

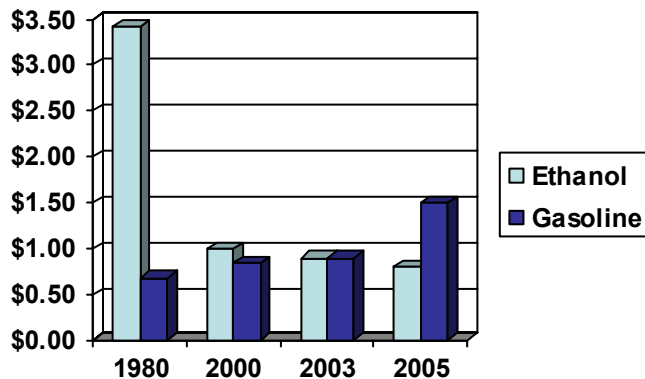
IS THERE A FUTURE FOR YOU IN THE BIO-FUELS INDUSTRY?

SOME KEY INDICATORS

THE MARKET

- \$70 per barrel oil slated to reach \$100 per barrel in the near term
- Record high pricing for oil and natural gas is anticipated to remain for extended periods
- Reduction of refining capacity due to recent hurricanes and legislation
- Reliance on Middle East for oil, creating political and economic instability
 - ✓ 66% of known oil reserves in the Middle East
 - ✓ America loses 10,000 to 25,000 jobs for every \$1 billion spent on foreign oil
 - ✓ Military spending to secure foreign oil adds to costs (estimated at \$57 billion/yr in 1996)
- 400 million gallons of gasoline are used in U.S. each day (145 billion gallons per year)
 - ✓ Florida uses over 25 million gallons per day
- Federal mandates now require the use of alternative fuels, including biodiesel and ethanol blends
 - ✓ Current demand for additives (MTBE, Ethanol, etc.) is 14.5 billion gallons per year
 - ✓ Current production of ethanol is 3.4 billion gallons
 - ✓ 85% ethanol blend, a proven technology, could result in market of 120 billion gallons/year

Cost to Produce Ethanol vs.
Gasoline Terminal Price

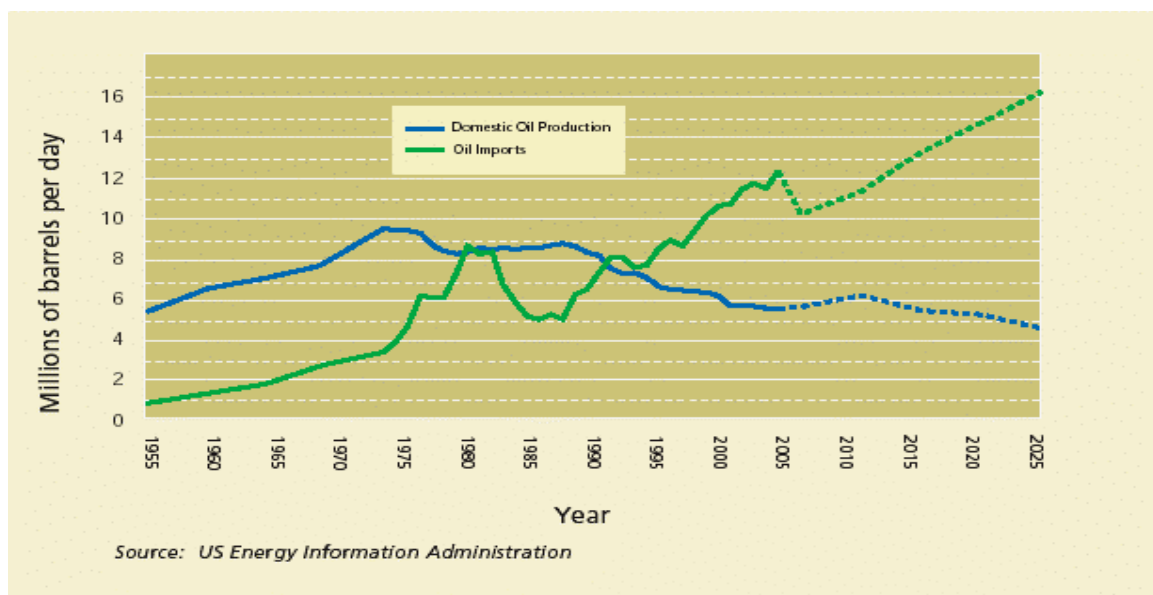


PUBLIC POLICY DRIVERS

- On January 12, 2006 State Agriculture Commissioner Charles H. Bronson announced a "Farm to Fuel" campaign designed to encourage farmers and foresters in Florida to produce biofuel materials. Bronson also has pledged to put the necessary infrastructure in place to facilitate the industry.
 - ✓ **Bronson said a recent study showed Florida ranks first in the nation in the availability of biomass production area because of its farms, forests and climate**
 - ✓ In the coming months, Commissioner Bronson will be working with Governor Bush and the Florida Legislature, Florida's Congressional Delegation, and colleagues from other states to develop and implement strategies to assist farmers and producers of bio-fuels
- In one of the most striking declarations in his annual State of the Union address on January 31, 2006 President George W. Bush said that "America is addicted to oil" and set a goal of replacing 75 percent of the nation's Mideast oil imports by 2025 with ethanol and other energy sources. "By applying the technology and talent of America, this country can dramatically improve our environment, move beyond a petroleum-based economy, and make our dependence on Middle East oil a thing of the past."

THE OPPORTUNITY

- Carbon-based feedstock from existing wastes represents one of America's most promising domestic renewable energy sources:
 - ✓ Over 1.5 billion tons of forestry, agricultural and municipal solid wastes (many of which create serious disposal problems) are disposed of in the U.S. each year
 - ✓ With a reasonable conversion efficiency, these residues could supply 10% of America's *fuel* AND *energy* needs, AND eliminate environmental problems associated with their disposal
- The U.S. currently produces about 3.4 billion gallons of ethanol annually, which is blended at a rate of 10% with gasoline to reduce pollution
 - ✓ The amount of ethanol that can be produced from corn will meet only 4% of America's needs based upon a blending ratio of 10%
 - ✓ **The BRI Process** – using virtually every one of society's "throw-aways" (solid wastes, sludge, old tires, etc.) and a wide variety of bio-crops that can be grown by farmers – can make up this difference. Moreover, **BRI Facilities** can be operated economically even on a relatively small scale, which means they can be built to serve local communities to clean up wastes, buy bio-crops, stimulate the economy, create jobs and provide fuel and energy for local consumption. (For more information on BRI, see links at <http://privatelands.org/bio/contents.htm>.)



OTHER PROMISING SIGNS

- All cars are E10 compatible
- The Florida Department of Agriculture and Consumer Services is amending the definition of petroleum fuels in Chapter 525, Florida Statutes, to include alternative fuels
- Several companies are now attempting to market and sell alternative fuels in Florida
- **Plans have been unveiled for the construction of an ethanol plant in Jacksonville and two in Tampa**
- Auto manufacturers are gearing up to produce an increasing number of vehicles equipped to run on alternative fuels
- The nation's agriculture industry has established a program known as "25x25." Its goal is to produce 25 percent of the total energy consumed in the U.S. by the year 2025, while continuing to produce abundant, safe and affordable food and fiber
- The EPA recently developed new standards which will provide the first step toward the Renewable Fuel Standard Program. The program will focus on reducing vehicle emissions and strengthen U.S. energy security by *doubling the use of fuels produced from American crops by 2012*.
- In fiscal year 2005, the U.S. Department of Agriculture made available \$22.8 million in grants and guaranteed loans to assist agricultural producers and rural businesses in purchasing renewable energy systems and making energy improvements. Eligible projects include biofuels.