



BECOMING A WORLD LEADER IN THE SUPPLY OF ENERGY WOOD PELLETS

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Overview

1. Who is Plantation Energy Australia?
2. Future for Energy Wood Pellets
3. A new business model
4. Albany plant
5. Future developments
6. Q & A





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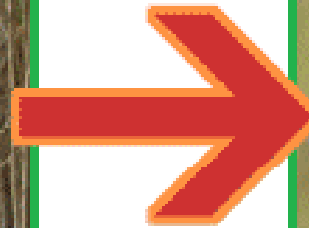


Who are we?

Plantation Energy Australia Pty Ltd (PEA) is an energy wood pellet manufacturing company utilising harvest residues from sustainably managed plantations as feedstock.



From This



To This





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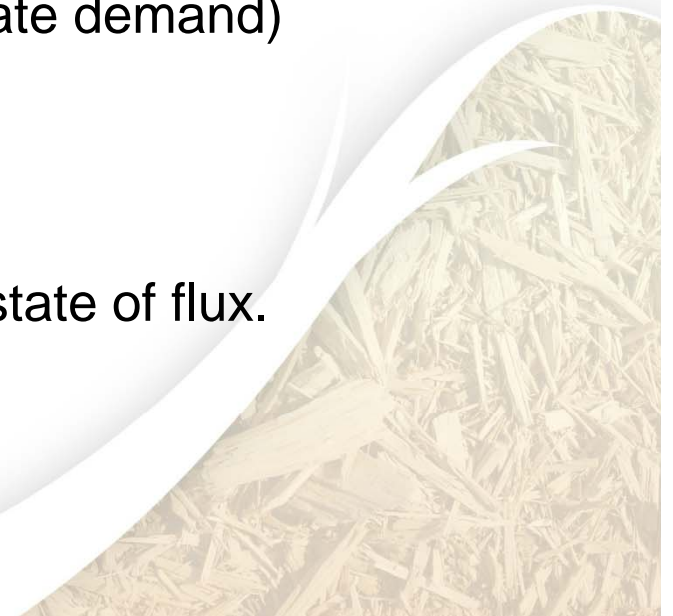


Future for Energy Wood Pellets

Four key variables shape the economics of bioenergy production:

1. The price of fossil fuels (the main substitute)
2. The conversion technology
3. The cost of the feedstock (50%-80% of the variable cost); and
4. The Regulatory Environment (which stimulate demand)

At present, all four of these variables are in a state of flux.



Future for Energy Wood Pellets

1. Implementation of agreed CO² reduction policies in Europe.
2. Adoption of similar measures in Japan, Australia.
3. Low cost of conversion for coal generators makes pellets highly cost effective.
4. Ease of transportation and handling.
5. Security of energy supply.

Success factors

- Resource needs to be certified
- Production must be carbon effective
- Logistics efficiency is key
- Shipping efficiency demands scale



SPECIFICATIONS

Specifications will typically include:

1. Heating value at 10% moisture content
2. Trace Elements
3. Physical properties – standard pellet dimensions - fines
4. Particle size – important when crushing and blending with coal
5. Impurities – specified levels of Chlorides and other contaminants – necessary to avoid damage to combustion system
6. Ash content





Overview

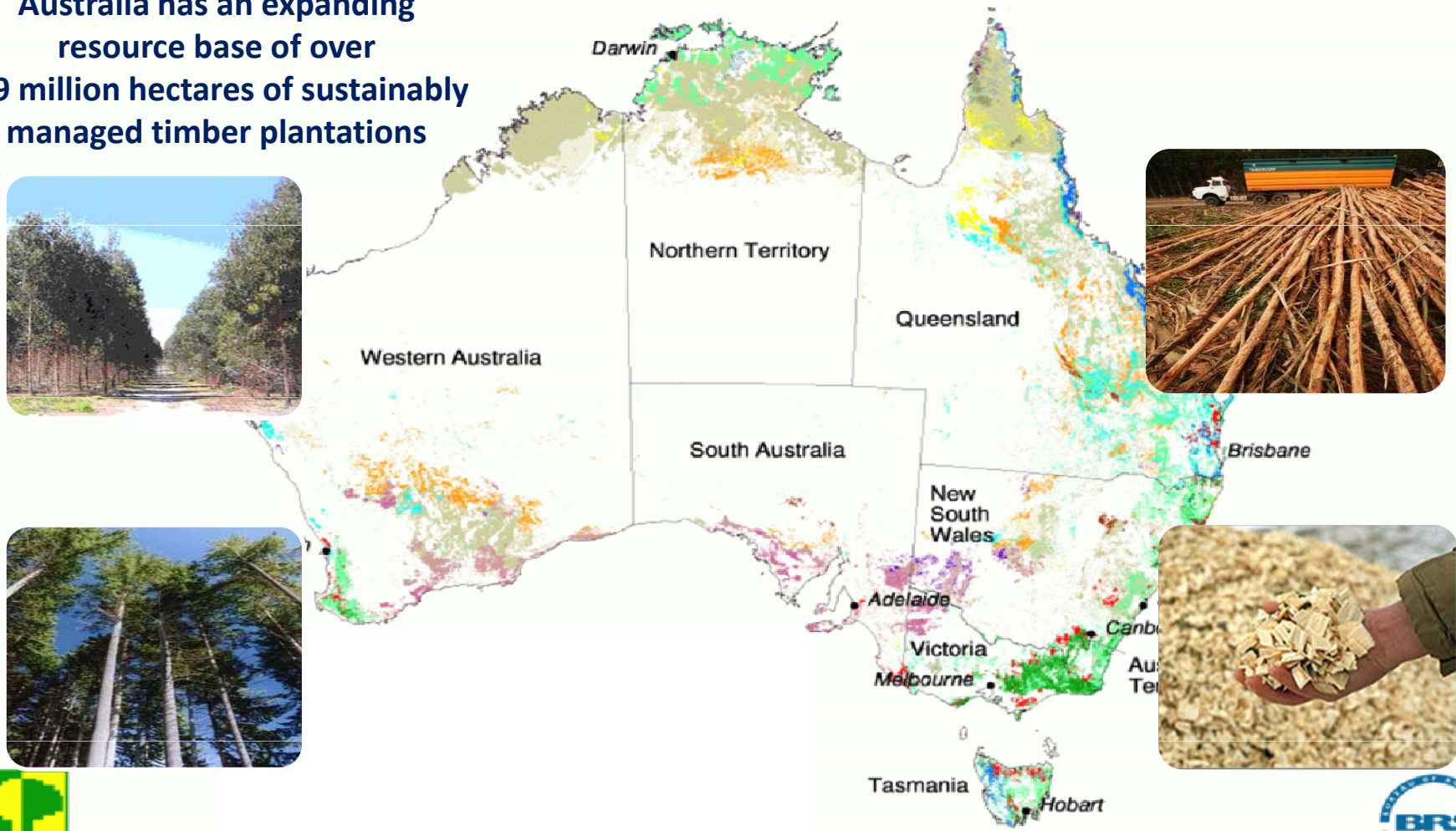
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Our business model looks to complement and build on Australia's sustainably managed plantation resource

Australia has an expanding resource base of over 1.9 million hectares of sustainably managed timber plantations

Forests of Australia



Note: the resolution of plantation data has been enhanced for clarity
Source: National Forest Inventory (1997)

Produced by the National Forest Inventory, November 2000



Kilometres
0 150 300 450 600 750

Residues

- Whole tree chip
- Single grip slash
- Infield chip slash
- Sawdust/slithers/fines
- Industrial pulp wood
- Fire damaged fibre
- Thinnings



Residues

- Presented with end product in mind
 - Pellets are an engineered product
- Producing to a specification
 - CV, ASH, MC
- Free of contamination
 - Dirt, rocks, flail chain
- Certification
 - Customer driven





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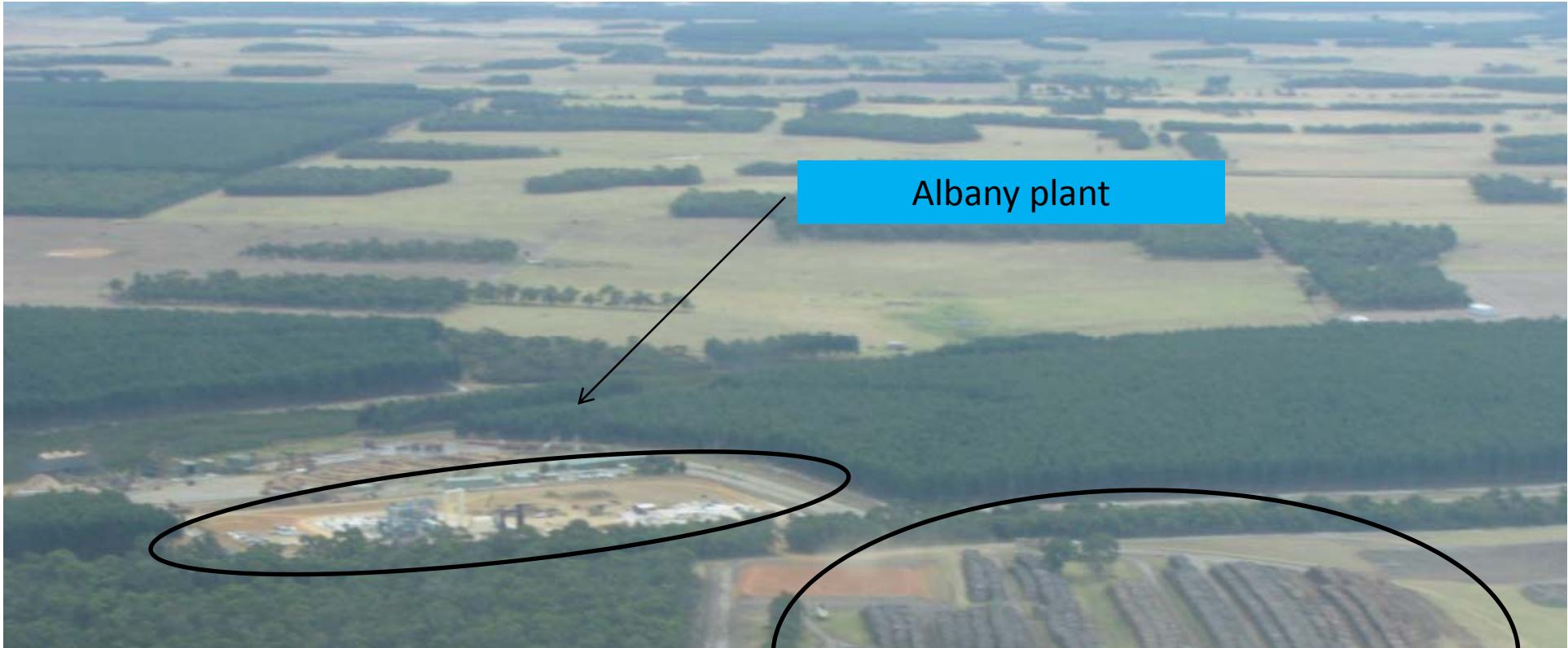
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Albany Plant

1. 125,000 MT production capacity commissioned June 2009
2. Further 125,000 MT capacity commissioning in October 2009
3. Constructing port receival at the Albany port
4. Aligned with local harvesting and transport





Albany plant



Residue stock pile

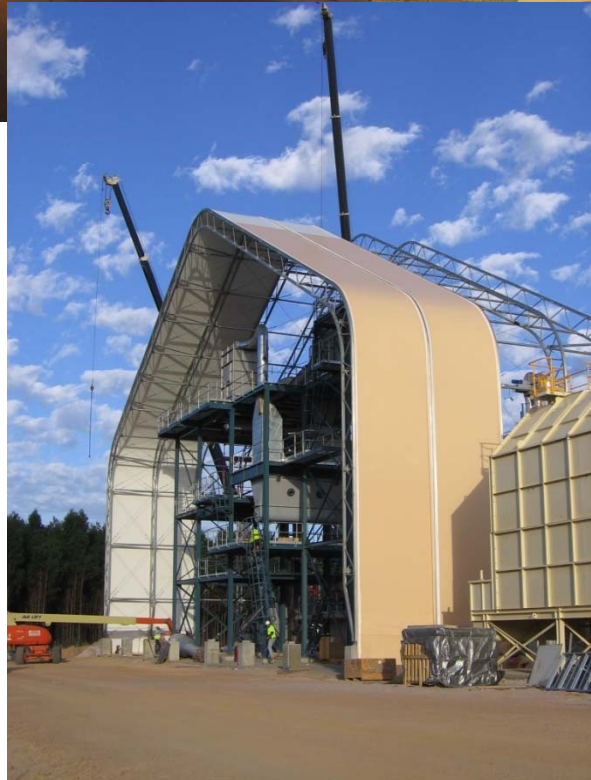


August –
September
2008





January 2009



March 2009

June 2009





September 2009

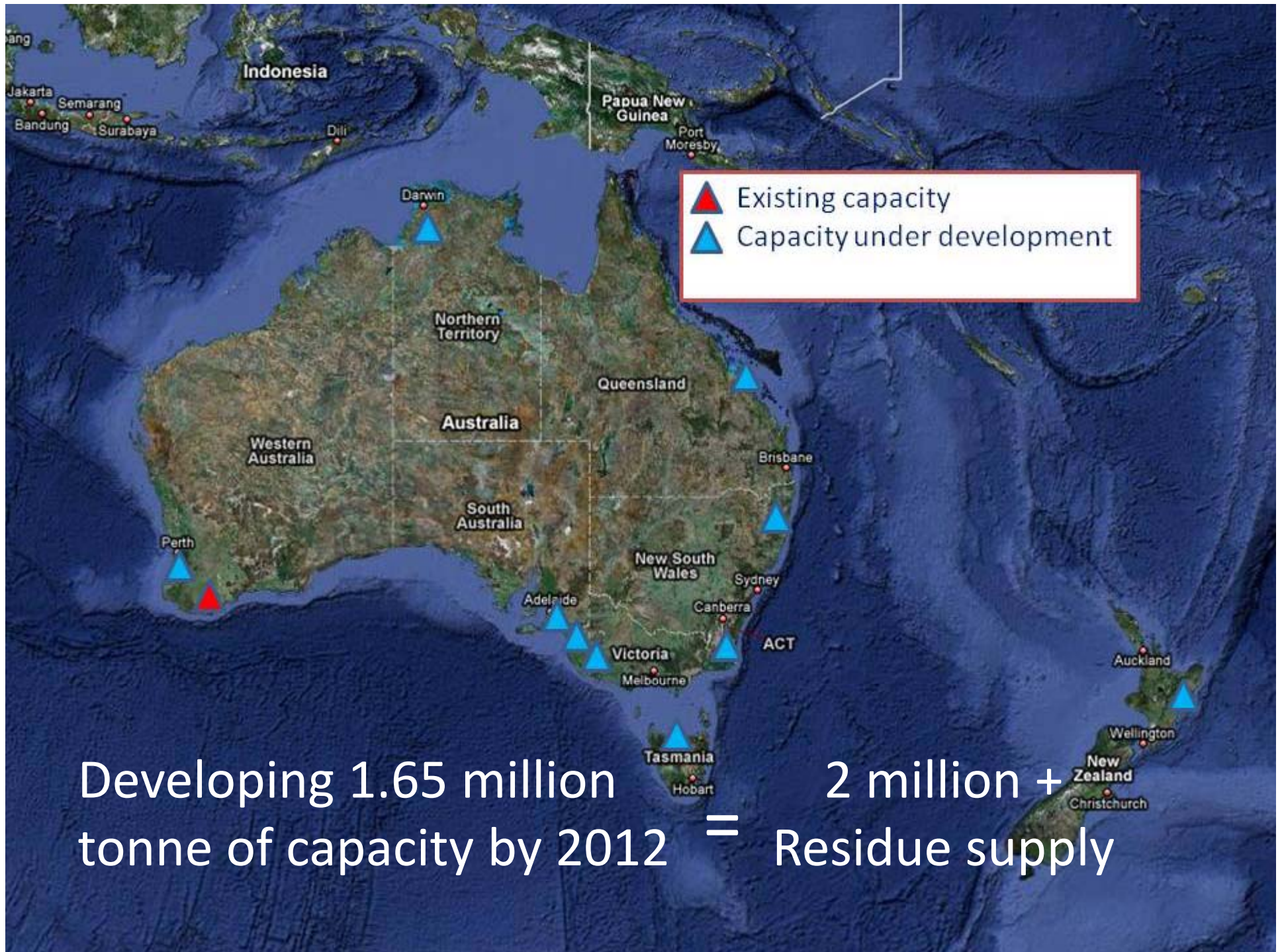


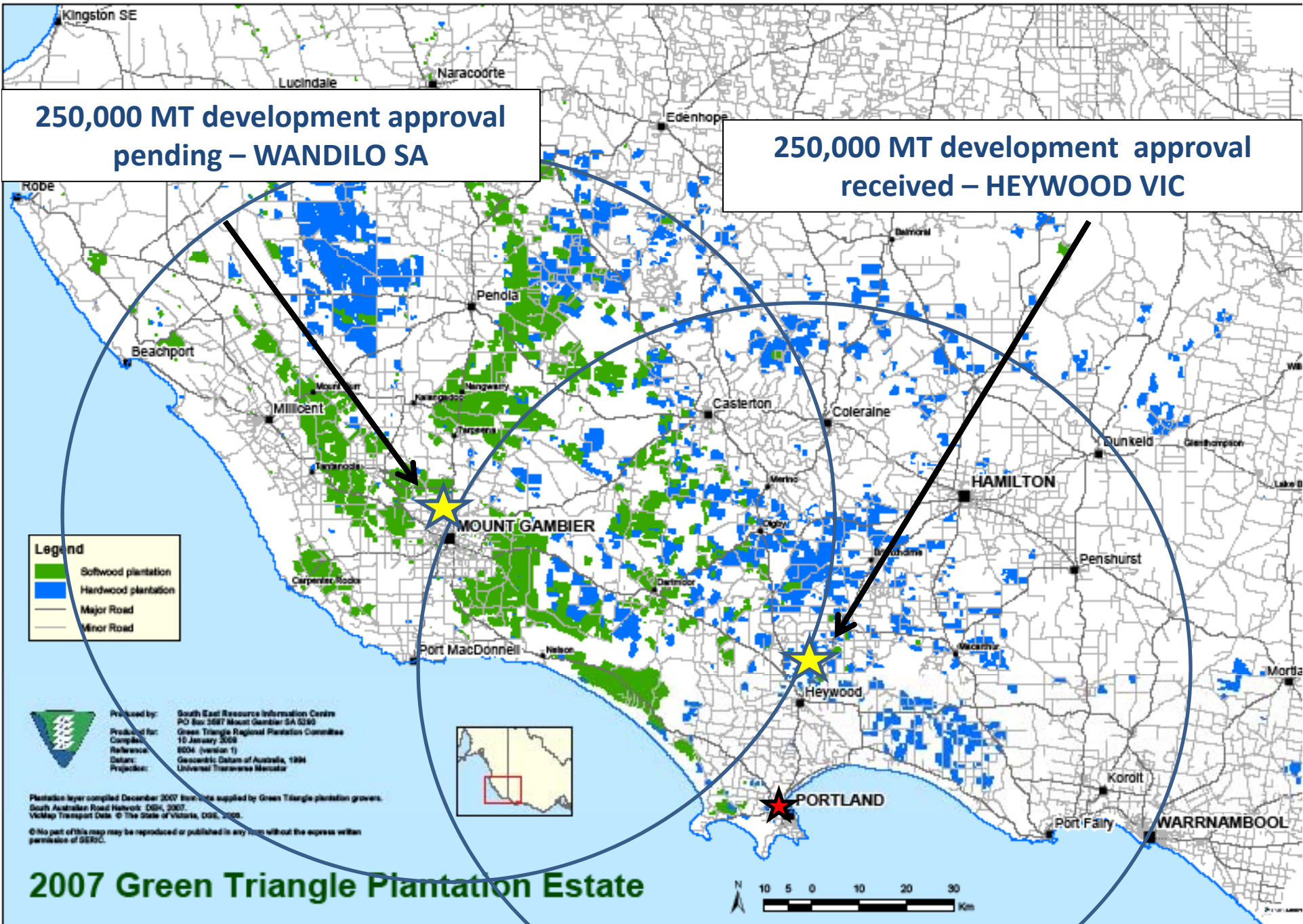


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250,000 MT development approval pending – WANDILO SA

250,000 MT development approval received – HEYWOOD VIC

Legend

- Softwood plantation
- Hardwood plantation
- Major Road
- Minor Road

Produced by: South East Resource Information Centre
 PO Box 5887 Mount Gambier SA 5293
 Produced for: Green Triangle Regional Plantation Committee
 Completed: 10 January 2008
 Reference: 8004 (version 1)
 Datum: Geospatial Datum of Australia, 1994
 Projection: Universal Transverse Mercator

Plantation layer compiled December 2007. Data supplied by Green Triangle plantation growers.
 South Australian Road Network: DSH, 2007.
 VicMap Transport Data. © The State of Victoria, DSE, 2008.

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THE FUTURE

Production	Process improvements, scale efficiency, energy efficiency, integration
Technology	Enhanced pellets, mobile production, scalability
Raw Materials	Agriresidues, dedicated short rotation energy crops, fibre 'banks'
Logistics	Port infrastructure, inland bulk distribution systems, domestic delivery
Markets	Longer term emphasis, "energy" contract style, creditworthy counterparties - major utilities buying directly, security/availability of supply, cost competitiveness

Identify and develop economically sustainable sources of raw material from plantation harvest residue and whole trees grown under certified forest management scheme that meets international standards.





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