

VIRGIN AUSTRALIA PARTNERS TO DEVELOP UNIQUE AUSTRALIAN BIO-FUEL

PERTH, 6 JULY 2011: Virgin Australia today announced that it has partnered with Renewable Oil Corporation (ROC), Dynamotive Energy Systems Corporation (DYMTF) and Future Farm Industries Co-operative Research Centre (FFI CRC) to develop a sustainable aviation biofuel that also has benefits for the Australian farming community and the environment.

In a world first, the consortium plans to use innovative fast pyrolysis technology developed by Dynamotive to process mallees, a eucalypt tree that can be grown sustainably in many parts of Australia.

The partnership brings together companies with special expertise in growing, harvesting and processing feedstock into aviation fuel to support the development of a full scale commercial plant in Western Australia.

Virgin Australia CEO John Borghetti said: "Over the past few years Virgin Australia has been working with stakeholders across the industry to research and develop bio-derived renewable fuels that can be used to progressively replace conventional aviation fuels.

"We believe this new project has great potential given the results with the technology and the availability of this unique Australian feedstock.

"It is also particularly attractive to Virgin Australia because it aligns with our commitment to supporting the Australian economy and environment, and encouraging Australian innovation", Mr Borghetti said.

Dynamotive has invested in excess of \$100 Million and more than 10 years of work in developing its fast pyrolysis technology from bench-scale through to commercial-scale plants in Canada. The plants are equipped to make pyrolysis oil for fuels and also produce biochar, for soil improvement and carbon sequestration.

Dynamotive CEO Mr Andrew Kingston said "We are very excited to join Virgin Australia, Renewable Oil Corporation and the CRC in this initiative and provide our technology. We have a great opportunity to develop a sustainable industry in Western Australia capable of producing second generation fuels that do not require food sources and have positive effects in land and water management."

Leading the commercialisation of mallees is the Future Farm Industries Co-operative Research Centre (FFI CRC), a national R&D joint venture with experts in breeding, growing and harvesting these trees.

CRC CEO Mr Kevin Goss said: "Our research shows that mallees can be planted in balance with profitable crop and livestock production in Australia's wheatbelt region. As well as becoming a source of biomass for renewable energy they offer protection from wind

24-hour media enquiries: 1800 142 467

erosion, help to avoid dryland salinity and provide improved livestock shelter. They even provide habitat for native birds and mammals.”

Already more than 1,000 farmers have planted mallees in belts on their farms, mainly in Western Australia. Later this year the FFI CRC partnership will bring the prototype, world’s first hardwood biomass harvester to Western Australia for wide-scale demonstrations.

Renewable Oil Corporation (ROC), which identified the mallee tree as a promising biofuel feedstock, is Dynamotive’s Australian partner and develops biofuel projects in Australia.

ROC CEO Colin Stucley summed up: “We are excited about the potential of this consortium. It offers world-class biofuel technology, and a unique Australian feedstock. We look forward to supplying commercial quantities of renewable biofuels for use by Virgin Australia and building this new business.”

The consortium is currently finalising plans for a demonstration unit that will make bio-fuels for testing, certification and public trials. The demonstration unit is intended to be operational in 2012, followed by the construction of a commercial-scale plant, which could be operational as early as 2014.

ENDS

About Dynamotive Energy Systems Corporation

Dynamotive Energy Systems Corporation is an energy solutions provider headquartered in Vancouver, Canada, with offices in the USA and Argentina. Its carbon/greenhouse gas neutral fast pyrolysis technology uses medium temperatures and oxygen-less conditions to turn dry, waste cellulosic biomass into BioOil for power and heat generation. BioOil can be further converted into vehicle fuels and chemicals.

Dynamotive has also developed an upgrading process to produce transport fuels from pyrolysis oils in collaboration with Pyrolysis Expert Dr. Desmond Radlein. Dynamotive has subsequently entered into an agreement with IFP Energies nouvelles to explore the potential and development of the upgrading process. Dynamotive has received support from Industry Canada through the Technology Partnerships Canada program. The company has also been supported by Sustainable Development Technology Canada, an arm’s-length not-for-profit organization established by the Government of Canada in 2001.

www.dynamotive.com

About Renewable Oil Corporation

Renewable Oil Corporation Pty Ltd (ROC) is an Australian company established to develop pyrolysis projects in this region. It has an exclusive technology licensing agreement with Dynamotive and works closely with Dynamotive and its partners. ROC’s board includes award-winning Australian engineering personnel as well as the CEO of Dynamotive and Australian experts in corporate governance and legal and financial issues. ROC is a private company funded by investors in Australia, Canada, and Europe.

www.renoil.com.au

24-hour media enquiries: 1800 142 467

About Future Farm Industries Co-operative Research Centre

Future Farm Industries is an incorporated, national joint venture of southern Australia's leading agricultural R&D organisations which is working on a range of profitable and sustainable farming systems and technologies to assist livestock and crop producers adapt to climate change. Under its 'energy tree cropping' initiative, it draws on the resources and expertise of the WA Departments of Environment and Conservation, and Agriculture and Food, and CSIRO to undertake the necessary R&D for on-farm mallee production.

Toowoomba-based Biosystems Engineering is FFI CRC's partner developing the mallee harvester and biomass supply chain technologies.

www.futurefarmonline.com.au

Media Enquiries:

Emma Copeman, Manager Corporate Communications – 0421 702 193

Colin Stucley, CEO Renewable Oil Corporation – 0411 461 472

Kevin Goss, CEO FFI CRC – 0418 274 361

24-hour media enquiries: 1800 142 467