union's long-term financing institution lending for investments that contribute to achieving the EU's objectives. Founded in 1958, it operates in the 28 EU Member States, the EU's neighbour countries and more than 100 other countries around the globe. Since 1994 the Bank can lend to eligible projects in Iceland under the EFTA Facility. This mandate enables the Bank to support projects notably in the sectors of energy, environment, research, development and innovation located in the territories of the EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).

Landsvirkjun is the National Power Company of Iceland and is the country's largest electricity generator as well as one of the ten largest producers of renewable energy in Europe. Landsvirkjun operates 17 power plants in Iceland concentrated on five main areas of operation, divided between hydro, geothermal and wind power stations. Landsvirkjun's power generation is 100% renewable.

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