



MBD Energy Limited  
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EAST MELBOURNE VIC 3002  
Telephone: (61 3) 9415 8711

Guy Lane  
Manager  
Funnel  
PO Box 1203  
Townsville, QLD, 4810  
Australia

12 May, 2009

Dear Mr Lane

**Support for alga biofuel trials in marine engines**

MBD Energy Limited is an Australian firm that is focussed on the development of algae based biofuels and food for livestock.

As you are aware, algae biofuels offer a great opportunity to shift the world economy away from fossil fuels and into a mass volume fuel stock that does not increase the net concentration of CO<sub>2</sub> in the atmosphere.

We are currently in the process of significantly expanding the production capacity of our Test Plant which is located in Townsville, North Queensland and was launched by the Premier Anne Bligh in May 2008. We are also pursuing large scale commercial projects at several of Australia's largest CO<sub>2</sub> emitter sites (including one in Queensland) for the commercial production of algae based biofuel and food for livestock.

As discussed, we are still several years away from supplying the volume of bio-bunker fuels required to fill ocean going freighters. However, within the coming months we will have available the necessary volumes of fuel for sea-trials on a tug boat or some other vessel as discussed.

We would be very happy to work with Funnel and your contacts in the shipping industry to perform a trial of our fuel.

Regards

A handwritten signature in blue ink, appearing to read "E. Bombardieri", is written over a light blue rectangular background.

Enrico Bombardieri  
COMMERCIAL MANAGER