



AB Volvo

## Press Information

# Volvo Group to coordinate broad cooperation on sustainable biofuels

**The Volvo Group is the coordinator for the European project BioDME, which is starting its work today. BioDME is a unique cooperative project involving the automotive industry as well as fuel producers and distributors regarding the fuel DME. The project will demonstrate the entire technology chain, from biomass to trucks powered by DME fuel, including fuel distribution and filling stations.**

The project partners represent all industrial sectors necessary to introduce a new fuel. In addition to Volvo also Chemrec, Delphi, ETC, Haldor Topsøe and oil companies Preem and Total are partners in the project. Chemrec and Haldor Topsøe will construct the world's first plant for producing DME from biosource. Preem will implement the DME distribution and build filling stations. Volvo will demonstrate DME technology for heavy vehicles in a field test. ETC will evaluate performance characteristics in the pilot plant, Delphi delivers fuel injection equipment for the truck engines and Total will work on fuel and lube oil specifications.

“Already one year ago, Volvo presented seven trucks that could all be operated carbon-dioxide neutral. The BioDME project is an example of what the next step could look like and illustrates the possibilities of producing renewable fuel on a major scale”, says Volvo Group CEO Leif Johansson.

The project is co-financed by the partners of the consortium, EU's Seventh Framework Program (FP7) and the Swedish Energy Agency.

Dimethyl ether, DME, has potential to become a highly competitive renewable alternative to today's fossil fuels. DME from biosource is characterized by high energy efficiency and minimal climate impact. DME vehicles have very low exhaust emissions, due among other factors to soot-free combustion. DME is a non-toxic chemical that is already used today as propellant gas in spray cans.



Visit Volvo Group's project webpage: [http://www.volvo.com/group/global/en-gb/volvo+group/ourvalues/environment/renewable\\_fuels/biodme/](http://www.volvo.com/group/global/en-gb/volvo+group/ourvalues/environment/renewable_fuels/biodme/)

Follow the BioDME project on <http://www.biodme.eu>

For information about renewable fuels: [http://www.volvo.com/group/global/en-gb/volvo+group/ourvalues/environment/renewable\\_fuels/](http://www.volvo.com/group/global/en-gb/volvo+group/ourvalues/environment/renewable_fuels/)

Read more about CO2-neutral production: [http://www.volvo.com/trucks/global/en-gb/aboutus/environmental\\_care/CO2-neutral\\_production/](http://www.volvo.com/trucks/global/en-gb/aboutus/environmental_care/CO2-neutral_production/)

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Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from Volvo Group. You can preview and request video, and choose to receive as a MPEG2 file or by Beta SP tape. Registration and video is free to the media.

The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 100,000 people, has production facilities in 19 countries and sells their products in more than 180 markets. Annual sales of the Volvo Group amount to about SEK 285 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm.

AB Volvo (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 08.00 a.m. September 9, 2008.