



## Feasibility Study - Integrated Bio-Diesel Refinery

BFuel Canada Corp. (BFuel) was established in 2006 to design, build and operate regionally integrated small to midcap biodiesel production facilities in western Canada. BFuel Canada Corp. is a natural renewable energy extension initiative of Greenwind Power Corp.

The flagship of the BFuel production mandate is the proposed development of a biodiesel facility in the community of Lethbridge Alberta known as the BFuel Chin Lakes Biodiesel Facility, (Chin Lakes). This proposed Chin Lakes canola crushing biodiesel plant in the county of Lethbridge has currently been evaluated with a capacity of 40 million litres per year.

The capital cost estimate for BFuel Canada Corp based on a 40-million-litre per year facility has been prepared by Trimark Engineering Ltd. It is anticipated that these values are within a -15%/+25% margin of error. The estimated total financial requirement is \$35 million, which includes \$30 million for facilities and equipment and \$5 million for working capital.

As an industry in the very early stages, external forces are expected to change considerably over time. At the present time, the government landscape looks very positive, with federal and provincial tax exemptions, per litre subsidies, as well as grants and low interest loans. In addition, the federal 2% blend mandate (5% in BC) by 2010, as well as expected efforts at reducing greenhouse gases in the future are also significant, the latter will have the most impact on the higher blend (B20 — B100) commercial and industrial markets that BFuel hopes to target. In addition, the development of an energy business based on agricultural feedstock provides a means to achieve government objectives of rural economic development.

Structured as a limited partnership Chin Lakes will integrate BFuel's renewable energy expertise with regional farmer investment and/or supply agreements with private equity investor participation under an operation and distribution model designed to serve southern Albertans with viable affordable renewable energy alternatives. This feasibility study serves as an overview of the current plans and operational feasibilities of the proposed Chin Lakes Facility, Key highlights of the Chin Lakes facility include:

- Capacity of 40 million litres per year
- State-of-the-art biodiesel production technology
- \$30 million capital cost Investment
- Regional Retail Biodiesel Distribution
- Regional Community Farmer Feedstock Support
- Regional Employment

The prices of agricultural commodities are going to affect substantially the feasibility of this sector. The high prices of petroleum and the outlook of the oil market appear to be

favourable to the development of biodiesel. However, historically the price of biodiesel has correlated closely to the price of petroleum diesel. We believe that once the required minimum renewable blending standards have taken effect, the pricing of biodiesel will be less correlated to petroleum diesel price. The financial projections are extremely favourable, but must be interpreted with caution.