



**Bedford Biofuels**

*energy for generations*



# Disclaimer

*This presentation contains forward-looking statements which involve numerous assumptions, inherent risks and uncertainties. Do not rely on these statements when considering investment. A number of important factors could cause actual results to differ materially from the predictions, forecasts, objectives, expectations, estimates and other forward-looking statements made herein. The Bedford Biofuels investment will be qualified by a confidential offering memorandum. **Please ensure that you read the applicable offering memorandum thoroughly before making any investment decision and investing.***

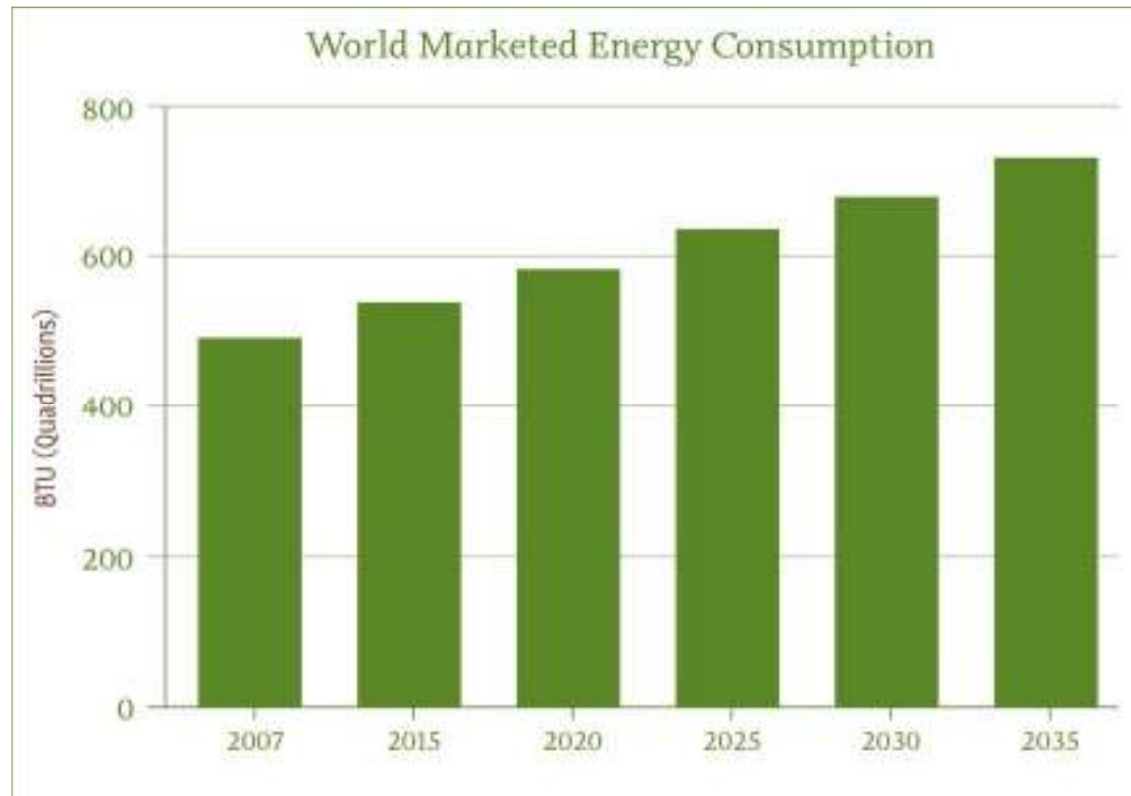






# World Fuel Demand

- Global demand for oil is expected to increase 44% between 2007 and 2035\*





# World Fuel Demand

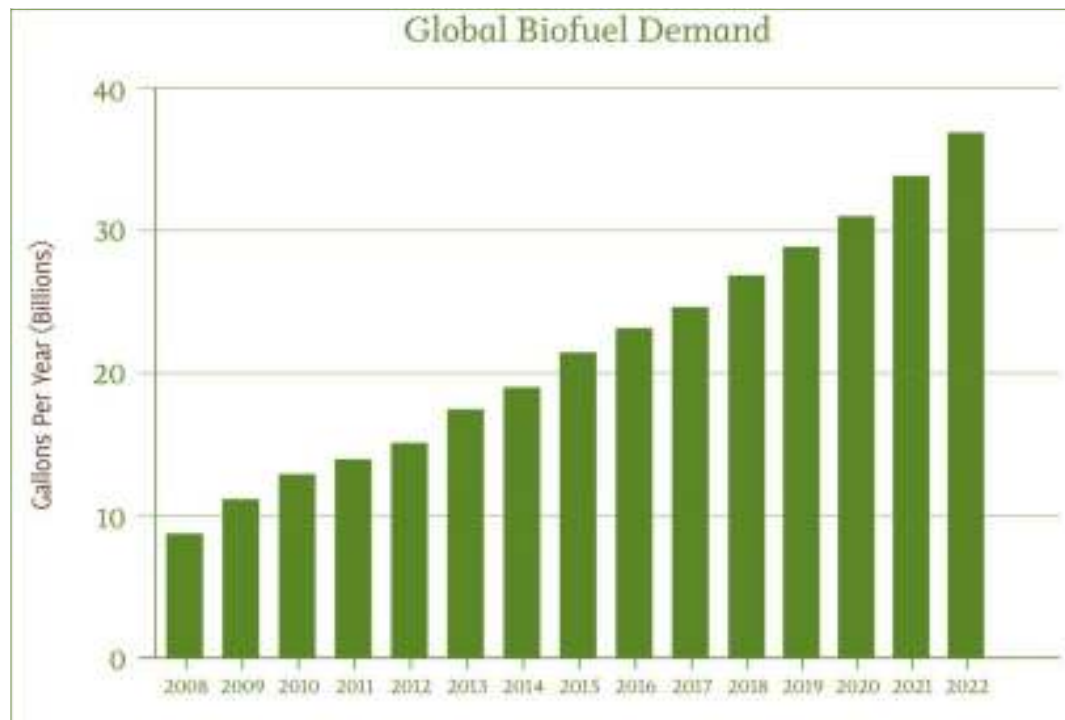
- Global demand for oil is expected to increase 44% between 2007 and 2035\*
- **The world requires alternative sources of energy to meet the demand**





# World Fuel Demand

- As a result, the global biofuels industry is expected to triple by 2020<sup>†</sup>

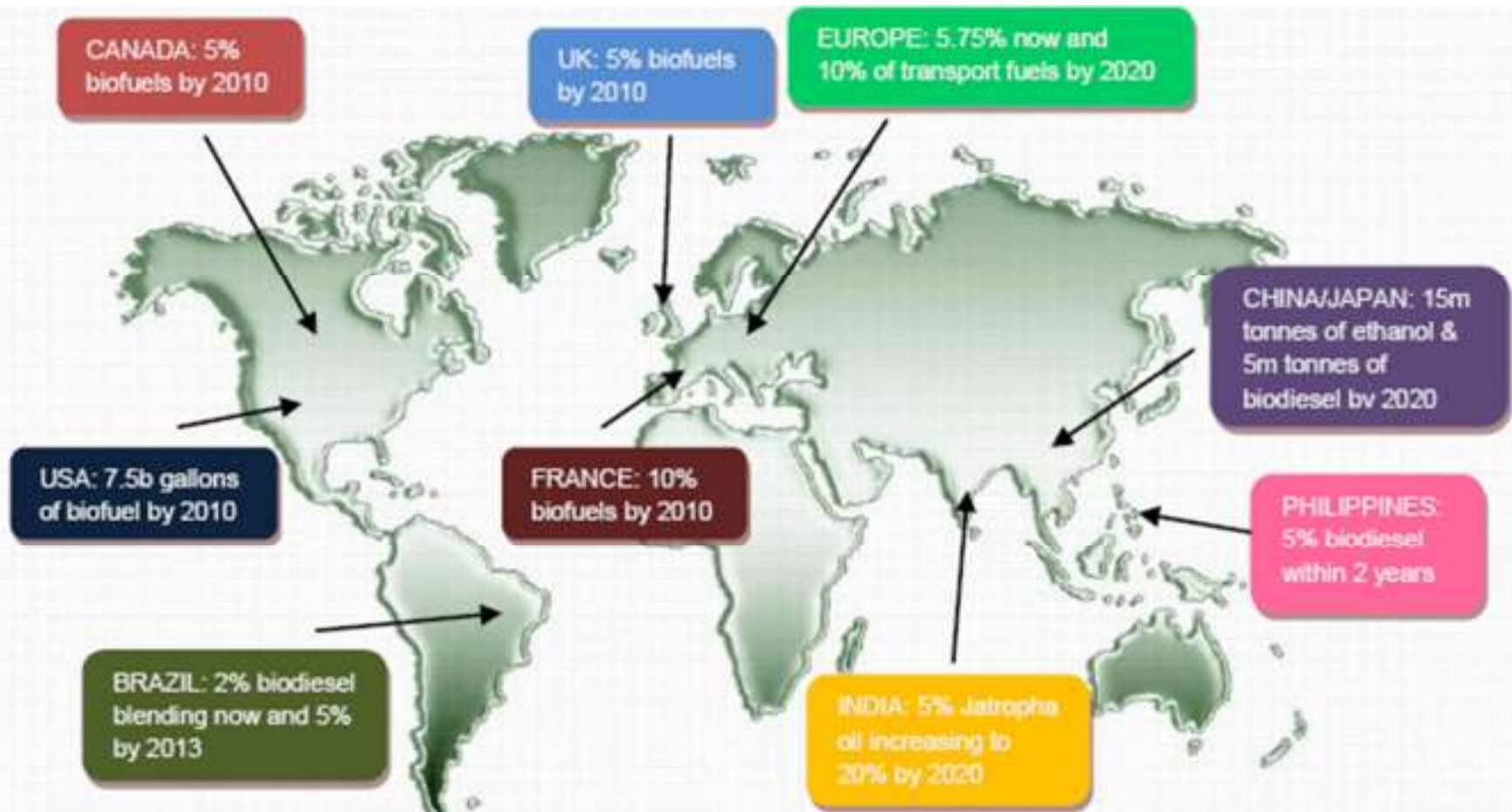


<sup>†</sup><http://www.dailyfinance.com/2009/07/24/global-biofuels-market-to-hit-247-billion-by-2020/>

\* <http://nextbigfuture.com/2009/06/global-biodiesel-and-ethanol-markets.html>



# Global Biofuel Mandates





# EU Biofuel Mandates

- One of 40 markets in the world with biofuel mandates
- EU Biofuels Directive targets a 5.75% biofuels market share, 20% by 2020<sup>\*</sup>
- Demand for biodiesel is 10.5 billion litres annually<sup>\*\*</sup>
- Non-compliance triggers penalties and carbon tax



<sup>\*</sup><http://europa.eu/scadplus/leg/en/lvb/l21061.htm>

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# What is Biofuel & Who Uses it?

Biofuel is biodegradable, renewable, non-toxic liquid energy





# What is Jatropha?

- Oilseed bearing, tropical tree





# What is Jatropha?

- Oilseed bearing, tropical tree
- **Able to grow on marginal land**



Oasis in the desert: Jatropha cultivation can halt soil erosion, increase water storage in the soil and transform barren expanses into lush, productive land.



# What is Jatropha?

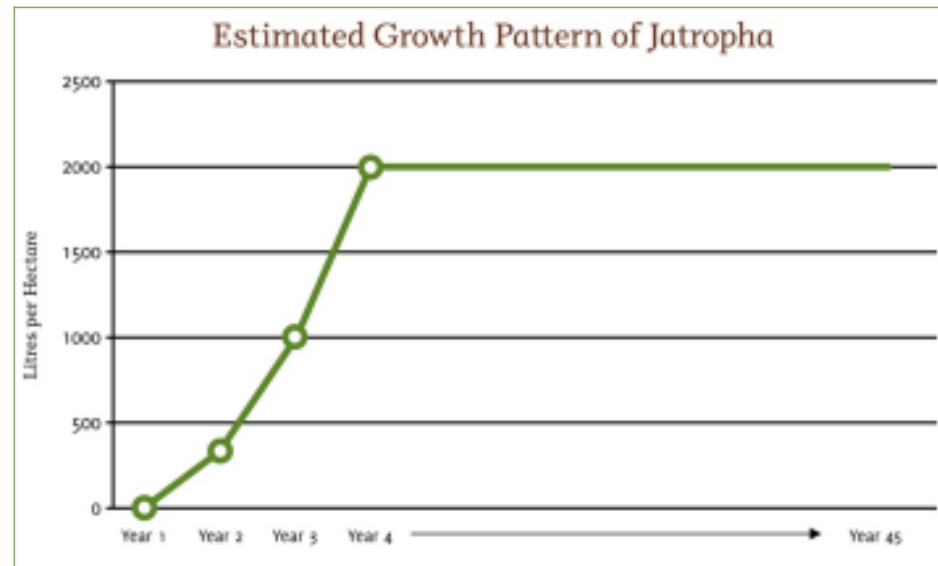
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- Bears fruit up to 50 years
- **High oil yield - Pressed nut produces 35%- 40% oil**





# Why Jatropha

***“Jatropha Curcas is the most efficient biodiesel feedstock”***

\*Goldman Sachs: March 2007 Commodities Report

Feedstock	Net Energy
Jatropha	20.3 X
Sugar Cane	7.0 X
Palm Oil	5.0 X
Canola	1.4 X
Castor	1.4 X
Corn	0.7 X
Soybean	0.4 X



# Why Jatropha



- No waste – pulp can be used as animal feed or fertilizer





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- **Non-edible – does not compete with food crops**



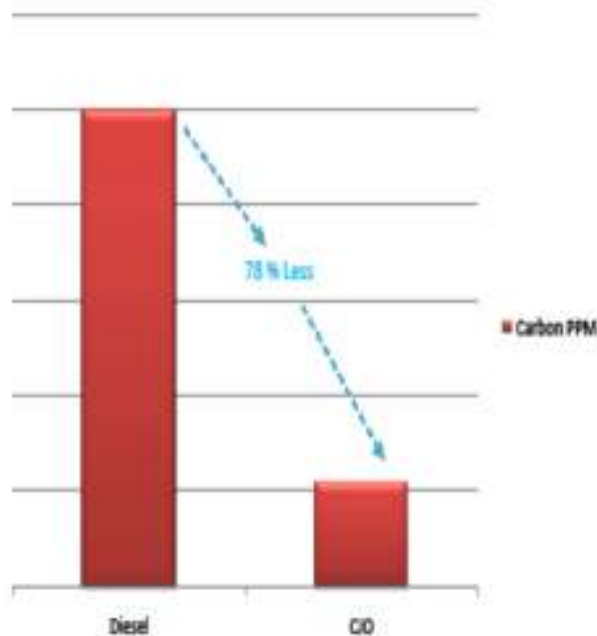
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- Able to intercrop with cattle and other food crops
- Reduces carbon emissions by up to 78%
- **Jatropha biofuel can be used without engine modification**



# Look Who's Using Jatropha







# Our Science



- D1 Oils is the foremost researcher in the Jatropha industry





# Our Science



- D1 Oils is the foremost researcher in the Jatropha industry
- **Bedford has formed a strategic partnership with D1**



Left to right: David McClure, President and CEO, Bedford Biofuels;  
Ben Good, CEO, D1 Oils; Nolan Johnson, General Counsel, Bedford Biofuels



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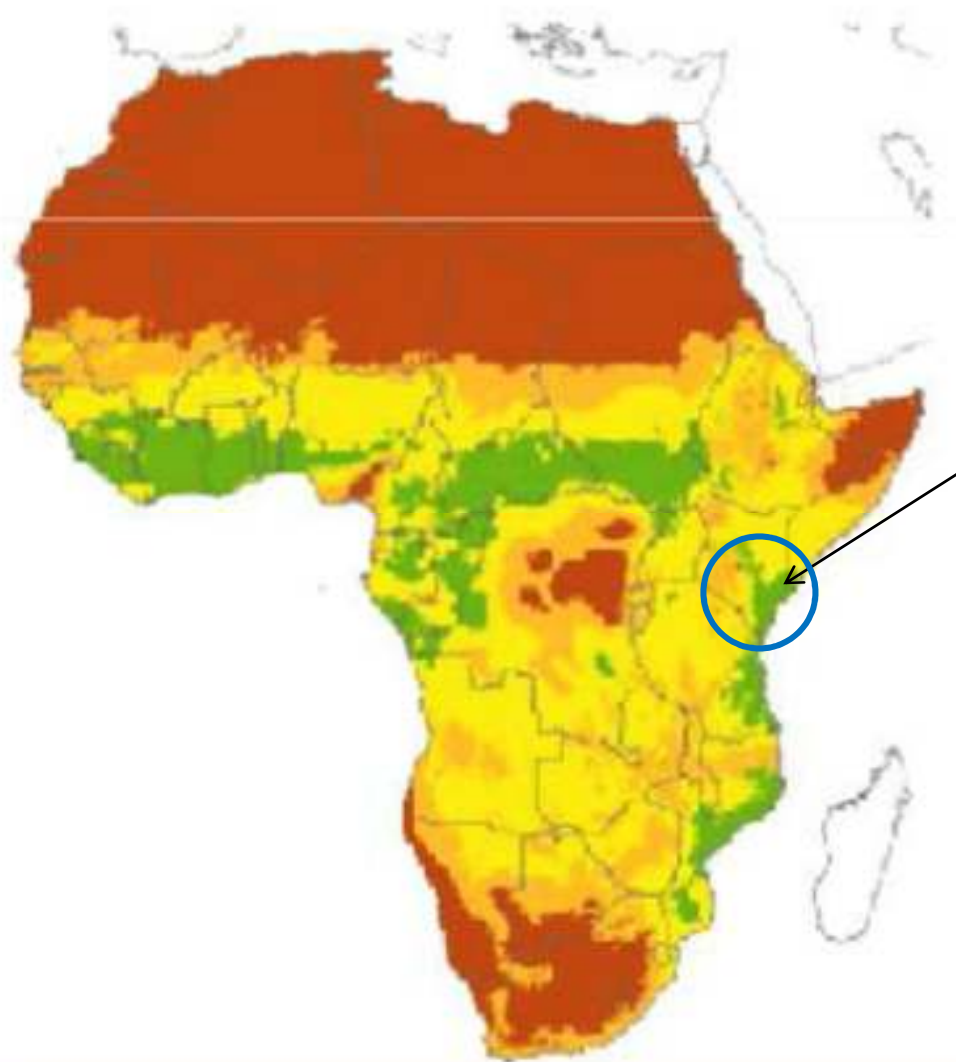
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- **Current technology supports a yield of 1,892 – 3,028 litres of CJO per hectare**



# Jatropha “Hot Spots”



Tana Delta, Kenya



# Why Tana Delta





# Why Tana Delta

- Ideal growing conditions

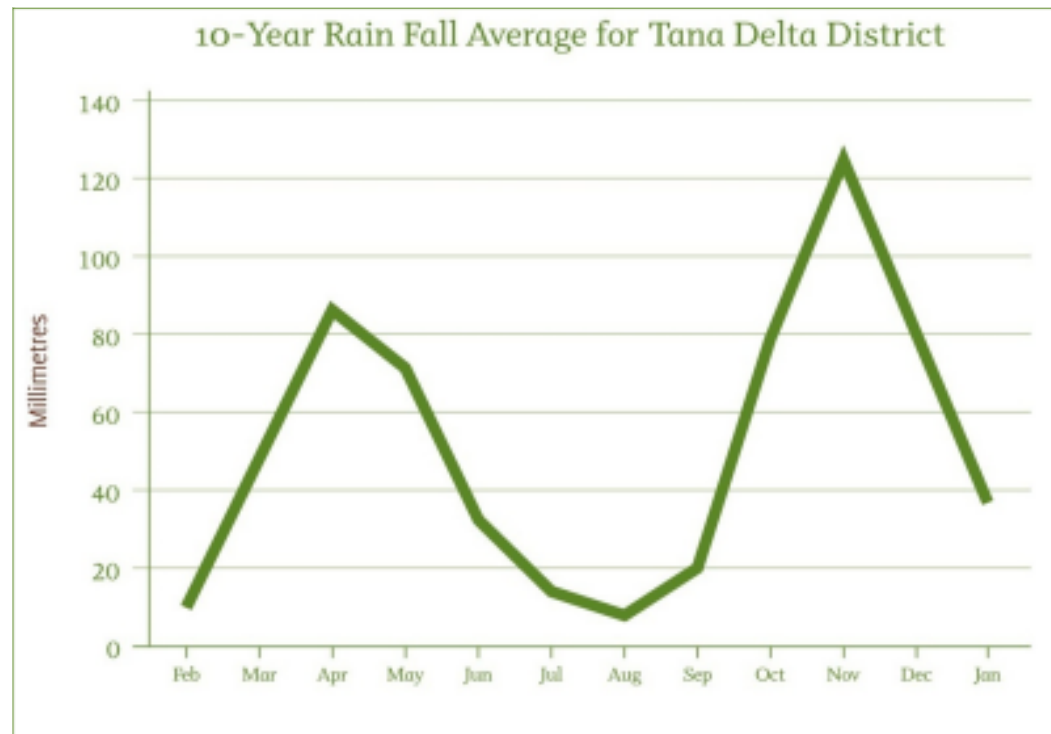


	Ideal	Tana Delta
Rainfall	300 – 1000 mm /year	600 – 900 mm /year
Days of Sun	280	300
Temp	20 – 28 degrees C <sup>o</sup>	20 – 25 degrees C <sup>o</sup>
Soil	pH of 6 – 6.5	pH of 6 – 6.5
Altitude	0 – 500 m above sea level	1 – 600 m above sea level



# Why Tana Delta

- Ideal growing conditions
- **2 growing seasons**





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# Why Tana Delta

- Ideal growing conditions
- 2 growing seasons
- Land availability
- **Ready labor force**

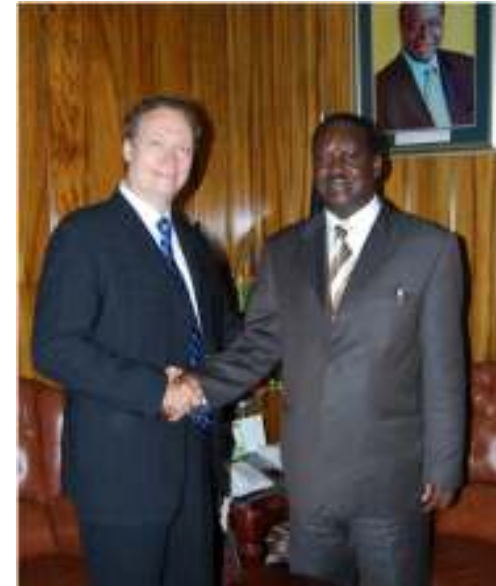


Prof. Thomson Sinkala



# Why Tana Delta

- Ideal growing conditions
- 2 growing seasons
- Land availability
- Ready labor force
- **Stability**



*“Now’s the time to invest in Africa.”*

~ Harvard Business Review





# Why Tana Delta

- Ideal growing conditions
- 2 growing seasons
- Land availability
- Ready labor force
- Stability
- **Infrastructure**





# Market Demand - Kenya



- 100% Net importer of oil

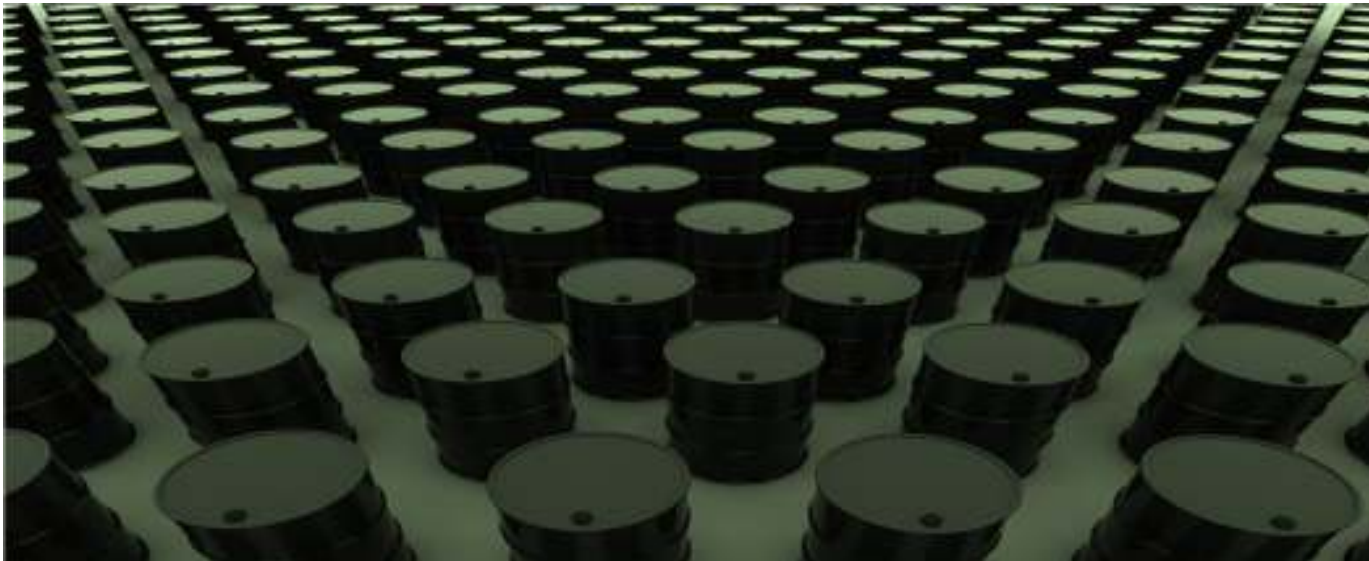




# Market Demand - Kenya



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\*[www.indexmundi.com/kenya/oil\\_imports.html](http://www.indexmundi.com/kenya/oil_imports.html)

\*[www.cia.gov/library/publications/the-world-factbook/geos/ke.html](http://www.cia.gov/library/publications/the-world-factbook/geos/ke.html)



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# Market Demand - Kenya



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- Population = 40 million
- Majority of transportation is diesel powered
- **Government is pro-biofuel**



\*[www.indexmundi.com/kenya/oil\\_imports.html](http://www.indexmundi.com/kenya/oil_imports.html)

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# EMPOWER

Every Member Prospers on World Energy Resources

- **Bedford's humanitarian efforts include:**

- Food security





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  - Access to clean water





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  - Access to medical & dental care
  - **Improved education**





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- Bedford's humanitarian efforts include:
  - Food security
  - Access to clean water
  - Permanent housing
  - Access to medical & dental care
  - Improved education
  - **Out-grower program**





# The Opportunity

10,000 Blocks in a  
10,000 hectare plantation  
\$8,000 per block



Shareholder  
investment  
used to  
establish  
plantation



75% of profit  
returned to  
investors



Sold to end  
user



Fruit harvested  
and nuts processed  
into Crude  
Jatropha Oil





# Disclaimer

*The following is only an estimated forecast contingent upon a number of risks, uncertainties and variables. A number of important factors could cause actual results to differ materially from the predictions, forecasts, objectives, expectations, estimates and other forward-looking statements made herein. These important factors may include, but are not limited to: there is no guaranteed market for biofuels and their by-products; Bedford has no history of operations or earnings and is a start-up venture; the project is very large scale and long term; and ultimately, the project is subject to all risks normally incidental to agricultural development. The investment will be qualified by a confidential offering memorandum which contains a more detailed explanation of all risks involved. **Please ensure that you read the applicable offering memorandum thoroughly before making any investment decision and investing.***



## ROI Variables

- **Yield** – *litres of CJO per hectare*
- **Price** – *price of CJO sold in Kenya*
- **Annual Cost** – *includes cost of harvesting and pressing CJO*
- **Tax** – *37% tax rate in Kenya*



# Potential Return

CJO Yield	Price	Annual Cost	Tax	Projected Return
2,550	\$1.50	\$400	37%	19.4%
2,000	\$1.25	\$400	37%	11.9%
1,800	\$1.00	\$400	37%	7.6%



## Other Sources of Revenue

- Seedcake
- Hardwood
- Honey
- Carbon Credits





# Insurance

- Crop Insurance
- Political Risk Insurance

**LLOYD'S**

Lloyd's of London



# Liquidity

- Potential exit after 5 years
  - Bedford may buy back Block(s) of Shares
  - Valuation based on pre-determined formula
- Benefit
  - Income producing asset that pays annual dividends
  - Asset increases in value over time
  - Preserves capital





***“The next generation will not be held hostage to energy sources from the last Century...the only way the transition to clean energy will ultimately succeed is if the private sector is fully invested in this future – if capital comes off the sidelines and the ingenuity of our entrepreneurs is unleashed.”***

**~ President Barack Obama**



# How to Invest

1. *RRSP (Registered Retirement Savings Plan)*
2. *TFSA (Tax Free Savings Account)*
3. *Cash*
4. *Through your Corporation*



Investors



Environment



Industry



Employees



Farmers