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Board of Directors
Applied Biomass Technology
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Gentlemen,

This letter confirms the major effort and commitment that the Erickson Group has made toward the commercial success of Anaerobic Digester (AD) technology in managing waste streams from agricultural, confined animal facilities and food sources. The Group believes that the pressing needs to meet environmental regulations have created an extraordinary opportunity to deploy, throughout the dairy industry and other agricultural facilities, modern AD plants that can also solve the rice straw and food processing waste disposal problems.

AD technology has already proven itself in municipal waste management (producing methane for plant power use) and in a number of early applications to dairy waste conversion (methane-for-power and soil amendment production). The Group believes that a sound effort to enhance both the process efficiency and soil amendment production capability of these plants will make the plants financially attractive and, thereby, encourage their widespread deployment in support of agriculture. It is possible that, within a few years, the revenues and savings from these plants in the US Northwest could run to several hundred million dollars.

The vision described above is not new to ABT. For several years Thor Bailey has made a determined, imaginative and competent effort toward realizing this opportunity for his colleagues in North-State agriculture. The substance of his message caught the attention of the Erickson Group some time ago. He has been under contract with the Group to develop specific approaches toward the practical deployment of AD systems in California in collaboration with UC Davis and selected commercial firms. His work has been on the mark and very helpful in getting a practical program under way; The Group expects that this growing association with ABT will continue well into the deployment and operational phase of a series of AD systems throughout California and become an indispensable part of the Erickson Group program.

This is a good time to reflect on the reality of Thor's vision and to commend his foresight in gathering together a very unusual and supportive group of achievers in the agricultural community. Their integrity and caliber has made all the difference in turning and sustaining a bright idea into a substantial business opportunity. ABT's future success should be an appropriate reward for this most valuable commitment.

We look forward to a continuing association and a very successful future for all.



Clive G. Whittenbury
Member, Board of Directors