



February 23, 2011

Diversity in Renewable Revenue Streams

In my last quarterly review letter (February 7, 2011), I set out the four key 'themes' around which our Waste-to-Energy strategy is based and I promised to keep you updated on the implementation of our strategy at our first plant in the UK.

The four key themes that I outlined to you in my letter were:

- Vertical Integration into the Feedstock Supply Chain
- Expert Processing of Feedstock
- Renewable Electricity Production
- Diversity in Renewable Energy Streams

We are actively engaged on all four fronts as we move towards completion of the first phase of the UK plant and commence production; and I plan to write to you and update you in more detail on progress against each of these themes in the forthcoming weeks.

In this letter, I would like to focus on ***"Diversity in Renewable Revenue Streams"***.

The focus of our business model is the use of waste liquid biomass as a feedstock to produce renewable energy. We differentiate ourselves through (a) control over the feedstock supply chain through vertical integration, (b) expertise in the handling and pre-treatment of a range of waste liquid biomasses to create viable feedstocks for power and fuel generation; and (c) adopting diversity in renewable revenue streams. Our other key differentiator is that we carry out this entire business cycle (from waste to energy) within one business model on one physical site within one legal structure, which delivers considerable economies of scale and reduces risk.

Having diversity in renewable revenue streams is also important, because it enables us to choose revenue streams based on macro-economic and political conditions in the renewable energy and fuels market at any point in time and to mix and balance revenues streams appropriately. It also allows us to maximize our total revenue by using all available resources to generate as much renewable power on one site as we are able.

Currently our plans for the UK site include three key renewable energy revenue streams:

1. We will use our processed waste liquid biomass to produce renewable electricity, which we will sell into the power grid directly, using our on-site power stations and related infrastructure. Our plans are to produce at a continuous rate of 50 Mega Watt per hour (MW) of renewable electricity and we plan to reach that volume in stages over 3 – 4 years, commencing with production at a continuous rate of 7 MW in the second half of this year. We announced last December that we had been granted planning permission to produce electricity from liquid biomass for sale into the grid using our existing infrastructure and

buildings, which was an important milestone, since it paved the way for us to obtain the detailed regulatory licenses needed to commence sales of renewable electricity.

In January, we announced that we had appointed TradeLink Solutions Limited, a specialist in the field of obtaining accreditation from the UK energy regulator (OFGEM), to assist us in obtaining those licenses, in obtaining accreditation to entitle us to receive Renewable Obligation Credits (ROC) and in negotiating Power Purchase Agreements.

I am now delighted to be able to announce that our power generation subsidiary, Verta Energy Generation Limited, has been formally registered with OFGEM as a power generator, which enables the Company to take the final steps towards full accreditation of the site and its feedstocks for qualification under the ROC system.

2. We will also be able to use the same processed feedstocks, in a different blend and mix, to produce FAME 0 (biodiesel), using our on-site Biodiesel production plant. We are, of course, pleased that we already have a five year offtake contract with a major international player for substantial volumes (60,000 metric tonnes per annum) of this particular type of biodiesel, which is favoured because of the 'green' credentials that are associated it by virtue of the renewable nature of feedstock used.

3. Earlier this month, we announced that we had entered into a memorandum of understanding with Noble Solar Industries, one of the world's premier manufacturers of monocrystalline and polycrystalline PV solar modules, whereby we will establish a joint venture with Noble and the first project of the JV would involve the installation of Noble's solar panels on parts of our currently surplus UK plant site and surrounding land, leveraging our access to the power grid via the on-site electricity sub-stations and making maximum use of our otherwise redundant space that we won to create extra revenue. We foresee the potential to produce 10 MW or renewable electricity at our UK site via this arrangement.

As you can see, we are well advanced in securing all three revenue streams, renewable electricity from waste liquid biomass, renewable electricity from solar panels and FAME 0.

In combination, these sources of revenue provide not only substantial potential flows of revenue for us, but they also create diversity, which is an excellent hedge against fluctuating commodity prices, which would otherwise not be possible. The strategy also provides us with operational and commercial flexibility to optimize earnings generation.

The Four Rivers board continues to be very pleased with progress and, as predicted, the rate of change in the last few weeks has been very considerable and I confidently expect this to continue in the months ahead as we start to move towards production.

I will continue to update you routinely and my next letter will focus on progress made against one of the other key themes that drive our overall strategy

Stephen Padgett
Chief Executive Officer