



DENHAM CAPITAL TO INVEST US\$80 MILLION IN PLANTATION ENERGY

PERTH, AUSTRALIA and BOSTON, – October 14, 2008 – Plantation Energy (“Plantation”), Australia’s only manufacturer and exporter of Densified Biomass Fuel (DBF) pellets, and Denham Capital (“Denham”) announced today that Denham will make up to a US\$80 million equity investment in Plantation. Initial proceeds will go towards funding the construction of a new manufacturing plant in Albany, Western Australia. The investment will give Denham majority ownership of the company. The existing Plantation Energy management team will continue to manage the operations of the company.

The company manufactures and exports clean and renewable energy in the form of Densified Biomass Fuel pellets – using harvest residue from sustainably managed plantation forest. Plantation Energy works closely with plantation owners and harvesting contractors to develop efficient and environmentally sensitive procedures for collecting and transporting the residues to the manufacturing plant.

The manufacturing process involves reducing and compressing the raw material into cylindrical pellets of compressed energy. The biomass fuel pellets are used for industrial power generation and can be used alongside other fossil fuels to co-fire power generation plants without modification. There is no net emission of carbon when biomass pellets are used to produce energy and the source material is readily replaced as the plantations are regenerated, thereby making the pellets carbon neutral.

The Albany plant, which is currently under construction, is scheduled to commence production in early 2009. It expects to produce 150,000 tons within the first 12 months and has an eventual target of 250,000 tons per year.

“Through a combination of location, technology and industry knowledge, Plantation is in an outstanding position to meet the growing demand for alternative fuel supplies,” said Carl Tricoli, Managing Partner at Denham Capital. “In addition to the power generation market, pellets have become a very popular fuel for domestic residential heating in Europe and North America, creating a significant secondary market for Plantation Energy.”

“Denham Capital’s investment will enable us to take our business to the next level and achieve our growth targets,” said Richard Allen, Director of Plantation Energy. “The Albany plant is the first of a number of facilities we intend to build across Australia with

an eventual goal of being a major supplier of biomass fuel pellets to existing and growing European markets and to markets emerging in Australia and Asia.”

Plantation Energy’s major current market for fuel pellets is Europe where the demand has increased rapidly since the adoption of the Kyoto Protocol, which was created to reduce greenhouse gas emissions. “Biomass pellets provide a low-cost and immediate solution to greenhouse gas reduction targets. The projected total demand for DBF pellets in Europe is estimated to be 60 million tons per annum by 2015 and Plantation is well positioned to capture part of that market”, said Louis van Pletzen, Head of Denham’s London Office.

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About Plantation Energy:

Plantation Energy is incorporated in Western Australia with offices in Perth and Melbourne. The company has an experienced executive team with current operations centered in Albany, Western Australia. The company’s pellet manufacturing business builds on and complements the region’s large, well-established plantation timber industry bringing economic benefits and employment to the Great Southern Region of Western Australia.

About Denham Capital:

Denham Capital is a leading global private equity firm, with offices in Boston, Houston, Short Hills, São Paulo, and London. With approximately \$4.3 billion of invested and committed capital, Denham makes direct investments in all segments of the energy and commodities value chain, including oil and gas, mining, timber, power, carbon assets and energy-related infrastructure and services. The firm invests globally, with investments currently in the US, Canada, South America, Europe, Russia/CIS, Asia and Australia, and across all parts of the capital structure and all stages of the corporate and asset lifecycle, from development projects to mature, operating businesses. Denham typically targets investments in the \$50 million to \$250 million range. For more information about Denham Capital, visit www.denhamcapital.com. Denham Capital does not provide investment advisory services to the public.

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