



APPLIED BIOMASS TECHNOLOGY INC.

MEMORANDUM

Date: May 8 2006

To: Clive & Leon

Regarding: Hanford Dairy Digester & USDA Loan Guarantee

John Edminster has a 700 cow dairy client, Carl in Hanford facing nitrate pollution and is considering a Breckenridge AADS digester as part of the solution. He has limited financial resources and recommended John & I contact his banker, Harroll Wiley at Tri Counties Bank in Visalia.

Yesterday John and I met with Harroll. We learned he was born and raised on a dairy in Farmersville. He is a unique banker, because he knew all about dairy regulations and manure digester systems.

The meeting was brief as Harroll explained Carl's dairy operation was on shaky financial ground. We explained we already knew that, but perhaps Carl would qualify for a USDA Loan for the digester. We ran into a buzz saw at that point. Harroll did not want to waste the banks time dealing with the paperwork. Harroll explained even if Carl could qualify for a USAD loan, he was not going to deal with the USDA paperwork for that small amount of financing.

I explained we were in the process of organizing a specialized company Green Capital Network Inc (GCN) in Fresno to help with USDA programs. GCN will also help define and valuate Renewable Energy Credits, REC's. Harroll said sounded like a service that was missing and wants to meet Milt & Bill.

If I set up a meeting with Harroll, Milt, Bill in Visalia, can you join us?

Thor