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FOR IMMEDIATE RELEASE

Magnolia BioPower Project Launch

Waynesville, Georgia, October 15, 2009—

Magnolia BioPower LLC (MBP) is a manufacturer of wood pellets, renewable energy and green electrons. MBP's new production facility in Georgia is due to be completed in 2011 and when fully operational will produce 1 million tons of wood pellets annually, as well as up to 30 Mwh of electrical power. The location of MBP's proposed facility is ideal as it is located a short distance from the port of Brunswick, allowing easy export of the annual production to the major markets in Europe. Wood pellets are a carbon neutral renewable energy alternative which is cost effective for coal-fired thermal power plants due to the limited need for retrofitting. Demand to reduce CO2 emissions and the need for renewable energy is increasing globally and wood pellets are a reliable alternative energy source.

➤ Project Scope

CHP/Wood Pellet Plant – Combined Heat and Power and Pellet Plant

Capacities upon completion of Phase I – 300,000 tons wood pellets (WP) p/a

Phase II – 15 Mwh Electricity – 600,000 tons WP p/a

Phase III – 30 Mwh Electricity – 900,000 tons WP p/a

Magnolia BioPower – Power Plant and Wood Pellet Plant will operate 24/7

➤ Project Schedule

Phase I	October 2009 – December 2010	Commissioned April 2010
Phase II	April 2010 – April 2011	Commissioned August 2011
Phase III	October 2010 – December 2011	Commissioned April 2012

➤ Market

Magnolia BioPower LLC

23125 Hwy 82 West, Waynesville, GA 31566 ♦ www.magnoliabiopower.com



Magnolia BioPower will export the wood pellet production of Phase I and II to European Utilities and direct Phase III production to the developing US market.

➤ **Workforce**

Magnolia BioPower expects to provide 60 – 70 quality of life sustaining direct jobs upon completion of all three phases.

Forest biomass harvesting and transportation will provide an additional 150 jobs

| Wood pellet transport to the port, storage and ship loading, as well as maintenance support services, will provide an additional 100 indirect jobs

➤ **Location & Infrastructure**

Magnolia BioPower is situated within the most abundant biomass fibre basket that already supply's the sawmill and pulpmill industry's in Georgia. Forest biomass utilized by MBP will compliment, not compete, for fibre with these industries. Thinnings and non-timber valued, fire or hurricane damaged forest biomass and debris that will be utilized by MBP.

Highways, roads, the railroad, power lines and the close proximity to the port of Brunswick all contribute to this projects ideal location. This infrastructure provides MBP with economic security for receiving, processing and shipping power and pellets.

➤ **Resource**

Human and natural resources are essential for the success of any enterprise; once again this location in this county, in this state, wins!

Magnolia BioPower will require skilled trades' personnel from process control technicians to millwrights and electricians to operate the power plant and wood pellet manufacturing. MBP will require management personnel that have received management degrees which include MBA's and CA's. Local training institutions and job training support programs will provide MBP with good personnel for the project.

Southeast Georgia's rich soil and tropical weather stimulates tremendous growth rates for Southern Yellow Pine. These privately owned plantations provide abundant amounts of

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sustainable biomass for timber, pulp and bioenergy production on the open market daily. Private ownership always incentivizes proper land and forest management, and open and transparent market pricing offers the industry the security required to encourage major investments. Historical data indicates an ever increasing forest base and stable pricing in Southeast Georgia since the 1940's.

➤ **Ownership**

Magnolia BioPower LLC is a private company - wholly owned by a group of American investor shareholders. Magnolia BioPower's head office is in Waynesville, GA, registered office in Atlanta, GA. and has satellite offices in Chicago and Manchester, England.

➤ **Project Financing**

Equity financing by the investor shareholders – DOE Guaranteed Bank Loans

➤ **Management**

John Swaan – Executive Director/CEO, Daniel Dukes – President/CFO, Nicole Pavisic – Finance/Marketing, Kevin Royster – Fibre Resource Manager, Ron Ham – Project Manager, VP Operations – candidate selection in-progress, Administrative Manager/Comptroller – candidate selection in-progress, Health & Safety/PR manager – candidate selection in-progress