



PRESS RELEASE

17<sup>th</sup> April 2010

## **SUN BIOFUELS TO EXTRACT FIRST JATROPHA OIL THE MOZAMBIQUE PRESIDENT HIMSELF TO ACTIVATE CRUSHING OF FIRST SEEDS**

Only 14 months after planting its first crop of *jatropha curcas*, British-based renewable energy company, Sun Biofuels is to extract the first *jatropha* oil from its first yield of seeds at its farms at Chimoio in the Manica Province of Mozambique. At 11.00am on 25<sup>th</sup> May this year, the President of the Republic of Mozambique, Armando Guebuza, will press the button to crush from harvested seeds the first drops of what promises to be a major new source of sustainable energy both in the African locality and in the wider world. The event represents an important milestone not just for this pioneering British company but for the *jatropha* producing industry as a whole.

Backed by Trading Emissions PLC (TEP), an AIM listed fund established to invest and trade in carbon emission and other environmentally anchored products, Sun Biofuels was founded in 2005 with the single-minded vision to pioneer biofuel production from *jatropha curcas*. The *jatropha* tree has grown wild in Africa for centuries. Its remarkable oil bearing properties were well-known. But it had never been grown on a commercial scale.

Attracted by the countries impressive economic growth rates, political stability, abundance of land and their untapped domestic energy markets, the company chose Mozambique and Tanzania as host nations for their plantations. In 2006, after careful negotiation with local and national government, government guaranteed leases were secured on 8,000Ha in the Kiserawe region of Tanzania and on 5,000Ha near Chimoio in Mozambique. The sites had much to recommend them boasting excellent transport links, suitable soil conditions and optimum levels of rainfall. Nor were any existing food crops displaced: The Mozambique plantation was acquired from an exiting tobacco firm and the plantation in Tanzania was reclaimed from coastal scrub land badly degraded by local charcoal production. In December 2008, 1000Ha were prepared and planted at Chimoio with planted land now covering over 3,000Ha in Tanzania and Mozambique. These first plantations have been highly successful with 95% germination rates and the trees now standing at an impressive 2m in height. The successful growth of this first crop has enabled the first harvesting to now take place and for the first oil to be extracted – an event to be marked by the visit to the farms of a VIP government deputation led by the President himself.

In Tanzania, 1200Ha of land were ploughed and harrowed in June 2009, prior to planting. Planting of this 1200Ha has been underway since October 2009 and the trees are performing as well as their Mozambique counterparts.

Much has been made of *jatropha*'s environmental benefits - the use of *jatropha* biodiesel results in an estimated 70% reduction in greenhouse gas emissions from the petro-chemical alternative. But Sun Biofuels is also keen to raise notice of the benevolent humanitarian impact of *jatropha* cultivation. Richard Morgan, Sun Biofuels' CEO: 'Sun Biofuels' responsibility to the people and the environment of the countries in which the company operates is taken extremely seriously. This is not simply a case of business ethics but a commercial imperative. At our plantations in Tanzania and Mozambique we employ over 1,350 people – these are very poor areas and this is a much-needed source of local income. At each farm location a proportion of land is devoted to the cultivation of maize, sunflowers or cassava to ensure the food security of the local community. Moreover, the company works in close partnership with local communities on a variety of projects from the restoration of vital infrastructure to the provision of education – and most importantly healthcare - particularly in combating the menace of leprosy and malaria - and education in crop husbandry. Outgrower schemes, whereby local farmers will be given the opportunity and training to produce their own *jatropha* crop, are also a fundamental tenet of the company's strategy. Any visit to our plantations will testify to the vital impact the company has made to the lives of the local people.'

The extraction of the first *jatropha* oil is an impressive step in Sun Biofuels' mid to long-term plan. The current estate (Mozambique and Tanzania combined) comprises 11,000Ha of 'plantable' land, being land fit for productive planting and which has not been reserved by the company for conservation purposes. The company aim to expand its operations reaching peak output by 2017. Richard Morgan: 'To successfully produce our first oil so early in the crop's cycle is a terrific achievement and a well-deserved reward for everyone in the company who has worked so hard on this exciting enterprise and it is a real privilege for us that the event is to be marked by a visit from the President. This early production puts us

well on track with our business model which is currently based solely on the production of PVO but we are of course very alive to the prospect of exploiting other areas of the jatropha value chain – most notably the option of refining and selling jatropha biodiesel and generating electricity for the local domestic markets. We are particularly excited about pioneering the provision of jatropha bio-jet fuel, the possibility of which we are currently discussing with a number of airlines committed to reducing their carbon footprint. But for the moment our focus is very much on proving that jatropha can be produced sustainably and that we can deliver the oil yields that we've forecast and there's every sign now that this will be achieved. We for our part are committed to demonstrate that jatropha can deliver on its promise, to alleviate poverty in developing countries whilst producing a sustainable clean energy'.

*For further information or images or to arrange an interview with the company's CEO, Richard Morgan, please do not hesitate to contact Jolyon Fenwick. [JFenwick@sunbiofuels.com](mailto:JFenwick@sunbiofuels.com) +44 7967-309655 or Harry Stourton. [HStourton@sunbiofuels.com](mailto:HStourton@sunbiofuels.com) +44-207-908-1200.*