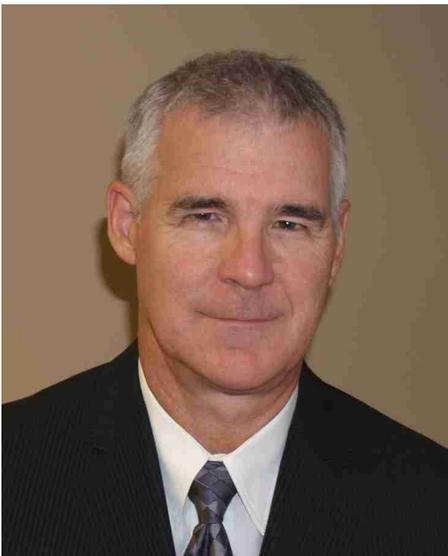


Bringing to Market their Engineered Trait Loci (ETL) Technology, Agrisoma Biosciences has a Solution for Providing High-Performance Seeds that Would be Turned into Biofuel and Benefit Everyone from The Farmer all the way to The Consumer

**Agricultural
Biotechnology
(Private)**

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**Steven Fabijanski, Ph.D.
President and CEO**

BIO:

Steven brings more than 20 years of senior executive experience within the agriculture and biotechnology industry to his leadership of Agrisoma. He is Chair of the Industrial and Agriculture Committee of Biotech Canada, a member of the Board of Directors for AgWest Bio, and has sat on the NSERC Energy Committee and NRC Advisory Committee. Steven is an active participant in the Biotech Canada lobby efforts at the federal level.

Company Profile:

One of Canada's leading agricultural biotechnology companies, Agrisoma has developed proprietary Engineered Trait Loci (ETL) as an advanced technology for crop improvement. Agrisoma is utilizing this technology to deliver sustainable energy solutions to reduce reliance on petroleum.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Dr. Fabijanski, Agrisoma delivers sustainable energy solutions founded in agriculture; would you tell about the company and what you provide?

Dr. Fabijanski: Our company is commercializing a crop seed that can be grown by farmers to produce oil that can be used to manufacture products that would substitute petroleum, particularly in the biofuels space. Our focus is using our oils in commercial transportation, diesel or jet fuels, which are very similar chemically, but are very distinct from gasoline. Unlike the ethanol industry that is used in personal transportation by blending with gasoline, our crop product is focused on producing oil that would be used to power commercial transportation.

CEOCFO: What is the difference in fuels?

Dr. Fabijanski: The difference is that diesel and jet fuels are oil based fuels. They are a more "oily" fuel relative to gasoline. Gasoline is very volatile and tends to be lower molecularly hydrocarbons, where as diesel and jet fuel have higher molecular

weight hydrocarbons and are less volatile and more oil-like.

CEOCFO: What is the process of going from agriculture to fuel?

Dr. Fabijanski: Our primary business focus is to develop the high-quality and high-performance seeds that are sold to farmers. The farmers would then plant those seeds and the crop, once it is harvested, would go to the agriculture infrastructure that can handle that volume. Typically, the crop is moved to the grain elevators and then moved to a processing facility like an oil seed crushing facility where that seed is then processed into the oil component and the meal component. The meal goes into animal feed and animal rations and then the oil is taken to the manufacturers of biofuel, where it is converted using variety of chemical and physical processes to become fuel that can be mixed with or substituted for conventional petroleum fuel.

CEOCFO: Is Agrisoma Biosciences doing this commercially today?

Dr. Fabijanski: As of this week, we have actually demonstrated the value chain all the way from the seed to a flight on a commercial aircraft. We provided part of the fuel that was used in the Porter flight on Tuesday (April 17, 2012) of this week. Flight 249 from Toronto to Ottawa, had a 50% mixture of biojet fuel along with petroleum. Our fuel is part of that biojet component and I was happy to be able to be on that flight as well. Therefore, we have been able to demonstrate all the way from seed development and planting of seed on the farm, to the collection, processing and conversion into biojet and even-

tually the burning of that fuel on a commercial flight.

CEO CFO: What is the cost in comparison to the standard type of fuel?

Dr. Fabijanski: Currently, you are looking at biofuel, be it diesel or be it biojet, that is anywhere from two to five times the cost of conventional petroleum fuels. The big reason for that is that the feedstock, or the oil, that is being used for most of this industry is food oil, so you are paying food oil prices for starting material to make fuel. What we are doing is developing a crop that does not produce food oil. It produces an industrial oil. By having that oil that de-coupled from food oil prices, you are able drive the price of that oil to petroleum parity. Therefore, as the industry starts to mature, the most important consideration for having this new industry meet a significant part of our transportation needs is the ability to get to a level of oil pricing that is commensurate with petroleum. We are not there yet, because it is an industry in its infancy. However, we anticipate over the next few years we will very quickly start to see the advances we have in terms of the yield of the crop and the overall productivity of the crop producing the oil, enabling the industry to get to petroleum level pricing on biofuels in the absence of any subsidies.

CEO CFO: What has been the response in the agricultural community?

Dr. Fabijanski: Generally speaking, farmers are very interested. In the regions that we are commercializing our product, the farmers were extremely interested, because our target is not to go into the highest value, highest productivity land base, but to go into the land base where it can be often very challenging to produce crops profitably. These areas are where there is a lack of moisture or a problem with the quality of the soil. In particular, our focus is in the dryer areas of agricultural production. These areas normally do not get enough rain to support high performance crops like corn, soybean or canola. Therefore, we can give the

farmers an option for growing our bio-fuel crop in a region that would not be able to provide a good income. We targeted around 8000 acres of production this year, focusing on around 60 growers this year. We were over-subscribed by three or four times. The growers from the regions we are targeting want to try this, because they see the potential value of this crop, not only from an economic perspective, but also from a land quality basis. This is because by moving this crop into a rotation with other crops, they are able to achieve a number of benefits and help improve the quality of the soil and overall utilization of the agricultural infrastructure.

CEO CFO: What is the plan for the next year or so for Agrisoma?

Dr. Fabijanski: We will continue on the course we have for this year,

We firmly believe at Agrisoma that we have that solution that enables everyone from the farmer all the way to the end consumer to see the benefits and that along the way there is the ability to have a profitable business and a sustainable business. Unlike many other concepts, where quite frankly, a miracle needs to happen to put it all in play, we have been very practical and very pragmatic in our approach. We feel that we have the basis of a very sustainable and scalable industry. - Steven Fabijanski, Ph.D.

which is to work with our partners to basically demonstrate the first successful commercial production at scale. We are talking about 1 million gallons of oil for fuel purposes, but at the same time, we are also preparing for a significant growth of our market in the coming years. We will be doing seed production that will allow us next year to reach at least five to ten times the acreage we have now. We have programs in place in North Dakota, South Dakota, and Montana to value the product in those regions. In addition, we have programs in place in the Mississippi valley outside of Memphis, as well as the Southeast, for example in northern Florida, to look at this crop for winter production in those regions. All of management come from an agricultural background, understanding that farming is

a very complex business and that your product has to be able to fit into that business structure. For the northern regions, which are the regions that typically encompass the southern prairies and the northern tier states, you have moisture issues and soil quality issues; our product provides a very good rotation crop for summer production. In the southeast and the mid-south, where a large portion of the acres that are used for cotton, corn or soybean, are left fallow during the winter, our product provides a very interesting rotation crop for winter production. Therefore, we can have basically year-round production of the oil, which is a very important consideration for the transportation industry, because you want to be able to have your starting material for bio-fuels (oil) available year round.

CEO CFO: Would you tell us about the resiliency of the crop?

Dr. Fabijanski: It all comes down to on-farm management. Farmers, or growers, are very astute business men and very efficient managers of their operations. Brassica carinata or in particular, the Resonance™ brand of carinata, has some very useful features in this regard. It is quite resistant to many diseases that would affect other crops. It is quite tolerant of

low moisture, and it is very tolerant of high heat. This is an important consideration, because you will get occasional days when it does get very warm in the summer or even in the southeast that can affect the yield of other crops. This crop tolerates the heat quite well. The other thing that is important about our crop product is being a cousin of canola, a number of the crop management tools such as herbicides and pesticides are useable on Brassica carinata. Therefore, many of the on farm management tools that were used to build the canola industry are available to us. With Brassica carinata, when you look at these tools and you get to the real nuts and bolts of how you produce and manage this crop on the farm, it provides growers with really good options to mitigate risk associated with

crop production. They have a full agronomic package available to them, similar to any other established crop. This is quite favorable for them when it comes to making crop choices as to what they are going to grow.

CEOCFO: How are you going to handle the production end?

Dr. Fabijanski: We announced a few weeks back a partnership with Patterson Grain out of Winnipeg, to manage the logistics of grain handling, elevation, and movement to allow processing into oil and meal. They are one of Canada's oldest and most established companies in this area. They provide significant infrastructure for us, so we are able to handle the level of scale that the industry needs. Once it gets past the production of meal and oil, there are a number of different outlets that are available for the oil products. The oil products can go into the conventional biodiesel, advanced biodiesel manufacturing, into aviation, or into the specialty chemical markets that are demanding green alternatives to petroleum. The management of the sales of oil at the end of this process is largely through our relationships with the biofuel manufacturers and with other organizations that generally buy oil.

CEOCFO: Are you funded well to continue on the process? What is the financial picture for Agrisoma Biosciences today?

Dr. Fabijanski: Agrisoma is a private company and we are funded through venture capital money. Like all companies, we are continually seeking investment and looking to strengthen our reserves to be able to expand. We are quite confident that we will have the resources to be able to grow the business as quickly as we can. We have been well - supported by certain government agencies in this regard. Sustainable Development Technology Canada, which is Crown Corporation that invests in companies in the clean technology, has been an important supporter. Other provincial and federal agencies have supported

the research and development. Generally, I would say like most Canadian companies, we are always on the hunt for capital. In addition, we always have an eye to the United States and the opportunities down there. We have the resources to accomplish our programs as we speak now, but we are always looking to expand.

CEOCFO: What sets your concept apart from some of the other biofuel concepts, and why should investors be interested in Agrisoma Biosciences?

Dr. Fabijanski: The interesting thing about Agrisoma is that as a corporation, we started from the bottom of the biofuels value chain and worked our way up, whereas most of the organizations have started at the top and tried to work their way down the value chain. Where you run into a problem working "top-down" is that you have got to be able to show you primary customers, which are in this case the farmers, the value proposition. That proposition is that if you grow this, there will not only be someone who will come and take it, but that this will be profitable for you and it will not disrupt your current farming operations. By coming from an agricultural perspective with a management team is largely agricultural in their background, we understand that the most successful company will be one that gets the growers and the farmers interested in the product, rather than getting an off-take partner, whether it be an airline or biofuel manufacturers interested in the concept. It is about the farmer as agriculture is the only industry that can deliver scale and reliability of supply. We have a very strong base to be able to understand that our product has legs at the beginning and then the economics to drive scale, something we understand quite well. At the end of it, we can deliver what the biofuel manufacturers need at a price that is competitive with petroleum. We believe the biofuels industry recognizes this is the real key. It took a long time for the ethanol industry to get to this understanding

and to get to the place where ethanol is now being sold and mixed into gasoline at a price that is roughly comparable to petroleum. The biodiesel people have not been there yet, because they started off by saying, we can make biodiesel, let us get some food oil and convert that – at that point food versus fuel and the supply issue becomes a big challenge for them. We have really started at the other end saying we have a solution to the supply problem and we have a solution that has legs financially and a good fit within the agricultural infrastructure.

CEOCFO: What is it about the Agrisoma Biosciences story that people often miss?

Dr. Fabijanski: The thing that we have always talked about is in order for the biofuel industry to become well established and permanently entrenched into our commercial transportation area, you must have a business and a business structure that rewards everybody in the value chain. We firmly believe at Agrisoma that we have that solution that enables everyone from the farmer all the way to the end consumer to see the benefits and that along the way there is the ability to have a profitable business and a sustainable business. Unlike many other concepts, where quite frankly, a miracle needs to happen to put it all in play, we have been very practical and very pragmatic in our approach. We feel that we have the basis of a very sustainable and scalable industry. As a Canadian company, we are typically not getting the level of credit that we would get, if for example, we were just across the border in the USA, where energy is a much more strategic issue for the United States and their government programs and mandates. The ability of biofuels to contribute overall to greening of the environment and the stability of the fuels market, will be in part realized by some of the work that we are doing and that will soon come to light.



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