

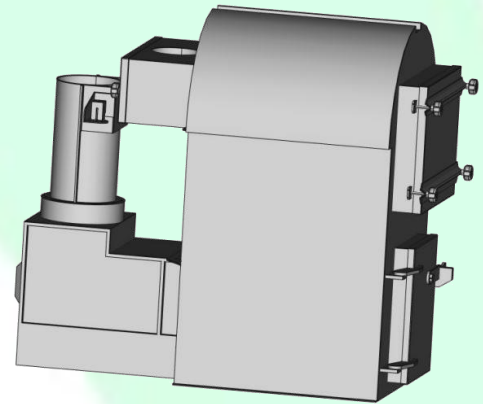


BIOMASS ENERGY
TECHNIQUES INC

Congratulations on getting to the point where you are ready to consider your next steps when it comes to renewable energy and a potential purchase of a BET System. This document is intended to assist you in understanding what the process looks like, what you can expect, and to prepare you to be successful. We are excited to work with you, and are hopeful that this communication will provide clarity and answer many questions for you.

SYSTEM CLASSIFICATIONS

At BioMass Energy Techniques, we classify our units as either Private, Commercial, or Industrial. The Private classification represents our smallest units, which typically have the least amount of customization. The Industrial classification units are the largest units and are almost all completely customized to the application and goals of the end user. The Commercial classification units fit right in the middle of these. The Commercial classification have many standard options and can produce significant thermal output, but are not quite as heavy and large as our industrial units. Understanding the classifications and the classification of the unit you are considering, will assist you in understanding what to expect with your project.



PROJECT TIMELINES

Given the customized nature of the majority of our sales, we do not generally hold significant quantities of completed and functioning units. Our team will work with you to figure out what will work best in your application, and design a system based on our understanding of your needs.

On private and many commercial classification units, your quote will likely be either verbal or on a simple quote sheet. If your system falls into our industrial classification, it is normal for us to provide you with a Letter of Supply. This will provide details on the specification of your unit, what is included, and what portions of the project are not part of our proposal. Keep in mind that as an equipment manufacturer, we may not have the expertise to assist you with all aspects of your complete system.

Once you approve of the scope of work and price quoted, you can hold that pricing with a deposit of 10%. This deposit and price hold insulates you against negative changes in exchange rate and cost changes we may receive from our suppliers. At this point, you will want to consider the finer details of how your system will be configured and how it will operate. Once you have defined these details, you are ready to proceed to the next step and place the final order which gets your system into production.

The manufacturing deposit of 65% should be made once the system specifications have been finalized and you are ready for us to begin manufacturing. Once your system goes into production, there is an 8 to 16 week timeline, depending on what system you have ordered, and

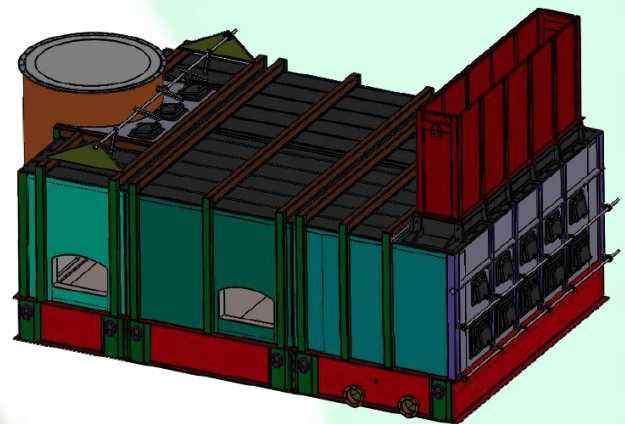
what we have identified in your sales agreement. While slight changes can be made during this stage, some changes may incur additional costs depending on what they are and what we have to do to accommodate your modifications. This manufacturing period is the perfect time to begin your site prep to ensure you are ready to receive the unit when it arrives. Always ensure you make allowance in your project timeline for unexpected site prep delays.

Once your system is completed, the final payment of 25% needs to be made in order for the unit to be released for shipping. Unless otherwise specified, we will arrange for shipping to ensure we have proper handling equipment in place for loading. The cost of transportation will be passed on to you with no markup.

Once your system is shipped and arrives on site, you can expect another couple of weeks to complete the field installations, complete debugging and testing, and finally be ready to use. It is not uncommon for the final stages on site to take as much as four to six weeks, depending on how aggressive your installation team is.

CHOOSING SYSTEM OPTIONS

There are a number of options for you to consider when you decide on your BET System specifications. All of these options can be boiled down by understanding your goals for the project overall. How will you receive your biomass feedstock that is used for fuel? How will you store and handle your feedstock? Do you want a high level of automation? Do you want to run your system with no electricity? What use do you have of the thermal energy? Do you want add-on modules to generate electrical power? Do you have the ability to market your carbon by-product?



In some cases our team can help you navigate through all of these, but in more complex projects, it is advisable to work with an engineering firm with specific experience in this field. A couple of the most common system options are outlined below.

CONTROL PACKAGE

The most basic customization is the control package. There are a number of options for you to consider when you decide on your control package. What level of automation would you like? Do you want to have access to view and manage your system remotely or from a smart phone app? What components of your overall system would you like to have automated and be controlled through the control panel? We have fully non-electric systems that are manually controlled, and we have systems that are able to be controlled completely through remote access.

STERILE ASH HANDLING

Regardless of the size or classification of unit, you will need to think about what you are going to do with the resulting ash. In applications that are looking to minimize ash, you can see as little as 1% of the feedstock coming out as ash. Minerals (such as dirt & rock) do not burn and will also flow through the system with the ash. With users that are trying to preserve carbon, our design modifications allow you to see as much as 18% of your feedstock flow through and come out as a carbon by-product.

Depending on your goals, you may choose to have this sterile ash or carbon automatically discharged from your BET system. While this feature can add significantly to the price of the unit, it reduces operator labor and provides an immediate return on this investment.

POWER REQUIREMENTS

Your BET System can be configured to work with a variety of power options from single phase to three phase. During the final specification stage, we will work with you to determine which option is best for your site. It is always our goal to be as efficient as possible and use the least amount of energy.

GETTING READY

Advanced preparation of your site will go a long way to ensuring a smooth and trouble free installation and commissioning period. Obviously, the larger and more complex the project plan is, such as with our industrial classification, the more work needs to be done in advance. On many private and commercial systems, getting ready for the system is fairly straightforward.

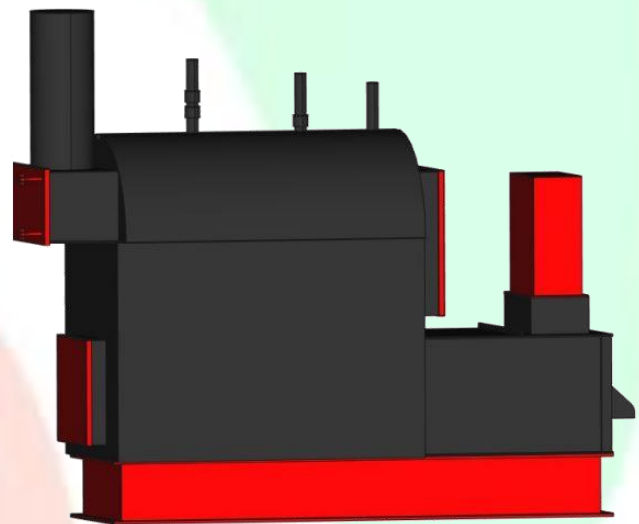
We encourage you to consider reaching out for assistance if you have questions as we would rather be over-prepared than frustrated when the system arrives on site.

SITE WORK

There is a lot of work that can be done on site prior to the unit being delivered to ensure that you are ready once it arrives.

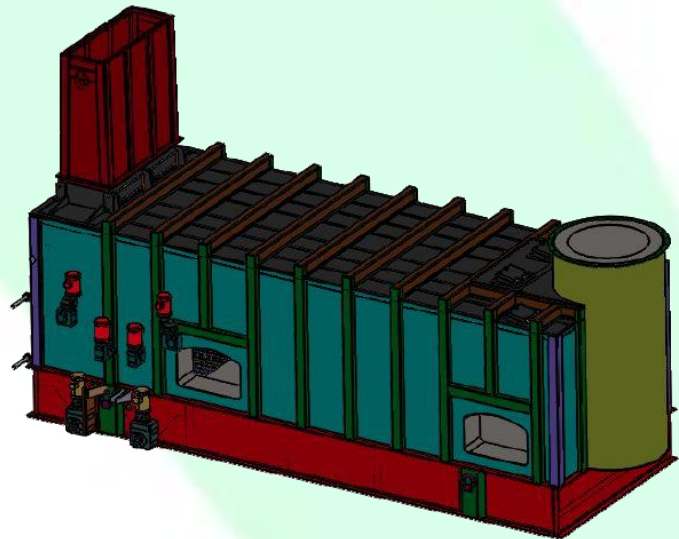
While we recommend that your unit is located in some sort of an enclosure or building, it is not absolutely necessary. We have found that keeping your BET unit out of the elements generally pays off in the long run as there are less issues with your feedstock and feedstock handling components.

You will need to plan ample support for your BET unit to sit on. Whether this is a concrete pad or other hard packed surface, ensure your system is stable so that the sensors continue to



function as intended. Once your manufacturing deposit is paid, signifying that the final system specifications have been determined, you should be able to receive the final weights and dimensions of your system. This information is very important to ensure your base supports will be sufficient to ensure the system does not shift.

Keep in mind that, on arrival, the BET unit will likely need a crane or other lifting apparatus to take the unit off of the truck and set it into place. Make sure your site plan allows for this.



POWER REQUIREMENTS

Each BET System can be configured to work with a variety of power options from single phase to three phase. During the final specification stage, we will work with you to determine which option is best for your site. It is always our goal to be as efficient as possible and use the least amount of energy.

INTERNET CONNECTIVITY

If you have chosen system options that allow for remote support, keep in mind that in order to debug your system remotely and provide after sales support, a strong internet connection on site is essential. While your system can operate without it, the internet connection is necessary if you wish to have remote support from our team, or to access the system remotely yourself. The best option is always to have a hard-wire or Ethernet cable wired directly to the control panel of your system, however a very strong WiFi connection will also work.

WHAT TO EXPECT WHEN YOUR UNIT ARRIVES

Installing auxiliary systems

The BET unit generally represents only one part of your overall system. Depending on what you goals are, sometimes the BET unit represents a major component and there is very little else involved, but in many cases, the BET unit is a very small part of a very complex system.

Keep in mind that the team at BioMass Energy Techniques are not necessarily experts in designing the complete system which will help you achieve your goals, and our expertise lies in assisting you with component(s) of your system that we manufacture. Hopefully our previous experiences can assist in the form of examples or suggestions, however you should always enlist the support of a qualified team to help you with understanding your complete system design, site layout, and how to integrate all of your system components in order to achieve your targets.

First start up

Proper planning for an initial start-up is key to your system performing well. In the majority of private and commercial classification systems, your unit has already been cured and is ready to ignite in accordance with the normal operating procedure found in your operator's manual.

If you are using a unit with an industrial classification, there is a chance that you will need to go through a curing process as part of your initial start-up. In this case, you will need to plan for an extended period of time with strict controls on combustion temperatures for as many as 60 hours. If we are not going to be onsite for this, we, at BioMass Energy Techniques Inc, will provide you with a curing schedule based on your system's specifications. This start-up will require continual monitoring and you should plan to have an operator actively onsite for the duration.

Debugging the system

Following the install of your system, plan for a 'debugging' period of time. The more components and manufacturers that are contributing in the overall system, the longer time you should account for in your project planning timelines. During the debugging time frame, the system will not necessarily function the way it is intended, and technical support is often required to make programming changes in order to optimize the system performance.

Many industrial systems should plan for as much as 4 weeks of debugging time after an installation. This time frame could stretch out even further if all of your component manufacturers cannot provide technical support simultaneously.

Most of the private and commercial classification systems are more simple, with less components, and you can expect to allocate anywhere from a couple of days to two weeks for your debugging period.

Support from BET

Depending on your agreement with us, we may be onsite when your unit arrives. In this case, you can expect a BET representative to function as an advisor during the commissioning and installation to ensure our outlined specifications are understood and followed as closely as possible. Generally we do not provide the necessary crane operators, electricians, and other man power needed for the installation.

In the cases where we are not onsite, BioMass Energy Techniques will provide remote support via telephone or web conference to answer any questions that arise during the installation and commissioning. In many installations, where the unit is fairly standard, this level of support is more than sufficient. We have also found that operators who are heavily involved with the installation and commissioning of the BET unit develop a better understanding of the system and have better success with it following the installation.



OPERATIONS AND MAINTENANCE

The BET System operates on a premise of efficiency, efficient in the labor to operate and efficient in the energy created. Whenever we consider system enhancements and improvements, it is always based on improving efficiency. In most cases, you should never need more than one person as the designated 'operator' for your BET System. In some applications, a corporate policy will dictate redundancy and you may need more operators, but you should not find enough labor for more than one operator regardless of the size of BET unit you operate. Usually the responsibilities of operating the BET unit can be added to an existing position and will not require full time monitoring.

The information included here is intended to give you a brief understanding of the operations and maintenance, however is not comprehensive.

Understanding Your Feedstock Fuel

The BET System is a biomass burner. Because of this, operators need to keep in mind that all system starts and modifications should be undertaken with woody biomass, free from contaminants and minerals. Any additional waste streams, minerals and other contaminants should only be attempted after the system is at full operating temperatures and in accordance with the BET Operator's Manual.

Basic Operating Premise

The basic operating premise is based on heating the feedstock to the point that flammable gases are driven off of the solid materials. These gases are ignited when heated to the correct ignition temperature and combined with the proper amount of combustion oxygen. Under proper operating parameters, complete combustion of the gases occurs, resulting in a clean burn.

The BET System accomplishes this process in a simple and effective manner. First, the shredded feedstock is gravity fed into the primary combustion chamber through a hopper. The feedstock flows onto a series of inclined step grates and horizontal toe grates. A solid fuel bed of hot embers builds up on the grates. Additional fuel is added, which forms a layer over the hot fuel bed. Primary combustion air enters through the draft doors and passes through the fuel bed. The gases from the fresh layer of fuel are distilled by the primary air stream passing through the fuel bed, creating volatile gases in the combustion chamber. Preheated secondary air entering from the top of the system provides the oxygen and turbulence needed to ignite such gases, providing complete combustion.

While the BET System can be adjusted to handle many different types of fuel, it should be noted that non-combustible matter, such as minerals will reduce the quality of combustion and may cause other operational issues; for this reason, efforts should be made to reduce the mineral content in the feedstock. Optimum performance is maintained when the woody biomass component of the feedstock is not below 65% by weight.

Each feedstock will require initial monitoring to ensure optimum performance. Correct adjustment of the system settings will insure proper operation with a wide variety of fuel types.

The grates must be adjusted in such a way to ensure they are uniformly covered, and to control the thickness of the feedstock fuel bed. The baffle controls how far forward the feedstock goes on the toe grate. Coarse feedstock, like chips, which allow air to move relatively easily through the feedstock burn well with a thick bed and the grates tipped down. In order for air to penetrate through feedstock such as bark and thick sawdust, a thinner fuel bed is needed.

Operating under negative pressure conditions, BET Systems eliminate potential for gas or vapor to escape. To accomplish this, operators need to ensure the grates are adequately adjusted, based on the characteristics of the feedstock, to allow air to pass through the fuel bed. BET Systems automatically adjust to small amounts of ambient air infiltration without diminishing performance.

Ongoing Operation

Given the high temperature inside of the combustion chambers of the BET unit, consideration should be given to the thermal expansion and contraction that happens when a system is shut down and restarted. It is our recommendation that these start/stop cycles are kept to a minimum to reduce unnecessary wear and tear and premature deterioration of the internal components. If possible, your BET system should be run continuously and any shutdown process is completed very gradually.

Planned Maintenance

Given the minimal moving parts inside of the BET System, there is low wear and tear and required maintenance. Systems with more automation will have more moving parts which should be inspected regularly to ensure they are functioning as intended.

On a daily basis, operators should open the primary draft doors to ensure that the feedstock is maintaining a uniform consistency and is flowing evenly over the grates. Any large clumps or blocks can be knocked down while the unit is in operation. Additionally, operators can check to ensure there is not excessive ash or carbon build up below the grates.

A daily visual inspection is generally enough to ensure the system continues to operate as intended and discover any component damage or deterioration.

On a weekly basis the operators can open the combustion chamber doors to inspect for fly ash accumulation. This procedure can also be accomplished while the system is in full operation.

If your BET System is equipped with a boiler, the boiler cover can be removed during operation to allow for cleaning of the boiler tubes. Depending on your feedstock, operators will need to clean these boiler tubes at varying intervals, rarely more than weekly.

Ancillary equipment such as feedstock storage and handling, infeed conveyance, and other additions should be inspected and maintained according to the manufacturer's recommendations. Every six months, a full inspection is suggested which includes checking grates for cracks and other damage and ensuring moving parts are greased as appropriate and not deteriorating.

