

INVESTMENT AGREEMENT

Relating to

BIOFUEL AS

February ____ 2009

THIS INVESTMENT AGREEMENT (this “**Agreement**”) is entered into on February ____ 2009 by and between:

- (1) **Statoil New Energy AS**, a private limited liability company established under the laws of Norway, engaged in renewable energy investments, having its main office at Forusbeen 50, 4035 Stavanger registered in the Norwegian Register of Business Enterprises under registration number 981 269 217. Hereinafter referred to as “**Statoil**”,
- (2) “**THE CO-INVESTOR**”, a private limited liability company established under the laws of _____ having its main office at _____ registered in the _____ Register of Business Enterprises under registration number _____. Hereinafter referred to as “**Co-investor**”,
- (3) **Existing shareholders** of BioFuel AS, jointly representing 67 percent of the shares in BioFuel AS, prior to the investment set out herein, as listed in **Exhibit A** hereto (the “**Existing Shareholders**”), whereas the Existing Shareholders, except for Perennial Bioenergy AS, hereinafter is referred to as “**Founders**”, and
- (4) **BioFuel AS**, a private limited liability company established under the laws of Norway, having its main office at Verven 12 C, 4014 Stavanger Norway registered in the Norwegian Register of Business Enterprises under registration number 991 537 201. Hereinafter referred to as “**BioFuel**” or “the **Company**”.

The parties listed above are hereinafter collectively referred to as the “**Parties**” or individually as a “**Part**”.

WHEREAS, BioFuel is the owner of 100 % of the shares in BioFuel Africa AS a private limited liability company established under the laws of Norway, registered in the Norwegian Register of Business Enterprises under registration number 992 636 351, having its registered office at Verven 12 C, 4014 Stavanger, Norway.

WHEREAS, BioFuel Africa AS is the owner of 100 % of the shares in BioFuel Africa Ltd., a company established under the laws of Ghana, having its registered office at 3rd floor, Teachers Hall Complex, Education Loop, 4 Barnes Close, Adabraka, Accra, Ghana. BioFuel Africa AS and BioFuel Africa Ltd will hereinafter be referred to as Subsidiaries.

WHEREAS, BioFuel through its Subsidiaries, is engaged in the production of Jatropha in Ghana, for bio fuel purposes.

WHEREAS, BioFuel is in the process of developing a 23.000 hectare Jatropha plant in the Tamale region, Ghana, and requires capital funding of approximately MNOK 85 in order to complete said development, thus achieving a plateau production from the said plant, targeting 35.000 tons of crude Jatropha oil per year.

WHEREAS, BioFuel needs additional capital in order to expand and develop its business further and has for this reason invited **Statoil [the Investors]** to invest in BioFuel. Following the negotiations between representatives of BioFuel and Statoil, and on the basis of the preliminary agreement reached between Statoil and BioFuel on November 10, 2008 (the “Term Sheet”), **Exhibit B**, the Parties and BioFuel have now agreed on the terms and conditions for the investment of Statoil in BioFuel set out therein.

WHEREAS, Statoil has agreed to invest MNOK 30 by subscribing to shares in BioFuel through a private placing to take place at the date of this agreement (the “**Private Placing**”).

WHEREAS [THE CO-INVESTOR] shall invest [MNOK 10] along with Statoil in the Private Placing.

WHEREAS Statoil [and THE CO-INVESTOR] [hereinafter jointly referred to as the “**Investors**”] shall have an option to invest a minimum of MNOK 20 and a maximum of MNOK 45 during 2010.

WHEREAS it is a condition for the investment contemplated herein that Perennial Bioenergy AS, being one of the current major shareholders of BioFuel, shall convert all of its claims on BioFuel, mainly a

loan of MNOK 8,0, with the addition of accrued interest, in a total amount of MNOK 10 to share capital prior to the investment of Statoil [and the Co-Investor(s)]. The subscription price at which the debt shall be converted shall be equal to the subscription price paid by Statoil and the Co-Investor(s) in the Private Placing.

WHEREAS StatoilHydro ASA has signed a separate off-take agreement for the crude Jatropha oil to be produced by BioFuel Africa Ltd., **Exhibit C**.

This Agreement shall govern the terms and conditions for Statoil's [the Investor's] investment in BioFuel.

1. THE INVESTMENT

- 1.1 Statoil shall invest in BioFuel by subscribing to shares in the Company for a total amount of MNOK 30 (the "**Statoil Investment Amount**").
- 1.2 [THE CO-INVESTOR shall invest in BioFuel by subscribing to shares in the Company for a total amount of MNOK [10] the "**CO-INVESTOR Investment Amount**"]
- 1.3 The Statoil Investment Amount [and the CO-INVESTOR Investment Amount (jointly the "**Investment Amounts**") shall be paid by subscription to shares in the Private Placing, scheduled to take place within **February 2009**, as further set out in section 2.
- 1.4 The investment of the Investment Amounts is conditioned upon:
 - a) the signing of a shareholders agreement, **Exhibit 1.3** to the Agreement (the "**Shareholders' Agreement**") by at least 67 percent of the current shareholders of BioFuel, and;
 - b) the signing of an agreement between StatoilHydro ASA and BioFuel Africa Ltd regarding the right for Statoil to purchase crude Jatropha oil, as set out in the off-take agreement, **Exhibit C** (the "**Off-Take Agreement**") and;
 - c) The conversion of all of BioFuel's debt to Perennial Bioenergy AS, approximately MNOK 10 to share capital.

2. THE PRIVATE PLACING

- 2.1 The share capital of BioFuel at the time of entering into this Agreement is NOK 231 743,23, divided on 17 826 402 shares, each having a nominal value of NOK 0,013.
- 2.2 In connection with the Private Placing directed at Statoil [the Investors] Perennial Bioenergy AS is required to convert its claim on BioFuel of approximately MNOK 10 to share capital at the same subscription price per share as being paid by Statoil [the Investors], cf. section 2.3 below. Upon completion of the Private Placing, as set out in this section 2, Perennial Bioenergy AS shall have a total of _____ shares or ____ per cent of all of the issued and outstanding shares in BioFuel.
- 2.3 Statoil shall use the Statoil Investment Amount to subscribe to shares in BioFuel. The subscription price for each share shall be NOK ____, Thus, after having invested the Statoil Investment Amount as set out herein Statoil shall have a total of _____ shares or ____ per cent of all of the issued and outstanding shares in BioFuel.
- 2.4 [The CO-INVESTOR shall use the Co-Investor Investment Amount to subscribe to shares in BioFuel. The subscription price for each share shall be NOK ____, Thus, after having invested the Co-Investor Investment Amount as set out herein THE CO-INVESTOR shall have a total of _____ shares or ____ per cent of all of the issued and outstanding shares in BioFuel.]
- 2.5 Statoil [the Investors] and Perennial shall have anti-dilution protection for the shares subscribed to in the Private Placing as further set out in the Shareholders Agreement.

- 2.6 The Existing Shareholders are required to arrange for the Private Placing in an extraordinary general meeting to be held on the same day as the date of this Agreement (the “**EGM**”). The Existing Shareholders shall procure that the statutory preference right of all existing shares, cf the Norwegian Private Limited Liability Companies Act (the “**PLLC Act**”) section 10-5, is waived by voting for the share issuance directed at Statoil [the Investors].
- 2.7 Statoil [the Investors] shall on the same day as the signing of this Agreement, after having subscribed to the New Shares in the EGM, pay the Investment Amounts to a bank account held by BioFuel, in accordance with the provisions the Norwegian Company Act and the provisions of this Agreement.
- 2.8 Drafts of the necessary documents, minutes of the board meeting, draft articles of association, summons to the EGM and minutes of the EGM, stating the required decisions to be made, are attached as **Exhibit 2.8** to this agreement.

3. **RESOLUTIONS TO BE IMPLEMENTED AT THE EXTRAORDINARY GENERAL MEETING**

- 3.1 At the EGM the Existing Shareholders are required to amend the articles of association of BioFuel (the “**Articles**”) in accordance with **Exhibit 3.1** to the Agreement and to vote in accordance with the provisions of the Shareholders Agreement, cf. Exhibit 1.3.
- 3.2 At the EGM the Existing Shareholders shall procure that the Board is granted power of attorney to increase the Company’s share capital as required in order to execute the Option, as set out in section 7 below by decision by the Board, as far as permissible according to the Norwegian Private Limited Liability Companies Act (the “**PLLC Act**”).

4. **STEPS TO BE TAKEN AFTER PAYMENT OF THE SUBSCRIPTION PRICE**

- 4.1 As soon as BioFuel’s auditor has confirmed that the debt owed to Perennial Bioenergy AS has been converted to share capital and that the Investment Amounts has been paid to BioFuel, BioFuel shall notify the Norwegian Register of Business Enterprises of the capital increase and the amendment of the Articles.
- 4.2 When the capital increase has been registered with the Norwegian Register of Business Enterprises the Company shall procure that Perennial Bioenergy AS and Statoil [the Investors] are listed as shareholder of BioFuel in the Norwegian Central Securities Depository, holding the number of shares subscribed to in the Private Placing.

5. **USE OF THE INVESTMENT AMOUNTS**

- 5.1 The Parties agree that the Investment Amounts are to be used to facilitate the development of BioFuel’s Jatropha plant in Ghana, in accordance with the Shareholders Agreement and the Business Plan as further described in the cash budget guideline for the demo phase, cf. section 6.
- 5.2 Part of the Investment Amounts may be utilised to pay BioFuel’s debt owed to the Founders, hereunder accrued interest on the principal amount, in accordance with the loan agreement of January 14 2009 (the “**Loan Agreement**”), **Exhibit 5.2** to the Agreement. The current principal amount owed to the Founders is NOK 500 000.

6. **BUSINESS PLAN**

- 6.1 The Parties have agreed upon a Business Plan (and a cash budget guideline for a demo phase of the first app. 22 months) for the development of the business of BioFuel, focusing on the first 18-56 months following the signing of this Agreement but also describing the future potentials and plans of the Company as expressed in **Exhibit 6.1**.

7. **THE OPTION**

- 7.1 Statoil [The Investors] and Perennial Bioenergy AS shall have an exclusive right to make an additional investment in BioFuel by subscribing to shares in BioFuel as set out in this section 7 (the "**Option**").
- 7.2 The investment to be made under the Option is required to be made by subscription of shares in a total amount of no less than MNOK 20 and no more than MNOK 45. Statoil is required to invest at least MNOK 20 of the aforementioned amount. The excess amount, up to MNOK 45 is to be shared by Statoil and the THE CO-INVESTOR and Perennial Bioenergy AS as agreed upon by Statoil, Perennial Bioenergy AS and the THE CO-INVESTOR. If no agreement is reached between Statoil, Perennial Bioenergy AS and the CO-INVESTOR regarding the allocation of the amount in excess of MNOK 20, the excess amount of up to MNOK 25 shall be shared between Statoil, Perennial Bioenergy AS and the CO-INVESTOR according to their pro-rata share of shares in BioFuel at the time of the exercise of the Option.
- 7.3 The subscription price to be paid by Statoil [the Investors] when exercising the Option shall be **NOK 2,70** per share.
- 7.4 Statoil [The Investors] shall [jointly] notify BioFuel of its decision to exercise the Option by written notification to BioFuel prior to October 1 2010. The notification shall state the amount to be invested by Statoil [each of the Investors] (the "**Option Amount**") in accordance with the provisions of section 7.2. Prior to the exercise of the Option, and no later than June 30 2010 the Board in BioFuel shall send a written request to Statoil to verify Statoils wish to exercise the Option, and the Option Amount. Statoil are obliged to respond in writing to such request within August 30 2010.
- 7.5 Subsequent to having notified BioFuel of their decision to exercise the Option, BioFuel shall make arrangements for a private placing in favour of Statoil [the Investors]. The Option Amount, as set out in the notification to BioFuel, cf. section 7.4 shall be paid to BioFuel no later than November 1 2010.
- 7.6 The Option shall expire at October 1 2010 unless BioFuel has received written notification regarding the exercising of the Option, cf. section 7.4. The Option shall also expire for Statoil [any Investor] if Statoil has [having] notified BioFuel of their exercising of the Option within October 1 2010 but thereafter fails [failing] to pay the [their share of the] Option Amount within November 1 2010.
- 7.7 Any investments (private placings) made in BioFuel after November 1 2010 shall be subscribed at market value.

8. **REPRESENTATIONS AND WARRANTIES BY THE FOUNDERS AND THE COMPANY**

8.1 The Founders and the Company, jointly, hereby represent and warrant to Statoil [and the CO-INVESTOR] that the representations and warranties set out herein are true and correct at the date of signing of the Agreement.

8.2 Disclosure

There is no fact other than general economic conditions which materially threatens or, as far as the Founders and/or Company can reasonably foresee, would materially threaten the planned bio fuel business in Ghana as a whole, and which has not been disclosed to Statoil in this agreement, in the Due Diligence or in writing (including electronically) prior to the date hereof.

8.3 True and complete information

The information contained in this Agreement and/or the Shareholders Agreement or given to Statoil by BioFuel, under the negotiation process or during the due diligence process is true and reflect a fair view on the facts.

8.4 Authority and binding agreement

The Existing Shareholders and the Company have the requisite corporate power and authority to sign and deliver this Agreement and to perform their respective obligations hereunder. This Agreement represents a legal, valid and binding obligation for each of the Existing Shareholders

and for the Company, which may be enforced upon the aforementioned Parties.

8.5 Compliance with applicable law and permits

The Company and its Subsidiaries are in compliance with all applicable statutes, rules, regulations and permits that are material to the conduct of its business.

The completion of the transactions contemplated under this Agreement and the Shareholder Agreement will not constitute a breach by or an event of default of the Company or its Subsidiaries under relevant permits or entitle any relevant Governmental Body to terminate, withdraw or amend any permits.

8.6 Compliance with corporate law

The Company is a private limited liability company incorporated under the laws of Norway, duly registered in the Norwegian Register of Business Enterprises. The articles of association, minutes of board of director's meetings and shareholders' meetings of the Company are in all material respects in a form which comply with applicable law and are in the possession of the Company. All applicable registrations and applications have been fulfilled.

8.7 Shares in BioFuel

All of the shares to be issued in accordance with this Agreement will be free and clear of all liens and encumbrances and all pre-emption rights or rights of first refusal to such shares will be waived, unless otherwise agreed upon herein. Likewise are all the shares in the Subsidiaries free and clear of rights and pledges, except for BioFuel's shares in BioFuel Africa AS which have been pledged in favour of the Existing Shareholders as collateral for the loan granted to BioFuel as set out in the Loan Agreement, **Exhibit 5.2**. Said pledge shall be terminated upon Perennial Bioenergy AS' conversion of debt and repayment of the debt owed to the Founders, cf. section 5.2.

8.8 Financial Statements/ Undisclosed liabilities

The financial statements of the Company and its Subsidiaries have been prepared in accordance with applicable law and in accordance with applicable GAAP, and give a true and fair view of the financial condition, assets and liabilities and the results of the Company for the relevant period.

The Company and its Subsidiaries are the owner of, and has good and valid title to, all assets included in the financial statements, except for assets disposed of in the ordinary course of business.

There are and will be no liabilities (whether actual or contingent and whether on- or off-balance sheet) of the Company or its Subsidiaries, which relate to any fact, occurrence or event before signing date other than (i) liabilities disclosed or provided for in the financial accounts; (ii) liabilities incurred in the ordinary course of business during the period between the latest balance sheet date and the date of this Agreement; none of which will be material.

The Company or the Subsidiaries has not pledged or otherwise securitised any of its outstanding claims, nor engaged in any financing of a type which would not be required to be shown or reflected in the financial accounts.

8.9 Real property and assets

The Company or the Subsidiaries do not own any real property.

The assets and property of the Company and the Subsidiaries, as shown in the financial statements, comprise all material assets and property used to carry on the business of the Company or the Subsidiaries respectively.

Other than encumbrances arising in the ordinary course of business, the Company and Subsidiaries have not since 31 December 2007 created or agreed to create any encumbrance over any part of their assets, except for the Pledge of shares in BioFuel Africa AS in favour of the Existing Shareholders, or as otherwise set out in the Loan Agreement, **Exhibit 5.2**. Subject to the aforementioned encumbrances, the Company and the Subsidiaries has good title to or a

valid right to use all the assets owned and included in the financial statements.

8.10 Intellectual property rights

The Company and/or its Subsidiaries own or have the necessary rights to use all Intellectual property rights that is used in or is necessary for the conduct of its business.

The Company's use of the Intellectual property rights does not infringe or interfere with any rights of any Person.

8.11 Insurance

The Company and its Subsidiaries hold insurance policies as described in the due diligence related to travelling, public pension ("OTP"), workmen's injury insurance, assets in Norway, vehicles in Ghana and Social Security for employees in Ghana, all relevant and sufficient for the business carried out by the Company and its subsidiaries. All insurance policies held by the Company and its Subsidiaries are in full force and effect.

8.12 Contracts

All material contracts of the Company and the Subsidiaries are valid, in full force and effect, and neither the Company nor the Subsidiaries are in breach of any of its material contracts or in material breach of any of its other contracts.

The execution of this Agreement will not entitle any party to any contract which the Company and/or the Subsidiaries are a party to, to terminate, renegotiate or amend the contract.

Neither the Company nor the Subsidiary are party to any contract, transaction arrangement or liability which is outside the ordinary course of business. All agreements, arrangements or obligations have been entered into or assumed by the Company and/or the Subsidiaries on an arm's length basis.

8.13 Employees and consultants

Employees and consultants of the Company and/or its Subsidiaries are engaged on normal terms and conditions of the business sector.

There are no bonus arrangements, profit sharing and other incentive arrangements for the employees of the Company and/or the Subsidiaries which have not been disclosed to Statoil.

None in the management of the Company or Subsidiaries has received notice from the Company or the Subsidiaries to terminate the employment contract and no such employees have given notice to the Company or the subsidiaries respectively to terminate his/her contract.

There are no outstanding claims, disputes or legal proceedings between the Company and its former or present employees, consultants or board members.

8.14 Licenses, compliance

The Company and its Subsidiaries have at all times carried on its business and affairs in accordance with all material laws, regulations and orders of all governmental agencies and other regulatory authorities except as in the disclosed case where clearing of land in the Yapei area in Ghana was initiated prior to issuance of the required permit from the relevant authority.

The Company and/or its subsidiaries holds all permits, licences, approvals, certificates and authorisations from any governmental or regulatory authority necessary for the conduct of the current operations of the Company and/ or the Subsidiaries respectively. Neither the Company nor the Subsidiaries are in breach of the terms and conditions of such permits granted to it.

8.15 Environment

The Company and the Subsidiaries have been and are in compliance with applicable environmental laws, regulations and requirements except as referred to in section 8.14, first paragraph.

No notice has been received by the Company or the Subsidiaries requiring any action in respect of any environmental matter which have not been complied with by the Company and/or the

Subsidiaries pursuant to applicable laws and regulations.

8.16 Tax

The Company and the Subsidiaries have duly and properly filed all tax returns that are or were required to be filed, and the tax returns are true and correct.

The Company and the Subsidiaries have paid, or adequate provisions are made in the financial statements for the payment of all taxes that have become due pursuant to tax returns or pursuant to any assessment received.

There are no overdue obligations of the Company or the Subsidiaries to pay any taxes.

Neither the Company nor the Subsidiaries have received any written notice regarding any liability to pay any penalty, interest, surcharge or fine in respect of tax which is not disclosed to Statoil.

8.17 Litigation

Neither the Company nor its Subsidiaries are engaged in any pending or threatened litigation or arbitration or similar proceedings whether as plaintiff, defendant or otherwise.

There are no investigations, disciplinary proceedings or other circumstances likely to lead to any such legal action, suit, litigation, prosecution, investigation, enquiry, arbitration or other legal or administrative proceeding.

8.18 No other representations and warranties

With the exception of the explicit representations and warranties set out in this section 8 Founders and the Company do not make any explicit or implicit representations or warranties with regard to the business of the Company and/or the Subsidiaries and the Investment of Statoil pursuant to this Agreement.

9. **REMEDIES AND LIMITATIONS OF LIABILITY**

9.1 In the event of breach of any of the representations and warranties made to Statoil [the Investors] pursuant to section 8 Statoil [the Investors] shall be entitled to indemnification from the Founders and the Company, jointly and severally, for any direct loss caused by such breach at the hand of Statoil [the Investors].

9.2 Statoil [the Investors] shall irrespective of the above not have the right to claim indemnification relating to circumstances, issues and matters which has been, or should have been, discovered on the basis of documents or other information provided for Statoil by BioFuel during Statoil's due diligence of the Company.

9.3 Statoil [the Investors] shall give notice to the Company of any claim relating to any breach of the representations and warranties under this Agreement within 3 months from the time when Statoil [the Investors] became, or should have become, aware of a breach of the representations and warranties.

9.4 The Founders and the Company shall have no liability for any claims made pursuant to section 9 for a breach of the representations and warranties not made prior to 18 months from signing this Agreement.

9.5 If Statoil [the Investors] fails to meet the time limitations set forth in sections 9.3 and 9.4, Statoil [the Investors] shall lose its right to make claims against the Founders or the Company under the Agreement.

9.6 In case of any claim made by Statoil [the Investors] arising out of a breach of the representations and warranties the loss shall be calculated net of any tax or other benefit realised by Statoil [the Investors] by reason of deductibility of such loss or matter.

9.7 When a matter giving rise to a breach of any representation and warranty capable of remedy, the breach shall not entitle Statoil [the Investors] to indemnification unless written notice of the

breach is given to the Company within the time limits set forth in section 9.3 and 9.4 and the matter is not remedied to the reasonable satisfaction of Statoil [the Investors] within 20 business days after the date of such notice is served.

- 9.8 The Founders or the Company shall have no liability with respect to any part of a loss which is covered by an insurance policy of Statoil [the Investors], always taking into consideration any retention or deductibles.
- 9.9 No claim shall be made against the Founders or the Company, and the Founders or the Company shall have no liability, in respect of liability which is contingent unless and until such contingent liability becomes an actual liability and is due and payable, provided always that Statoil [the Investors] shall be entitled to serve a notice of such contingent liability within the time limits set forth in Section 9.3 and 9.4.
- 9.10 The Founders and the Company shall have no liability in respect of an individual breach if the breach in question results in compensation that does not exceed NOK 500 000.
- 9.11 The Founders and the Company's total joint and several liability hereunder is limited to the cost price of the shares owned by the Founders at the time of the entering into this Agreement, NOK 3 087 492.
- 9.12 None of the Founders shall be liable beyond the cost price of value of his shares.
- 9.13 The Founders and the Company shall not be liable to Statoil [the Investors] for any indirect loss

10. COSTS AND EXPENSES

- 10.1 Each Party shall carry their own costs and expenses in connection with the process of completing this Agreement, inclusive of cost for due diligence, legal advisors and document preparations.

11. IMPLEMENTATION

- 11.1 The Parties hereby undertake to perform such acts and execute such documents as will be necessary in order to procure that the provisions of this Agreement are implemented, including but not limited to procuring that their representatives on the Board and/or general meetings cast their votes in compliance with this Agreement.
- 11.2 In the event that the Board fails to comply with this Agreement, the Parties undertake to call an extraordinary general meeting and pass a resolution instructing the Board to withdraw any resolutions passed in conflict with this Agreement and pass new resolutions complying with this Agreement.

12. CONFIDENTIALITY

- 12.1 Except as may be required;

- a) by applicable law or regulations, or
- b) as a consequence of legal proceedings in connection with this Agreement, or
- c) to vest the full benefit of this Agreement in the Parties;

the provisions of this Agreement, all negotiations relating thereto and information concerning the business of BioFuel are strictly confidential and no announcement or disclosure of the terms under this Agreement or regarding the business of BioFuel shall be made by any of the Parties to any third party.

- 12.2 The Parties shall agree upon if, when and how a joint public announcement, i.e. a press conference or a press release, with respect to the entering into and the existence of this Agreement or the transactions provided for herein.

12.3 The restrictions contained in this clause shall continue to apply after the termination of this Agreement without limit in time.

13. ENTRY INTO FORCE

13.1 This Agreement shall come into force when:

- Signed by all Parties
- Shareholders representing at least 67 percent of the shares issued by BioFuel, including the shares to be subscribed to by the Co-Investor have signed the Shareholders Agreement

14. REPLACEMENT OF TERM SHEET

14.1 This Agreement and the Shareholders Agreement supersedes the Term Sheet which shall be considered null and void when this Agreement and The Shareholders Agreement has been signed by Statoil [the Investors] and the Existing Shareholders.

15. GOVERNING LAW

15.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Norway.

16. ARBITRATION

16.1 Disputes arising from or in connection with this Agreement shall be sought resolved amicably between the Parties. Disputes which have not been resolved amicably shall be subject to dispute resolution by arbitration in accordance with the Norwegian Arbitration Act of 2004 with later amendments. The arbitration proceedings shall take place in Stavanger, Norway. The proceedings and their result shall be held confidential between the Parties.

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This Agreement has been executed in 7 counterparts - one for each of the Parties.

Stavanger, February ___ 2009

Statoil New Energy AS

Perennial Bioenergy AS

Name:
Position:

Name:
Position

Helcon Ltd.

Discovery Channel Invest

Arne Helvig
Kolcon/ Steinar Kolnes

Finn Byberg
BioFuel AS

Steinar Kolnes

Jan Reinås

THE CO-INVESTOR

Name:
Position

Exhibits

- Exhibit A:** List of the Existing shareholders of BioFuel AS representing 67 percent of the shares of BioFuel AS
- Exhibit B:** Term Sheet
- Exhibit C:** Off-Take Agreement
- Exhibit 1.3** Shareholders Agreement
- Exhibit 2.8** Draft minutes of the board meeting, summons to EGM, minutes of the EGM
- Exhibit 3.1** Amended Articles of Association
- Exhibit 5.2** Loan Agreement with Existing Shareholders
- Exhibit 6.1** Business Plan (inc cash budget for demo phase)