Business Update September 7, 2009

Overall

During 2009, Biogreen Oil made significant progress on its agricultural projects and had our first institutional closing with a large public pension plan committing $ 150 million We continue to fund raise and are now in due diligence with two very large investors and are also in discussions with OPIC regarding debt financing.

To date, our main focus has been Argentina and Brazil, where we planted 250ha and 100ha respectively. The bulk of our research activities are in Argentina while Brazil has been managed more towards pure farming. We are now in the process of expanding our Brazilian project and currently documenting an agreement to purchase a 5000 ha farm at an attractive level. We will shortly commence planting on this property and are evaluating a number of other similar properties nearby with the intention to acquire another 5000 ha. We have also identified and tested a mechanical harvester in Florida and will look to utilize mechanical harvesting at our Brazilian and Argentinean farms.

On the staffing side, we expanded our staff in Brazil, while trimming our staff in Indonesia and Florida to reflect our current focus. We have also added a CFO, Bill Pepper, who has extensive accounting and tax experience from Price Waterhouse.

The macroeconomic developments have been favorable. Land prices, and the currencies of the countries we look to invest in and of our costs base have been moving in our favor over the last year. Oil prices have recovered well with crude oil averaging around $70 per barrel. The last Petrobras biodiesel auction came in at over $1,200 per mt (vs. $1000 per mt in our plan) and last week's average landing price for soy & rapeseed oil in Rotterdam was $873 per mt (vs. $700 per mt in our plan).

Below is a summary of our activities.

Capital Raising

Despite a very difficult financing environment, In August we completed our first institutional closing with a large public pension plan signing a $150mm capital commitment towards Biogreen Oil, subject to not owning less than 50% of the overall company. We have now started drawing down capital and will continue to do so to expand mainly our Brazilian operations

We continue to work with a number of institutional investors and companies interested in investing in Biogreen Oil. We are in due diligence with two large institutional investors. We are also working with a number of oil, biofuel and other companies that are interested in offtake agreements.

While our plan has been to be completely equity financed, we have found that there are attractive, lower risk forms of debt available through some of the development agencies. As a result we have begun discussions with OPIC and with other development entities for debt financing.

Corporate Developments

In 2009, Biogreen Oil joine the Roundtable on Sustainable Biofuels ("RSB")and serve in the Feedstock Chamber and the Jatropha Working Group of the same. We believe sustainability is

critically important to the biofuels industry and a key component of jatropha's attraction so plan on operating our businesses to the highest standards of sustainability.

As we have grown we have built out our financial controls and further enhanced our corporate structure. We established the Biogreen Oil Fund in the Cayman islands as the vehicle which owns Biogreen Oil BV, our dutch holding company. Through this structure we continue to minimize tax friction on our results for our investors. Orangefield Trust serves as the administrator of the Fund.

Argentina

In Argentina, we successfully planted 250ha on our 900ha farm in Formosa, despite severe flooding followed by a record drought. Despite these challenges, our local staff completed the sowing of 250 ha and have been able to research the impact on the plants based on a number of different factors:

- Fungicides seed treatments
- Post emergence herbicides
- Genotype evaluation
- Phenological and morphological effect of water and nutrient availability
- Seedling establishment

Post- sowing. Dichantium (grass) planted between rows

Three months after sowing. Note drought impact on grass but less on the jatropha

Above - Impact of irrigation on six month old plants

To the right – eight month old jatropha, note the size of the tap root.

During the winter of 2009 (May-Spetember) these trees were subjected to approximately 25 frosts with virtually no damage. This is consistent with our previous research that jatropha has significant frost tolerance, especially if given adequate humidity.

As previously discussed, we have signed an agreement with the neighboring state of Santiago del Estero to plant 40,000ha of jatropha on local farmer's land, with all planting costs paid by the state. We only bear the management and seed costs of the project but have the potential to secure a large supply of seeds for our future crushing and extraction facilities at a minimal investment. This project will commence in September (the beginning of planting season).

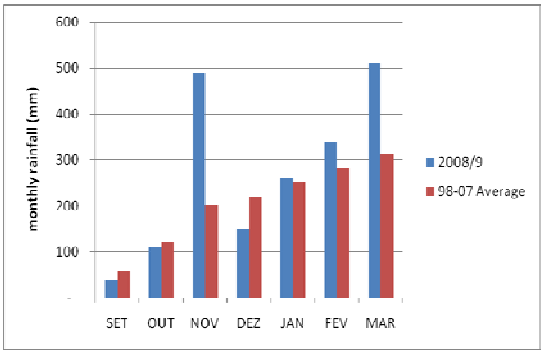
Brazil

In Brazil we began operations in June 2008, beginning with taking soil samples and mapping the farm. Based on this, we repaired parts of the farm damaged by erosion and identified the necessary soil corrections. Tocantins soils have high drainage capacity, low nutrient value and low pH.

Plowing began in November 2008. The original grasses were retained for humidity retention between the rows and no trees were touched.

The soil characteristics in the farm can be described as strongly acid soil. This excessive acidity and aluminum toxicity would impair the germination and growth of jatropha curcas. To correct this, we applied 2,5 tons/ha of dolomitic lime to raise the pH value close to 7 in the superficial layer and applied 600 kg/ha of gypsum to reduce the aluminum toxicity in the deeper layers of soil due to substitution of aluminum with calcium in the cation exchange complex of soil. Furthermore, these soils have poor chemical fertility, which is reflected by their extremely low values of phosphorus available and medium organic matter content. Low fertility creates the need for fertilizer application, and it was necessary to apply 300 kg/ha of composed fertilizer. All of these improvements were accomplished within the planned budget for the area.

Very heavy rains in November delayed the planting process for most of the month. As a result, we started the sowing process on 12/13/2008, using the mechanical seeding system proven in Argentina, sowing seeds straight to the soil, as shown below. The spacing used was 5 meters between the rows and 1,20 meters between the plants. We adapted the discs of a standard seeding machine to accomplish this with jatropha.



The first two weeks of January were hot and particularly dry (see the daily rainfall graph to the right). Despite this, we achieved the germination rates previously discussed and the plants are growing well, producing fruits four months after planting.

Florida

In Florida we planted approximately 10ha of Jatropha for research purposes (land prices in Florida make commercial scale plantations less attractive than other locations). As a research and demonstration facility, our farm has been useful for harvesting and testing as it is closer to many mechanical harvesting manufacturers than our other locations. We completed two successful initial trial of jatropha mechanical harvesting .We tested a modified blueberry picker on jatropha that was planted from our nursery 9 months earlier and were able to adjust the harvester so that it would harvest the green fruit without damaging the trees. We were also able to adjust the machine so that it left the green fruit on the branches. We also tested a larger, self-propelled raspberry picker (modified with 3/8 polyester coated rods and equipped with grape type blowers to remove the larger jatropha leafs) on 9 months old jatropha that was about 50% green and 50 % ripe/overripe. We were able to harvest nearly all the yellow and black fruit, while at the same time harvesting about an equal amount of green fruit

As our commercial facilities grows and testing moves to the commercial stage, we are moving these activities to our South American facilities and are closing our Florida farm. Our corporate headquarters will however continue to be located in Florida.

Indonesia

In Indonesia we have taken steps to establish a legal presence in the country, which is necessary to operate our business. After a wide-ranging search, we identified Sulawesi Utara as a promising location for jatropha and have identified several large parcels to pursue. At the same time, we have conducted field tests in Bangka and sought to obtain land there. Based on both of these experiences, we have reduced the priority on Bangka and are now concentrating our efforts on Sulawesi Utara as the location for our first Asian project

Next Steps

We currently plan significant farming activities for 2009. The scale of these activities will of course vary according to the timing of our capital raising. In summary:

- In **Argentina** we will begin the Santiago del Estero project . This will not require significant resources so it will not be impacted by the timing of the capital raised. We can expand our current farm in Formosa where we leased 900ha and have planted 250ha; we also have other sites that can be developed once the capital raising progresses.
- In **Brazil**, we are in the final documentation stage regarding our agreement to acquire 5,000 hectares around our existing farm and will start planting shortly. We are also in the process of acquiring up to 3500 pieces of cattle that will be used for intercropping in between the rows of jatropha. At the same time, we are evaluating a number of other similar properties nearby with the intention to acquire another 5000 ha property. As our capital raising progress, we will look to plant up to 120,000 ha in Brazil
- In **Indonesia,** we have identified seven potential specific sites in Sulut totaling 50,600 ha gross. Most of these sites are owned by the government and we would be acquiring a long term lease on the land. We have laid out the process to acquire one or more of these sites. The next steps can begin once we have further capital and once started; will likely take 6-12 months to complete.
- In **other** locations, we have a number of opportunities to acquire and advance current projects. Our current list of opportunities includes Costa Rica, Dominican Republic and Ghana