

Heat Treated – Phytosanitized & Densified Biomass Chips

Energy = Maine Chips Cubed



“Where Maine’s Residual Forest Products Go to Sea”

To those we recognize herein - the many professionals and companies who have consulted on our work - Thank you.

E = MC³ Searsport, Maine USA Web site: www.arthurhouse.com Email: art@arthurhouse.com

Transforming Traditional Supply Processes – Toward Carbon Reduction Goals

E = MC³

A Responsible & Sustainable Biomass Supply Chain

- Anyone can sell wood chips!
- However, we provide a Renewable Energy Alternative/Supplemental Commodity.
- One that is Environmentally and Financially Sustainable.
 - Enabling CHP buyers to strive for and reach Carbon Neutrality Goals
 - By, blending their Procurement needs with Pellets and $E = MC^3$ Energy Chips

Let's Begin with Shared Duties and Commitments attainable through Alliances

☐ We have a Shared Duty to:

- ☐ Manage and lead in our companies and our industry;
- ☐ Promote the success of our companies and our industry;
- ☐ Act responsibly and sustainably at every level of our operations.

This shared commitment will effectively promote and provide for Reduced Carbon Emissions

$$E = MC^3$$

Environmental and Social Aspects

Identify - and Reduce - Risks or Exposure Related to:

- 1.) **Perceived Over-Cutting** or **Intrusive Harvesting** of forests;
- 2.) **Fiber Origination** – procure only from **Well Managed and Properly Certified** forests;
- 3.) **GHG – Emissions Reduction**: move from **Carbon Intensive Trucking** – to **Rail Transportation**;
- 4.) **Secure Bankable Fiber - Aggregate, Classify, Process and Ensure Quality Assurance**;
- 5.) Meet all **EU Import** requirements – **Phytosanitation** - accomplished with **no Fossil Fuel**;
- 6.) **Densify** and Compact commodities for effective, efficient and low cost **Material Handling**;
- 7.) **Costly Storage Buildings, Chip-Pile Management, Port Handling, Weather – Climate Exposure**;
- 8.) **Ocean Freight** cost containment to exceed **Density/Stowage Efficiency** and promote **Alliances**.

Adherence to the above will Guarantee Carbon Emission Reductions.

1

Perceived over-cutting or intrusive harvesting of forests

Perceptions – EU

Based on 1 EU Company

In 2019 a EU company consumed roughly 9 MMT of wood pellets per year (or roughly 21 M-US tons of raw wood chip fiber per year).

This requires active management and harvesting of 4,600 sq. miles of forests or 2.9 m acres Slightly smaller than Connecticut

Or, roughly 8,066 acres per day to maintain operations.

<https://wattsupwiththat.com/2019/02/07/the-obvious-biomass-emissions-error/>

More than 70,000 US tons of wood harvested every day from US forests = 2,333 Truck Load Movements per day

<https://wattsupwiththat.com/2013/11/09/wood-burning-power-plants-misguided-climate-change-solution/>

Perceptions US-SE

Based on 1 SE Based Company

US-SE region exported 9.6 MMT in 2019 = 22.4 M-US tons of raw wood chip fiber.

US-SE region expected to export 13.6 MMT annually by 2030

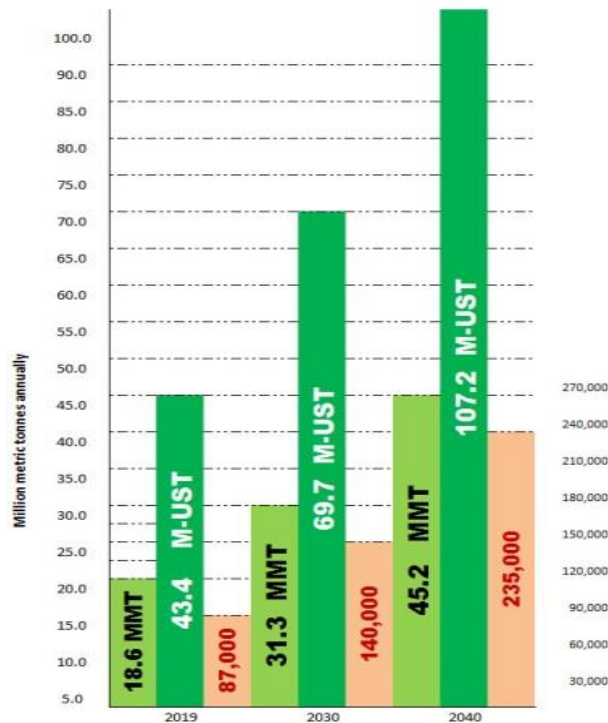
At the time of this report in 2017 80,000 acres were being harvested annually.

By 2030 this will increase to 280,000 acres annually to keep up with demand.

“The use of wood and other biomass will increase at an average annual rate of 4.4 % from 2014 through 2040”.

[U.S. Department of Energy, Energy Information Administration 2014](https://www.dogwoodalliance.org/wp-content/uploads/2017/08/Acres-of-Pellets-Fact-Sheet.pdf)
<https://www.dogwoodalliance.org/wp-content/uploads/2017/08/Acres-of-Pellets-Fact-Sheet.pdf>
<http://bit.ly/2tFsGSe>

As Example of Perception - Two Companies' Fiber Use is Combined



Annually Drain on Forests - These Two Power Plants Alone



Note: Above examples do not reflect personal opinion on these two pellet related firms. The details are from published reports and are only used to indicate what negative perception this can have.

Negative Perceptions

Surprise! **Greedy Green Energy Corporatists** are **Clear Felling Protected Forests** for Biomass

<https://wattsupwiththat.com/2016/11/26/surprise-greedy-green-energy-corporatists-are-clear-felling-protected-forests-for-biomass/>

The **Obvious Biomass Emissions Error**

<https://wattsupwiththat.com/2019/02/07/the-obvious-biomass-emissions-error/>

A Trifecta of **Green Lunacy**: The law of unintended consequences kicks in

<https://wattsupwiththat.com/2017/02/23/a-trifecta-of-green-lunacy-the-law-of-unintended-consequences-kicks-in/>

Wood-burning power plants: **Misguided climate change solution?**

<https://wattsupwiththat.com/2013/11/09/wood-burning-power-plants-misguided-climate-change-solution/>

Green Shock: Entire **Forests Being Murdered** to Produce Wood Pellet Biomass

<https://wattsupwiththat.com/2018/04/18/green-shock-entire-forests-being-murdered-to-produce-wood-pellet-biomass/>

Hardwood forests cut down to feed [sic] Power plant, Channel 4 Dispatches claims

<https://theecologist.org/2018/apr/16/hardwood-forests-cut-down-feed-drax-power-plant-channel-4-dispatches-claims>

Dangerous delusions: biomass is not a renewable energy source

<https://www.leonardodicaprio.org/dangerous-delusions-biomass-is-not-a-renewable-energy-source/>

Negative Effects of Biomass

<https://sciencing.com/negative-effects-biomass-19624.html>

The **biomass industry should come clean** about its environmental impact

https://assets.nrdc.org/sites/default/files/01_opener_biomass_video.mp4

False [Bad] News Travels Farther, Faster Than The Truth, MIT Study Finds

<https://www.wbur.org/commonhealth/2018/03/08/fake-news-twitter>

Word of Mouth 7 Times Faster - Social Media 1,000 Times Faster

Responsibly: Ensure procurement strategy includes a mixture of fiber from sources not harvested. Blend residuals where ever possible.

$$E = MC^3$$

2 Fiber Origination – procure only from **well managed and properly certified** forests

- Maine contains an estimated **17.6 million acres of forest land** and covers **89.1%** of the land area in the State. Most of the forest land, **95.3 %, is classified as timberland**, meaning that it **exceeds a minimum level of productivity** and is not legislatively reserved from timber harvesting.
- Forest land, in Maine there is an estimated **23.9 billion live trees** ≥1 in d.b.h.
- These trees have a total **above ground biomass** of **713.8 million tons** and, looking at trees ≥5 in d.b.h., a total net volume of 27.3 billion ft³ . The ratio of net growth to **removals is 1.4:1**.
- **Certificated Fiber: 1.55 M acres FSC; 2.83 M acres SFI and 3.26 M acres both FSC and SFI = 7.64 M acres total**

https://www.fs.fed.us/nrs/pubs/ru/ru_fs160.pdf

Not depicted here is certificated forests in New Brunswick, Canada - and other Canadian Regions from ~ 2.5 m acres of Sustainably Managed land.

Sustainably: Ensure all fiber comes only from Sustainably Managed Forests – Secure all Necessary Certification Documentation

Sustainability Statistics Considering all Four (4) Mega Forest Regions

Certifications

| Major Landowners Harvest Acreage | | |
|---|------------------|-----------|
| Certifications | Acres | Owners |
| FSC | 1,548,319 | 11 |
| SFI | 2,831,237 | 7 |
| FSC & SFI | 3,257,579 | 1 |
| | <u>7,637,135</u> | <u>19</u> |
| Every landowner has cutting plans, sustainability plans and works with licensed, certified Forester to define annual cuts and to oversee all required to supply fiber from the land through licensed logging companies. | | |

| Logging Contractors and Trucking Firms | | |
|--|-----------|-----------------------|
| Total | 86 | |
| Within 50 mi | 53 | 62% |
| Beyond 50 mi | 33 | 38% |
| | 5,000,000 | US Tons Available |
| | 4,508,500 | Metric Tons Available |

100% of raw **Biomass Fiber** is acquired from sources including; a.) logging residuals, b.) small-diameter or low-value trees, c.) mill residues, and d.) other forms of wood waste.

- Residuals are most prevalent – (slash, tops, limbs, other woody materials from conventional forest harvests.
- Logging residuals often comprise 25% - 45% of harvested timber in northeastern forest operations.
- Another low value source of woody biomass is short-rotation woody crops (SRWCs)
- Woody biomass removals can assist with other management goals such as timber stand improvement, reduction of insect, disease, or fire risk, and reduced use of herbicides and to increase wildlife habitat.
- Biomass production from logging residuals is environmentally and fiscally responsible.
- Hog Fuel is the lowest 'cost and value' fiber source – in late 2020 – to early 2021 ~ 600,000 MT Annually from Searsport, ME
- 2 Replicable systems planned - by 2021 will produce an additional 300,000 MT annually in St. Johns and New Haven CT

Sustainably: Ensure all fiber comes only from Sustainably Managed Forests – Secure all Necessary Certification Documentation

3

GHG – Emissions Reduction: move from Carbon Intensive Trucking – to Rail Transportation

Targeted Procurement = ~ 70% of Fiber Inbound by Rail and ~ 30% on Local Trucks

Log Truck 300,000 UST per year to Facility

| <u>Distance</u> <u>Miles</u> | <u>Weight</u> <u>Cargo UST</u> | <u>Emission</u> <u>Factor</u> | <u>Grams</u> <u>of CO2</u> | <u>MT of</u> <u>CO2</u> | <u>\$ Per Loaded</u> <u>Mile Truck</u> | <u>\$ Per</u> <u>Truck</u> | <u>\$ Per US</u> <u>Ton</u> | <u>\$ for 300</u> <u>USTPY</u> | <u>Annual</u> <u>Tons</u> | <u>Annual</u> <u>Loads</u> | <u>Grams of CO2</u> | <u>MT of CO2</u> <u>Per Load</u> | |
|---------------------------------|-----------------------------------|----------------------------------|-------------------------------|----------------------------|---|-------------------------------|--------------------------------|-----------------------------------|------------------------------|-------------------------------|---------------------|-------------------------------------|------|
| 200 | 30 | 161.8 | 970800 | 0.971 | \$ 3.50 | \$ 700.00 | \$ 23.33 | \$ 7,000,000 | 300,000 | 10,000 | 9,708,000,000 | 9,708 | 100% |
| 175 | 30 | 161.8 | 849450 | 0.849 | \$ 3.50 | \$ 612.50 | \$ 20.42 | \$ 6,125,000 | 300,000 | 10,000 | 8,494,500,000 | 8,495 | 100% |
| 150 | 30 | 161.8 | 728100 | 0.728 | \$ 3.50 | \$ 525.00 | \$ 17.50 | \$ 5,250,000 | 300,000 | 10,000 | 7,281,000,000 | 7,281 | 100% |
| 125 | 30 | 161.8 | 606750 | 0.607 | \$ 3.50 | \$ 437.50 | \$ 14.58 | \$ 4,375,000 | 300,000 | 10,000 | 6,067,500,000 | 6,068 | 100% |
| 100 | 30 | 161.8 | 485400 | 0.485 | \$ 3.50 | \$ 350.00 | \$ 11.67 | \$ 3,500,000 | 300,000 | 10,000 | 4,854,000,000 | 4,854 | 100% |
| 75 | 30 | 161.8 | 364050 | 0.364 | \$ 3.50 | \$ 262.50 | \$ 8.75 | \$ 2,625,000 | 300,000 | 10,000 | 3,640,500,000 | 3,641 | 100% |
| 50 | 30 | 161.8 | 242700 | 0.243 | \$ 3.50 | \$ 175.00 | \$ 5.83 | \$ 1,750,000 | 300,000 | 10,000 | 2,427,000,000 | 2,427 | 100% |
| 25 | 30 | 161.8 | 121350 | 0.121 | \$ 3.50 | \$ 87.50 | \$ 2.92 | \$ 875,000 | 300,000 | 10,000 | 1,213,500,000 | 1,214 | 100% |
| | | | | | | Average | \$ 13.13 | \$ 3,937,500 | | | Average | 5,461 | 100% |

Rail Car 300,000 UST per year to Facility

| <u>Distance</u> <u>Miles</u> | <u>Weight</u> <u>Cargo UST</u> | <u>Emission</u> <u>Factor</u> | <u>Grams</u> <u>of CO2</u> | <u>MT of</u> <u>CO2</u> | <u>\$ Per Loaded</u> <u>Mile Rail</u> | <u>\$ Per Rail</u> <u>Car</u> | <u>\$ Per US</u> <u>Ton</u> | | <u>Annual</u> <u>Tons</u> | <u>Annual</u> <u>Loads</u> | <u>Grams of CO2</u> | <u>MT of CO2</u> <u>Per Load</u> | |
|---------------------------------|-----------------------------------|----------------------------------|-------------------------------|----------------------------|--|----------------------------------|--------------------------------|--------------|------------------------------|-------------------------------|---------------------|-------------------------------------|-----|
| 200 | 75 | 22.9 | 343500 | 0.344 | \$ 4.13 | \$ 825.00 | \$ 11.00 | \$ 3,300,000 | 300,000 | 4,000 | 1,374,000,000 | 1,374 | 14% |
| 175 | 75 | 22.9 | 300563 | 0.301 | \$ 4.50 | \$ 787.50 | \$ 10.50 | \$ 3,150,000 | 300,000 | 4,000 | 1,202,250,000 | 1,202 | 14% |
| 150 | 75 | 22.9 | 257625 | 0.258 | \$ 5.00 | \$ 750.00 | \$ 10.00 | \$ 3,000,000 | 300,000 | 4,000 | 1,030,500,000 | 1,031 | 14% |
| 125 | 75 | 22.9 | 214688 | 0.215 | \$ 5.70 | \$ 712.50 | \$ 9.50 | \$ 2,850,000 | 300,000 | 4,000 | 858,750,000 | 859 | 14% |
| 100 | 75 | 22.9 | 171750 | 0.172 | \$ 6.75 | \$ 675.00 | \$ 9.00 | \$ 2,700,000 | 300,000 | 4,000 | 687,000,000 | 687 | 14% |
| 75 | 75 | 22.9 | 128813 | 0.129 | \$ 8.50 | \$ 637.50 | \$ 8.50 | \$ 2,550,000 | 300,000 | 4,000 | 515,250,000 | 515 | 14% |
| 50 | 75 | 22.9 | 85875 | 0.086 | NA | NA | NA | | 300,000 | 4,000 | 343,500,000 | 344 | 14% |
| 25 | 75 | 22.9 | 42937.5 | 0.043 | NA | NA | NA | | 300,000 | 4,000 | 171,750,000 | 172 | 14% |
| | | | | | | Average | \$ 9.75 | \$ 2,925,000 | | | Average | 773 | 14% |
| Transition Point | | | | | | Average Savings | 26% | \$ 1,012,500 | | | | GHG Reduced | 86% |

Responsibly: Transition to Rail from Trucking – Reduce GHG Dramatically

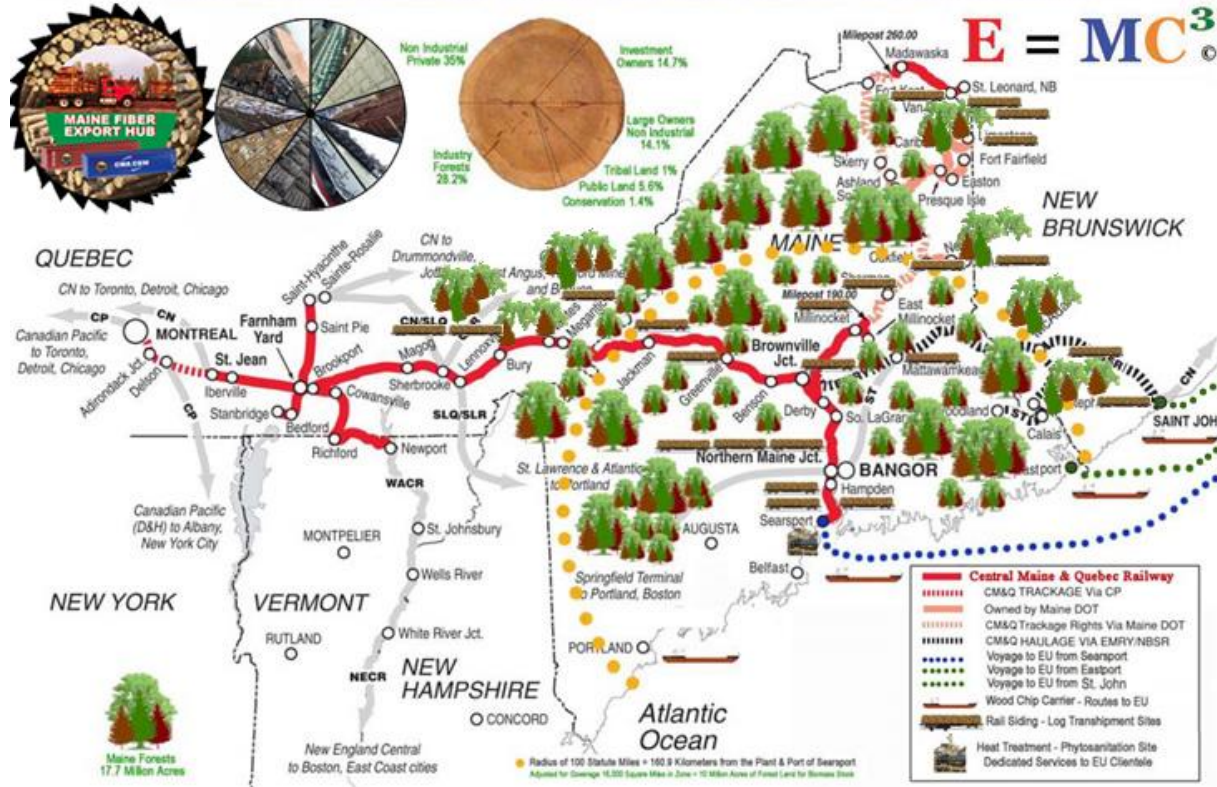
E = MC³

From:
Montreal Region, Houlton, ME, Millinocket, ME and St. John NB, CA

To: Searsport Fiber Hub
Inbound Fiber 65% to 70% - By rail to reduce truck use - reduce GHG by ~ 86%

Direct by Rail to Searsport

FIBER SOURCING FROM MONTREAL - ST. JOHN - MILLINOCKET - HOULTON - FORT KENT AND BEYOND



Other Benefits of Rail:

- Rail sidings located ~ 50 miles apart
- 2.5 – 3 Trucks per rail car
- Truckers increase daily fiber X3
- Opens Work to Smaller Companies
- Residuals/Slash Removed Faster
- Thinning/Clearing more Efficient
- Reduced Forest Fire Hazards
- Reduced truck traffic
- Lower accident incidents
- Increase rail service (efficiencies)
- Activates rail service
- Provides Job Opportunities
- Enhances Local Economies

$$E = MC^3$$


$$E = MC^3$$

An Example of Cost Efficiencies by Operating Fiber Hub – Aggregation Yard

Production of Low Cost – Low Value Hog Fuel

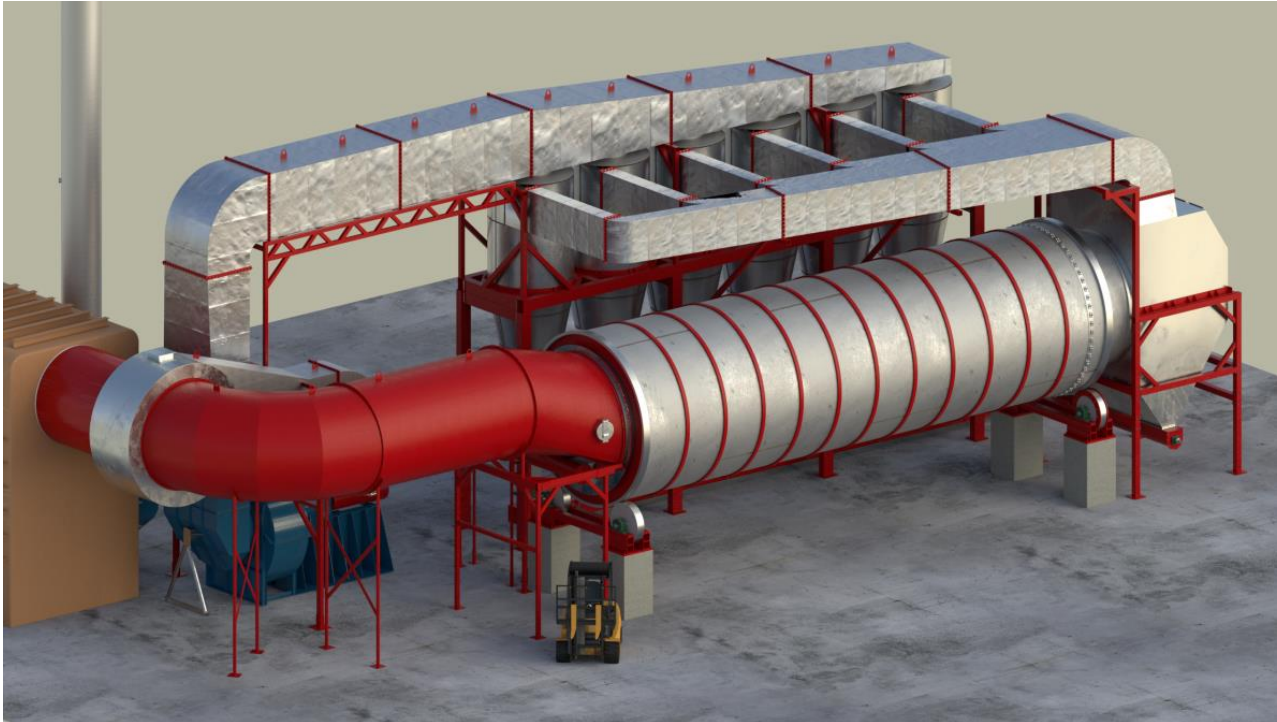
| Blending Material Resources to Achieve Low Cost Materials | | | All material is Phytosanitized | | |
|--|--------------------------|-------------------------|--------------------------------|---------------|---------------|
| Products Arriving at Yard - Includes Delivery Costs | Annual US Tons Available | Cost to Yard Per US Ton | Extended Yard Cost of Fiber | Yard Collects | Blended |
| Residual derived of merchantable harvests | 150,000 | \$ 18.00 | \$ 2,700,000 | \$ - | \$ 2,700,000 |
| Small diameter clearing from harvest operations | 375,000 | \$ 18.00 | \$ 6,750,000 | \$ - | \$ 6,750,000 |
| Whole tree chips from loggers during harvests | 150,000 | \$ 20.00 | \$ 3,000,000 | \$ - | \$ 3,000,000 |
| Factory residuals, shavings and waste | 6,000 | \$ 20.00 | \$ 120,000 | \$ - | \$ 120,000 |
| Municipal waste of dead trees, roots and stumps | 15,000 | \$ 30.00 | | \$ (450,000) | \$ (450,000) |
| Tree clearing - trimming roads/power lines | 10,000 | \$ 10.00 | | \$ (100,000) | \$ (100,000) |
| Clean hardwood crates and pallets | 5,000 | \$ 8.00 | | \$ (40,000) | \$ (40,000) |
| Residential downed tree debris and waste wood | 5,000 | \$ 15.00 | \$ - | \$ (75,000) | \$ (75,000) |
| Disaster clearing and forest fire preservation (Free) | 5,000 | \$ - | \$ - | \$ - | \$ - |
| Other | | | | | |
| | 711,000 | | 12,570,000 | \$ (665,000) | \$ 11,905,000 |
| Sampling of Materials: Research Maine 2011 - 2019 To produce Hog Fuel for Export | | | Average Net Cost \$ 16.74 | | |

Note: With cooperation and goal sharing by Strategic Alliance Partners one can consistently achieve these low costs targets of raw fiber before processing through the Phytosanitation System.

5

EU Import requirements – Phytosanitation - accomplished with no Fossil Fuel

Since 1945 Thompson Dryers have been pioneering drying; patenting, perfecting and servicing dryer systems across many industries. Take a tour around one of our single-pass rotary drying systems. Thompson's believes equipment should work like it's supposed to and you deserve the very best solution for your drying needs.



300 KMPY Output

Per Line (Potential for 2 lines).

Driven on Exhaust Steam

In-house Electric Source

Existing Infrastructure

13 Miles Proximity to Port

Focus on Heat per EU Mandates

Dehydration not Agenda



<https://youtu.be/bns2qMiKgUQ>

E = MC³

6 **Densify** and Compact commodities for effective, efficient and low cost **Material Handling**

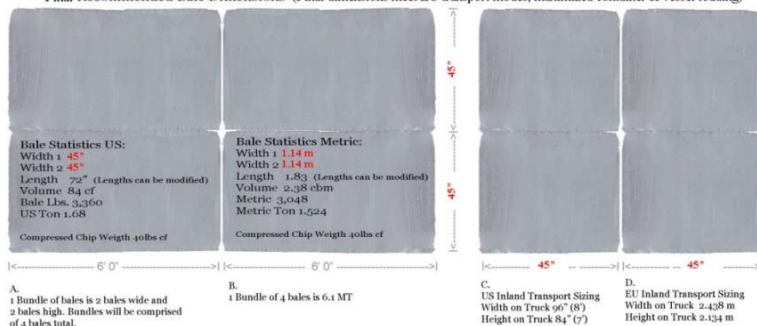


Designer Energy Chip

Hog Fuel – Biomass Fiber



Final Recommended Bale Dimensions (Final dimensions meet EU transport modes, maximized container & vessel loading)



The Apollo ISC Big Bale Press (BBP65) is part of our Big Bale Packaging Concept: the most efficient and flexible compressing and packing system available on the market today. The Big Bale press in itself is a compact, fully automatic installation for compressing, packing and palletizing bulk products. The Big Bale Press can be used for a wide range of compressible and cohesive products, such as peat, biomass and compost.

<https://apollobv.com/products/baling-debaling/baling>



Rock Solid - Perfectly Sized to Fit:

Shipping Containers – No Wasted Space

Tightly Arranged Vessel – handy sized 28 MMT

US & EU Trucks/Rail and Transport



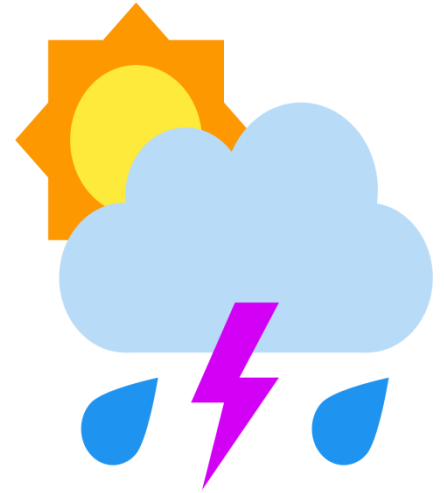


Different De-baler Systems

Slicing – 100 MT Per Hour

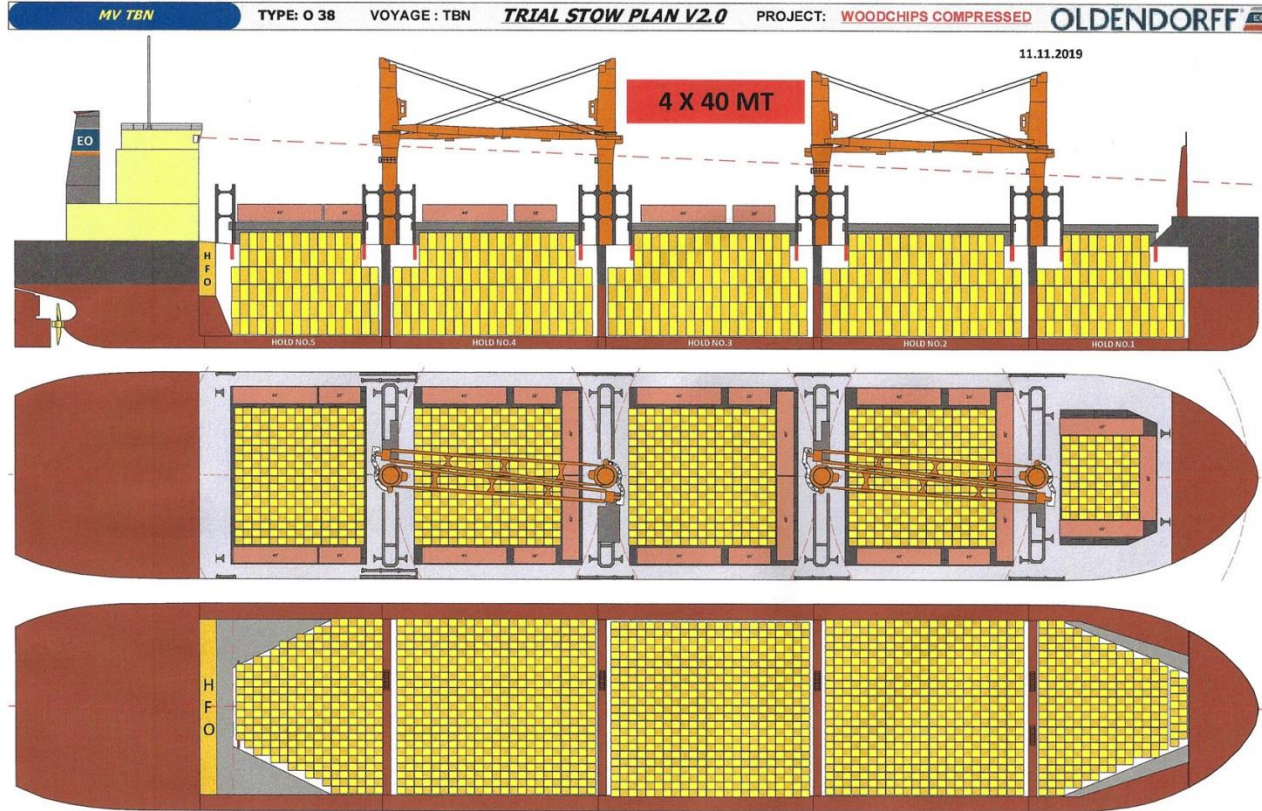
Trommel - Stripper

7 Costly Storage Buildings, Chip-Pile Management, Port Handling, Weather – Climate Exposure



8

Ocean Freight cost containment to exceed **Density/Stowage Efficiency** and promote **Alliances**

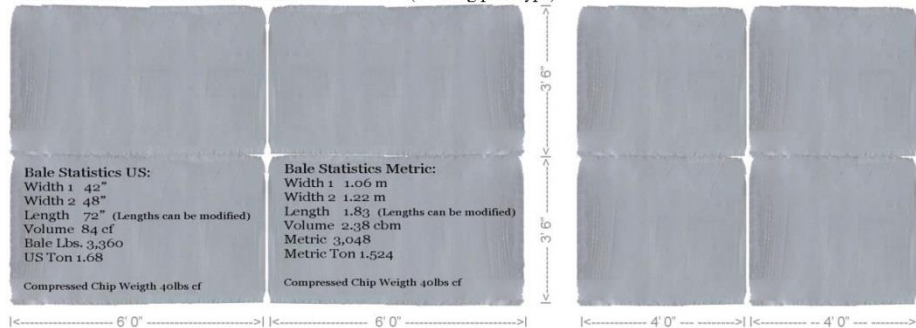


Load Perfection:

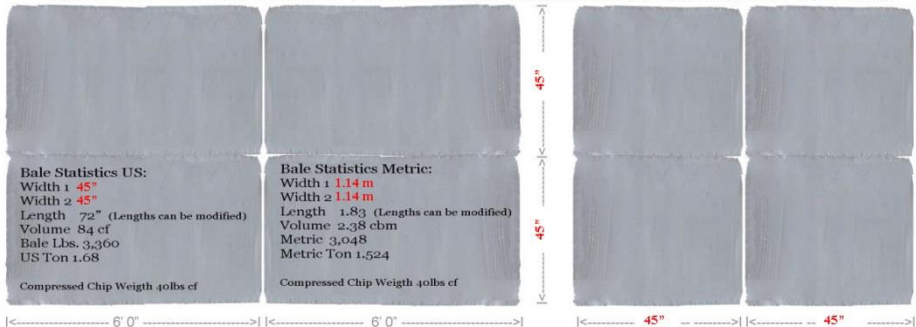
28 KMT Cargo – Handy size

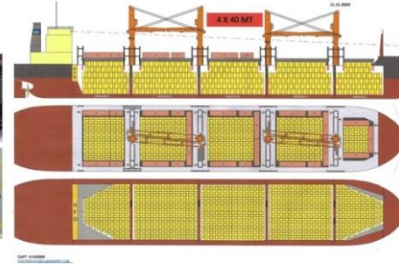
- ☐ Tightly Arranged Vessel
- ☐ 3 Cranes
- ☐ 24 Mt Per Cranston Bar
- ☐ 7 Turns Per Hr (24 MT EA)
- ☐ 168 MT P/hr per/Crane
- ☐ 504 MT per Hr Total
- ☐ 55 Hrs. to Load
- ☐ 3 Days in Port
- ☐ Reciprocal Back Hauls
- ☐ Same Ports – Same Type Loads
- ☐ 20 Dedicated Loads Per Year
- ☐ 560,000 MT Potential
- ☐ Dual HT System = 600 KMT PY

Typical - Recommended Bale Dimensions (working prototype)



Final Recommended Bale Dimensions (Final dimensions meet EU transport modes, maximized container & vessel loading)





- 1.) **Perceived Over-Cutting** or **Intrusive Harvesting** of forests;
- 2.) **Fiber Origination** – procure only from **Well Managed and Properly Certified** forests;
- 3.) **GHG – Emissions Reduction**: move from **Carbon Intensive Trucking** – to **Rail Transportation**;
- 4.) **Secure Bankable Fiber** - **Aggregate, Classify, Process** and **Ensure Quality Assurance**;
- 5.) Meet all **EU Import** requirements – **Phytosanitation** - accomplished with **no Fossil Fuel**;
- 6.) **Densify** and Compact commodities for effective, efficient and low cost **Material Handling**;
- 7.) **Costly Storage Buildings, Chip-Pile Management, Port Handling, Weather – Climate Exposure**;
- 8.) **Ocean Freight** cost containment to exceed **Density/Stowage Efficiency** and promote **Alliances**.

Fiber is derived of only residuals & waste – no harvests.

100% Fiber from Certificated Forests - ~ 10 M Acres Access

Move from Truck to Rail Reduces Carbon Emissions 86%

Yard Produces Below Market Costs & Guarantees Fiber Quality.

Phyto System Exceeds Mandates – Focus Heat vs. Dehydrations

Densification Reduces Wood Chip Ocean Freight Cost by 45%

Eliminate Major Investment in Infrastructure – Mitigates Waste

Direct Contract Relationship with Buyers – Reduces Ocean

Freight Cost – Increased Cargo Volume – Reduced Freight Costs

Cumulative Sustainable and Financial Benefits from Acting Responsibly

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|---|--|---|--|---|---|--|
| Over Cutting - Intrusive Harvesting | Fiber Origination Forest Certification | GHG Emission Reduction - Rail | Fiber Aggregate, Process - Quality Assurance | Phytosanitation No Fossil Fuels | Densification Material Handling - Longevity | Storage Buildings, Piles, Weather - Climate | Ocean Freight Efficiencies - Alliance |
| No harvesting for residuals | <u>Maine</u> 1.5 M A FSC 2.8 M A SFI | Overall Agenda is to Procure 70% by Rail | All fiber is Received, Sorted, Classified and separated | HT Uses Exhaust Steam | Compacted to > 40 Lbs. CF | No Storage Building at Origination Port | Strategic Alliance |
| Slash removal - forest fire prevention | 3.26 M A FSC & SFI | Overall Agenda All Fiber > 75 Miles will come only on Rail | Sorted for Species | Electric In-house | ~ 45 MT Per Hr. Per System | 28 K MT Bales on 2 Acre Yard | Global Presence |
| Affiliated - Parent Co. Involved in 1 Trillion Tree Planting | <u>New Brunswick - Quebec</u> 2.8 M A Under Site Control | Overall Agenda All Fiber < 75 Miles will come on truck | Natural Dried - GJ > | Focus - Heat Not Dehydration | Metric Size Bales - EU Transport | Lay down yard 1,500 FT from Quay | Potential Dedicated Vessel |
| USA and Canada is Substantial Focus - Maine Can be Impacted | | GHG Carbon Reduction Approx. | Debarked if Required | Dryer Can be set lower temp - need to heat not dehydrate | Bales = 1.5 MT Each | Bundles Pre Strapped for Loading & Voyage | 1 Vessel Could be Assigned Up to 300 KMPY |
| | | Increased Reliance on Rail v. Trucks | Chipped - Ground | Silo Storage & Phyto Cert Verification | Bales bundled in 4 Units Each Approx 6 MT per Bundle | No Storage Building at Destination Port | Export Potential to reach 600 KMPY 2021 |
| | | | Delivered - Walking Bed JIT to Plant | 8,400 Hours Yearly | 5 Bundles Per Trailer to Port | No Open Wood Chip Piles | Direct Contracting - Vessel Owner and Buyer = Reduced Shipping Costs |
| | | | | ~ 38 MT Per Hr. Per System | Bales Sized to Efficiently Load - EU Trucking, Shipping Containers and Vessel Holds | No Weather or Climate Issues | Vessel Rigging can Load and Unload 28 KMT in Approx 60 |
| | | | | 2 Production Lines Planned | | No Off Gas, Combustion, Oxygen Depletion or Degradation | Potential Back haul - Same port to port - similar product - baled similarly. |
| | | | | > 600,000 MTPY Annual Output | | No Exposure to Contaminate from Environment | Back haul potential in same volume |

Financial Benefits from Acting Responsibly

Example of Total Consumption from Each Product

Comparison of Wood Pellet Use to Energy Wood Chip Use - MT Required and Net Gj Cost Per Unit

| Industrial Wood Pellets | GJ/MT | Forward | Converted from € | | Annual MT Consumption | Annual GJ Consumption | Dashboard Stats | |
|-------------------------|-------|---------|------------------|----------|-----------------------|-----------------------|-----------------|--------------------------------|
| | | | \$ GJ/MT CIF | GJ \$ | | | | |
| 17 | | 1 Q20 | \$ 164.60 | \$ 9.68 | 600,000 | 10,200,000 | \$ 98,760,000 | 10,200,000 Total Gj Use |
| | | 2 Q20 | \$ 163.60 | \$ 9.62 | | | \$ 98,160,000 | 600,000 MT Volume Use |
| | | 3 Q20 | \$ 162.10 | \$ 9.54 | | | \$ 97,260,000 | \$97,185,000 Total Procurement |
| | | 4 Q20 | \$ 157.60 | \$ 9.27 | | | \$ 94,560,000 | \$ 9.53 Pr Gj Cost |
| | | 2020 | \$ 161.98 | \$ 9.53 | | | \$ 97,185,000 | |
| | | | | | | | | % Δ Av. % Δ |
| 17 | | 2021 | \$ 169.10 | \$ 9.95 | 600,000 | 10,200,000 | \$ 101,460,000 | 4.4% |
| 17 | | 2022 | \$ 171.10 | \$ 10.06 | 600,000 | 10,200,000 | \$ 102,660,000 | 1.2% |

| Energy Wood Chips | GJ/MT | Forward | Converted from € | | Annual MT Consumption | Annual GJ Consumption | Dashboard Stats | |
|-------------------|-------|---------|------------------|---------|-----------------------|-----------------------|-----------------|--------------------------------|
| | | | \$ GJ/MT CIF | GJ \$ | | | | |
| 12.6 | | 1 Q20 | \$ - | \$ - | 809,524 | 10,200,000 | \$ - | 10,200,000 Total Gj Use |
| | | 2 Q20 | \$ - | \$ - | | | \$ - | 809,524 MT Volume Use |
| | | 3 Q20 | \$ 110.00 | \$ 6.47 | | | \$ 66,000,000 | \$65,670,000 Total Procurement |
| | | 4 Q20 | \$ 108.90 | \$ 6.41 | | | \$ 65,340,000 | \$ 6.44 Pr Gj Cost |
| | | 2020 | \$ 109.45 | \$ 6.44 | | | \$ 65,670,000 | |
| | | | | | | | | % Δ Av. % Δ |
| 12.6 | | 2021 | \$ 110.76 | \$ 6.52 | 809,524 | 10,200,000 | \$ 68,558,710 | 4.4% |
| 12.6 | | 2022 | \$ 112.09 | \$ 6.59 | 809,524 | 10,200,000 | \$ 69,369,576 | 1.2% |

Source: Areus Aug 2019 A change from Wood Pellets to Energy Chips would remain at 10,200,000 GJ use but, provide \$ 31,515,000 32.43% savings

Financial Benefits from Acting Responsibly

Savings with Blended Consumption from Each Product

| Suggested Supplementation of Biomass Energy Chips in the Wood Pellet Consumption Mix - UK Region - 50%/50% Blend | | | | | | | | |
|--|--------------|----------------|---------------------|--------------|------------------------------|------------------------------|---------------|---|
| Energy Wood Chips | <u>GJ/MT</u> | <u>Forward</u> | <u>\$ GJ MT CIE</u> | <u>GJ \$</u> | <u>Annual MT Consumption</u> | <u>Annual GJ Consumption</u> | | Dashboard Stats |
| | 12.6 | 2020 | \$ 109.45 | \$ 6.44 | 300,000 | 5,100,000 | \$ 32,835,000 | 5,100,000 Total GJ Use 300,000 MT Volume Use \$32,835,000 Total Procurement \$ 6.44 Pr GJ Cost |
| Industrial Wood Pellets | <u>GJ/MT</u> | <u>Forward</u> | <u>\$ GJ MT CIE</u> | <u>GJ \$</u> | <u>Annual MT Consumption</u> | <u>Annual GJ Consumption</u> | | Dashboard Stats |
| | 17 | 2020 | \$ 161.98 | \$ 9.53 | 300,000 | 5,100,000 | \$ 48,592,500 | 5,100,000 Total GJ Use 300,000 MT Volume Use \$48,592,500 Total Procurement \$ 9.53 Pr GJ Cost |

| Combined Fiber Sourcing | Dashboard Stats |
|-------------------------------|--------------------------------|
| | 10,200,000 Total GJ Use |
| | 600,000 MT Volume Use |
| | \$81,427,500 Total Procurement |
| | \$ 7.98 Pr GJ Cost |
| Total GJ Use | Unchanged |
| Total MT increased by | - |
| Annual Expenditure reduced by | \$15,757,500 |
| Net GJ Cost P/MT | \$ 7.98 |
| Savings P/MT P/GJ | \$ 1.54 |

FORWARD-LOOKING AND PREDICTIVE STATEMENTS

The representations depicted herein are based on exhaustive, multi-year cross industry disciplined research and development, primarily related to woody biomass as a sustainable source of renewable energy fiber for use in co-generation CHP facilities and in stand-alone power plants intended to rely only on biomass wood chips.

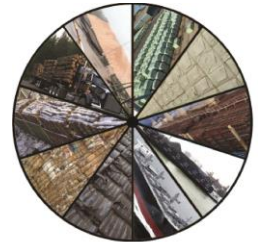
All predictions and statements, other than cited commentary derived of published or historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. The words “may,” “estimated,” “believe,” “expect,” “will,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally predictive but, not historical in nature.

The intent here is to combine those statements with reasoned prediction – helpful in a broad, macro sense, that can point to potential alternatives to traditional thinking and allow one to fulfill market demand, address climate change issues, reinvigorate forest industry revenue, enhance local and international economies and build enduring strategic alliances globally.

THANK YOU FOR YOUR TIME AND INTEREST

We may be reached at:
T. S. Laurent Forest Preservation, LLC
56 Stephenson Lane
Belfast, Maine 04915

Presenter: Arthur T. House
Tel: 1-207-930-5168
Email: Art@ArthurHouse.com
Web: <http://www.arthurhouse.com/>



E = MC³ ©