

Stump to Pump Quarterly Progress Report, April to June 2014

Executive Summary

The Stump to Pump programme is on schedule to complete its feasibility study into the commercial viability of a biofuels business in New Zealand from Radiata Pine residues by the end of September 2014.

Over the last 3 months, the programme partners, Norske Skog and Z Energy, in conjunction with the specialist engineering and technical consultants have been working upon finalising the data and information needed for the project.

This includes all key aspects from feedstock characteristics and availability, design of a test plant, fuel quality, distribution and logistics. The financial model developed to help assess the commercial viability has been updated with the key input data.

Initial Radiata samples have been sent to both New Zealand and international laboratories for testing and evaluation as part of the continuing work on product certification and quality assurance for the New Zealand market.

Of particular focus for the period has been an evaluation of the potential risk areas for a forestry based biofuels business including overall global energy outlook.