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Interviews & News!

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Since The Arrival Of Its Current CEO In 2006, JER Envirotech Has Been Completely Rebuilt With An Executive Team That Has Extensive Experience In The Polymer And Wood Fiber Industries, Leading To The Successful Growth Of The Company

JER Envirotech

Technology

Thermoplastic Biocomposites
(JER-TSXV)

JER Envirotech International
Corporation

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Edward Trueman
President, CEO and Director

BIO:

Mr. Trueman is an experienced leader with more than 28 years of knowledge and experience in the global polymer manufacturing industry.

Prior to his appointment as President and CEO, Mr. Trueman served as JER's Vice President of Sales & Marketing. His previous career history includes:

- 2002 to 2006 - Director, Global Automotive Business Group, for AlphaGary Corporation, an original equipment manufacturer of thermoplastic compounds and engineering alloys for the auto, medical, and wire and cable industries, based in Troy, Michigan.

- 1991 to 2002 - Vice-President, Automotive Sales and Marketing, for Multibase USA, a supplier of plastics and elastomers to North American auto OEMs and Tier 1 suppliers.

- 1989 to 1991, was the principal of Elastomeric Technologies LLC., a polymer consulting corporation that provided services exclusively to Exxon.

- 1983 to 1989 - OEM Sales Manager for Research Polymers International of Grand Prairie, Tex., a start-up TPO polymer compounder that serviced the North American Tier 1 automotive markets. During his tenure at Research Polymers, Edward Trueman pioneered the sale of the auto industry's first TPO injection-moulded bumper to General Motors in 1984.

Edward Truman holds a Bachelor of Science, Economics and Management degree from Eastern Michigan University.

Company Profile:

JER is a global supplier of thermoplastic biocomposite compounds and sheeting. The Company's patented technology utilizes waste or by-product materials, such as wood fibre or rice hulls, to produce environmentally friendly alternative products for applications in the construction, transport, automotive and toy industries. The Company currently has a range of biocomposite formulations which it developed in collaboration with the National Research Council - Industrial Materials Institute of Canada.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Trueman, how has JER change under your leadership?

Mr. Trueman: "JER completely transformed under my leadership. When I arrived and took over as a CEO in Dec. of 2006, we completely rebuilt the company from a staffing perspective from my position as CEO all the way through the executive ranks with CFO, CTO, and sales and marketing staff. Essentially, we

brought in a team that has extensive experience in the polymer and wood fiber industries. So the company has been transformed and reconfigured into an execution-rich talent base."

CEOCFO: What is the focus today?

Mr. Trueman: "Our focus clearly is on the injection molding marketplace, to augment and to make a clear choice available for product design. It could be transportation markets, a consumer net of eco-friendly materials completely recyclable based on waste biofibers, which include wood fiber, rice hull fiber, flax fiber and materials of that sort into a very clear alternative to traditional thermal plastics."

CEOCFO: Do you find many companies actively looking today or is it still a matter of education as far as alternatives in this area?

Mr. Trueman: "It is education, but I can tell you very clearly that green is good for business. It is good business in a very fundamental sense, companies that have and want to advance a corporate mission of utilizing materials that reduce their carbon footprint, have better usage for waste or recycled materials without subsidy and can stand on their own merits as far as performance, properties and characteristics, then you have the best of both worlds. Green technology is only in its infancy and it will continue and translate through, in my opinion, many market cycles."

CEOCFO: What is an example of your products and who will be using them today?

Mr. Trueman: "I'll give you a couple of examples. First, if you go to our web site you will see information on the official roll out of the new line eco-friendly Sprig Toys that are built for preschoolers of 3-5 years of age. They are very innovative, non-toxic, and fully recyclable as far as the material content. These products are made in North America and the material, Sprigwood® is made in Vancouver. The toys are injection molded in Midland, Ontario and distributed throughout North America. It is a fascinating line of toys that really engage the preschooler from an educational perspective. They are battery free so there is no corrosive element and they are more eco-friendly. I just learned the other day that there are over 14,000,000 batteries a year put into the waste stream. So, it is a injection molded component, and multiple segments are put together and assembled where the material could have been just a traditional thermal plastic, SPRIG Toys, which is a very environmentally conscious company, wanted to utilize a very unique material. So we were trying for months to develop that product and it is exciting that it is now in the marketplace."

CEOCFO: Is it also cheaper to use your products?

Mr. Trueman: "It can be absolutely. We use recycled thermal plastics as well as prime polymers. With recycled material, you reduce the amount of new petroleum required to make your product. We can also load our compounds with up to 50% of biofiber. Essentially, you are taking that equation and reducing 50% of the petroleum with a far less expensive waste fiber that has attributes for physical and mechanical properties. So the material itself has an economic advantage but there is also a conversion advantage. We published a white paper about this very concept. You are also reducing the electricity needed to achieve the temperatures needed to convert our material from pellet form into a molten state and then reshape the material through that injection molding process. Therefore, overall less energy, less temperature, and less cost in the material itself is a win-win situation not to men-

tion that they are great products. So, I guess that would classify as win-win-win."

CEOCFO: How do we get this story out?

Mr. Trueman: "Well, it's interesting that you ask. Because we find that the market, which compromises WPC, (wood polymer composites) has been traditionally in the exterior composite decking market. You've heard of Trex? They have very innovative materials that are used as decking composite for residential use. JER has taken that concept and has advanced it far beyond traditional methods of extruding boards. We've advanced it using our more than 30 years of experience in the polymer industry to create innovative new products to address non

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traditional applications. Specifically, for applications like automotive interiors or consumer products we have perfected wpc products so that you can mold them, appealing to a much larger spectrum of the marketplace than just one segment. Anywhere traditional thermal plastics are used, and virtually anything you touch in a grocery store, or house wares, or computers are injection molded plastic products, we can offer a wood polymer composite product. Our product is a clear choice. You don't have to compromise physical or mechanical properties. You are gaining a green product that is fully recyclable. You are extending the lifecycle of the base polymer and the biofiber beyond its traditional or expected life span. We were getting the message out. JER started in 2004 as an R&D company. My background is taking companies, growing them, and putting teams to-

gether. We carve out business plans to accentuate this kind of thing. So, we are the leader, no question about it. We are doing things that have never been done before. If you look at our press release that went out yesterday, we've had outstanding growth year-on-year, approaching 200% from last year, and high double digit growth quarter on quarter. So we are growing very handily. We're a public company and our stock is available. But let's be clear, we are in a new area where no one has gone before. It takes time to get all that out there."

CEOCFO: How do you reach your potential customers?

Mr. Trueman: "We have a pretty sophisticated sales and engineering team and marketing people that are in the field. We have offices in Charlotte NC, Grand Rapids MI, and Buffalo NY. We coupled that with a very sophisticated internet marketing effort and a very informative website in which a materials engineer, let's say from an automotive manufacturing OEM, could literally visit our website and choose the material, download the physical and mechanical properties and select and make an engineering decision based on that information. It is certainly enough to get a starting point from a design perspective. Even though simple items appear in a big box retail store or a grocery store, most of these items are comprised of highly engineered components. There is also a lot of work going into making these components safe and very effective from a performance standpoint. We do a very job of marketing but again, what we're doing is covering new ground."

CEOCFO: Do you customize to the needs of the customer or are there a set group of compounds and they choose what is available?

Mr. Trueman: "What we do is custom design and engineer our materials to meet very specific applications. Our material is conveyed as a pellet comprised of fiber, polymer and maybe a little bit of color. We custom design our product to meet customer needs and tailor that for specific end use requirements."

CEOCFO: Have you started shipping to Asia?

Mr. Trueman: “We have indeed. We have product that goes into injection molding food tray applications, which is the first commercial opportunity for us. We have several initiatives across the Asian area. We are also in Europe today, but our home market is North America. We are a global company with a global footprint. We have manufacturing here in BC in the Vancouver metropolitan area. Our plans call for the installation in manufacturing in Greenville, South Carolina. We will be concluding that installation just as soon as we possibly can. It is a lot of high growth movement and we believe that strategically east coast, south-east US and northwest, west coast is very effective. As we go from this side to Asia and suddenly south east US into Europe, is the way that we’re deploying our activity right now.”

CEOCFO: Where do you get the raw materials?

Mr. Trueman: “Fortunately the wood product is indigenous to the northwest because there’s an awful lot of wood up here. Hardwood products are drawn from the US. Commodity products that are used in building and construction like pine and maple, or the oak that is used for the furniture industry are available through recycle streams. We use rice hulls, the waste or by-product from the rice plant that is typically burned. Rice hulls are filled with silicates. It’s not very good for people to breathe when you burn the waste rice hull. Those products are

drawn out of the US Gulf Coast regions and readily available. These are just some of the fibers that we use today. We have advanced development that will allow us to incorporate other fibers that are readily available and add design characteristics and performance characteristics that go with whatever you want to do.”

CEOCFO: What is the financial picture like at JER?

Mr. Trueman: “JER is a public company and our financial picture we post on our website. The company has gone through a lot of growth. We have also taken very effective cost saving measures. Clearly what we intend to do as a management team is to lever a break-even point which we believe is achievable on the latter part of calendar 2008. Even though we have experienced very difficult economic conditions, we’ve grown this company effectively through this recession. We’ve also grown it in areas that are really across the board as far as different market segments. We have confidence in moving that along but we have a very aggressive growth target. We are in fiscal 2009 for our accounting purposes. We’re very excited about the year as a snapshot as opposed to quarter on quarter. I have an opinion that I would rather be judged not on quarter-on-quarter, but year-on-year because a lot of things happen during a year and you must have a business plan that has a degree of flexibility that can be truly judged on a one year snapshot as opposed to every 90 days. So, that’s a good indicator, some people may argue whether this is fair, but I like to look at a 12-month to be

truly effective in long-term trends as a more accurate measure of the growth in a business. Certainly profitability has to be on the bottom line.”

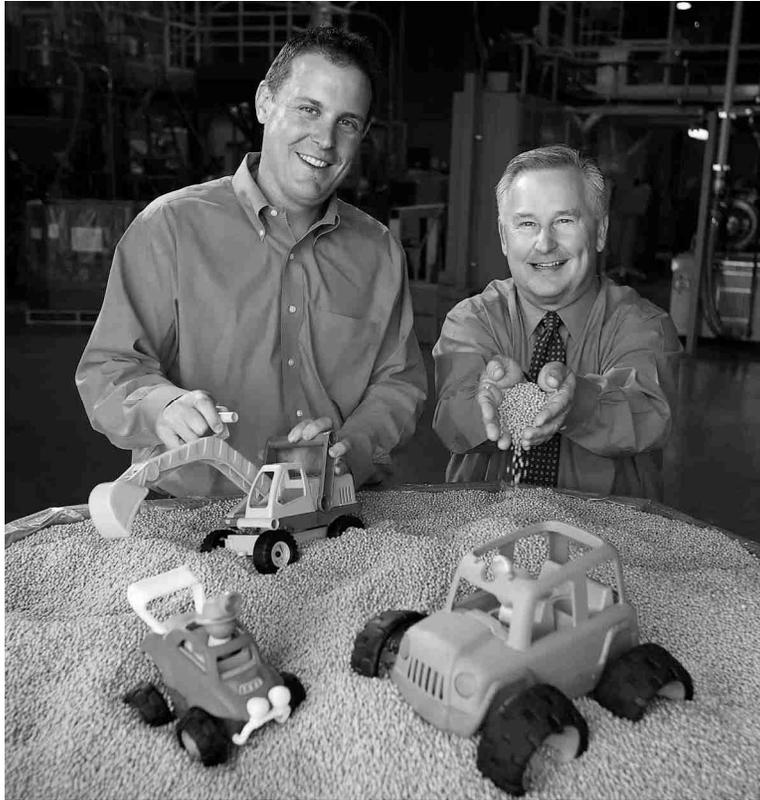
CEOCFO: Sum it up for potential investors; there are many companies to choose in the green area and the building area, why does JER Envirotech stand out?

Mr. Trueman: “Number one, JER is an outstanding value today from a share price perspective. People have been watching JER and looking at the growth, and it is not always about top line growth. We are an attractive company that is bringing innovation and creating products that offer entirely new design possibilities while being eco-friendly. Our materials also offer an economic advantage, particularly as petroleum prices continue to rise.

People also invest in us because they are concerned about our environment and they believe that we really should be concerned as a community about our overall responsibility to our children and grandchildren.

Those are the messages that in the final analysis really do count. When the people become aware of that and look at JER and look at not only a mission statement, but how we conduct business day-to-day, it is a fair assessment that they are going to buy our stuff.”

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JER and Sprig announce launch of eco-friendly toys

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