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## News

# National Wealth Fund invests in Peak Cluster to secure a resilient future for cement and lime manufacturing in the UK

Regional and local economic growth

Clean energy

07 July 2025

National Wealth Fund (NWF) announces £28.6m equity investment, to support the development of Peak Cluster, a carbon capture project.

Peak Cluster’s planned carbon dioxide transport pipeline will decarbonise 40% of the UK’s cement and lime industry, securing thousands of jobs in an industry vital for the UK’s construction and

manufacturing sectors.

Marks the NWF's first carbon capture investment since the Chancellor highlighted it as a priority sector in which to deploy its additional £5.8bn capital.

**The National Wealth Fund has announced a £28.6m equity investment in Peak Cluster Ltd to support the development of a planned carbon dioxide transport pipeline.**

The investment is the cornerstone of a £59.6m equity raise, which also includes investment through a joint venture vehicle between Summit Energy Evolution Ltd (part of Sumitomo Corporation) and Progressive Energy Peak Ltd, as well as each of the Peak Cluster cement and lime producers; Tarmac, Breedon, Holcim and SigmaRoc.

Once constructed, the Peak Cluster pipeline will be the heart of a full value chain CCS network. Spirit Energy is currently converting its Morecambe gas fields in the East Irish Sea to create the UK's biggest carbon dioxide (CO<sub>2</sub>) store. The Peak Cluster pipeline will transport CO<sub>2</sub> emissions captured on its industrial plants across Derbyshire and Staffordshire to be stored by Morecambe Net Zero (MNZ).

Cement and lime are foundation materials for many UK industries including construction, manufacturing and environmental functions, and are two of the hardest industrial sectors to

decarbonise due to the high levels of CO<sub>2</sub> emissions generated in the manufacturing process, which cannot be abated through transitioning to low carbon fuels. With Derbyshire and Staffordshire accounting for 40% of the country's production of cement and lime, this project is a critical component in supporting the decarbonisation of the sector. Working together, Peak Cluster and MNZ will drive growth, creating and safeguarding around 13,000 jobs and securing a sustainable supply of UK-produced cement and lime.

NWF's financing will be used to further develop the pipeline project through to a Final Investment Decision (FID) as early as 2028, including the successful completion of Front-End Engineering and Design (FEED) and other studies that underpin the planning consent process.

By investing alongside industry, supporting early development risk reduction and providing the critical financing for Peak Cluster through its DCO process, the NWF will remove some of the barriers for private investment to further develop and construct the project in the future. Through its support for Peak Cluster the NWF is building the market and stimulating largescale investment across the full value chain, including accelerating the decarbonisation of cement and lime and facilitating Spirit Energy's development of the UK's largest CO<sub>2</sub> store.

With CCS one of the five priority sectors announced by Chancellor Rachel Reeves, the NWF has an important role to play in helping amplify government policy, de-risk and accelerate the financing and delivery of these vital projects.

**Chancellor of the Exchequer, Rachel Reeves, said:**

*"The National Wealth Fund is a force for growth, investing £3*

*billion into the British economy and securing 12,500 jobs. We're modernising the cement and lime industry, delivering vital carbon capture infrastructure and creating jobs across Derbyshire, Staffordshire and the North West to put more money into working people's pockets."*

**Energy Secretary, Ed Miliband, said:**

*"This landmark investment will catalyse our carbon capture sector to deliver thousands of highly skilled jobs and growth across our industrial heartlands, as part of our Plan for Change. Workers in the North Sea and Britain's manufacturing heartlands will drive forward the country's industrial renewal, positioning them at the forefront of the UK's clean energy transition."*

**John Flint, NWF CEO, said:**

*"Substantial private investment, deployed at risk, will be needed to develop and deliver carbon capture projects across the UK. Through its investments, the NWF is well placed to support this. Capital must be committed now, especially in hard to abate sectors such as cement and lime, to ensure a pipeline of projects is ready for deployment and the UK is able to meet its ambitious carbon capture targets.*

*"The NWF has played a key role in structuring the transaction to crowd in private sector co-investment while taking early development risk to catalyse future investment. Our involvement demonstrates how we can use our risk capital to solve problems and manage investment uncertainty, amplifying government policy and ultimately removing the barriers for private investors to support this project post-FID."*

**John Egan, CEO of Peak Cluster Ltd, said:**

*“Peak Cluster is focused on securing a sustainable future for the cement and lime industry. Together with MNZ, the UK’s biggest carbon store, we will capture, transport and store CO<sub>2</sub> to support industry to thrive in a low carbon future.*

*“Through the National Wealth Fund, Government will support the development of essential infrastructure to secure good jobs with good wages, produce sought-after low carbon products here in Britain, grow the UK’s supply chain and skills base, secure private investment and lead the global low carbon technology sector. Peak Cluster, in partnership with MNZ, ticks every one of these boxes.*

*“We will work closely with Government to ensure that Peak Cluster and MNZ together-can help secure the future of this foundation industry, creating a backbone of industrial opportunity that benefits communities across the Midlands and North West of England – for the UK and beyond.”*

**Centrica Group Chief Executive and Chair of Spirit Energy, Chris O’Shea, said:**

*“This landmark first investment in carbon capture by the National Wealth Fund is an important and exciting step forward for the UK’s net zero ambitions, and our plans for Morecambe specifically. By transforming the Morecambe gas fields into the UK’s largest carbon store, Spirit Energy will provide the critical infrastructure needed to decarbonise hard-to-abate industries like cement and lime.*

*The support of the National Wealth Fund, alongside private sector investment, demonstrates the strength of our collective commitment to a low-carbon future—securing jobs and growth, decarbonising industry, and delivering real progress on emissions reduction.”*

**Paul Lafferty, Summit Energy Evolution Ltd CEO, said:**

*“At SEEL, we have a considered focus on new energy and decarbonisation projects, leveraging Sumitomo Corporation’s interest across a broad spectrum of low carbon technologies, including hydrogen and CCS.*”

*“Peak Cluster, as the largest cement CCS project globally, is a hugely compelling opportunity to drive this sector towards sustainability. We are delighted to have the opportunity to invest in Peak Cluster alongside the National Wealth Fund.”*

**Dr Diana Casey, executive director, energy and climate change, cement and lime at Mineral Products Association said:**

*“Around 40% of all the UK’s vital cement and lime comes from the Peak District and more than 2,000 high-quality, well-paid jobs across the region are reliant on the industry. However, cement is responsible for 7.5% of all human-made CO<sub>2</sub> emissions globally and is not a sector which can be easily decarbonised. If our industry, and the jobs which rely on it, are to survive, and thrive into the future, we must implement carbon capture and storage without delay.”*

**Olivia Powis, CEO of the Carbon Capture and Storage Association said:**

*“The National Wealth Fund’s significant equity investment of £28.6m in the Peak Cluster is fantastic news for the future of the cement and lime industry in the UK. It is further recognition of the vital role of carbon capture, utilisation and storage (CCUS) in decarbonising and futureproofing our critical industries.*

*“CCUS is essential for industries that produce products that enable*

*us to build the homes, hospitals and schools we desperately need. Around 40% of the UK's cement and lime industry is produced by companies in the Peak Cluster and so this critical project will make significant inroads into cutting CO2 emissions from our cement industry and permanently storing the emissions in the Spirit Energy's offshore CO2 store - Morecambe Net Zero. Transitioning industries to low-carbon operations is vital for their long-term viability and competitiveness in the UK, and will protect many thousands of skilled jobs in the region, providing economic growth and security."*

**Neil McCulloch, CEO of MNZ's developer, Spirit Energy, said:**

*"The NWF's investment sends a crucially important and thoroughly positive message to those eyeing the UK for investment in the low carbon developments needed to power our economy and help deliver the government's economic growth and decarbonisation.*

*"Through our partnership with the Peak Cluster, Spirit Energy's MNZ carbon store will decarbonise 40% of this country's cement production, safeguard thousands of traditional jobs and livelihoods, breathe new life into the North West's industrial heartlands and help create new, highly-skilled jobs for this and for future generations.*

*"The NWF's support demonstrates how industry and government can work together effectively to unlock the investment required to make the energy transition happen, and how the UK can show the rest of the world how to get it done."*

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