



**NEWS RELEASE**

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## **SUMITOMO CORPORATION ACQUIRES STAKE IN PBEC**

Pacific BioEnergy Corporation (PBEC) has announced today that Sumitomo Corporation of Japan has acquired a 48% equity interest in PBEC. Concurrently PBEC has acquired the 34% minority interest in Pacific BioEnergy Limited Partnership (PBLP), the Prince George manufacturing facility, from its' European partner giving it 100% ownership of the facility. PBEC through the PBLP facility and affiliated manufacturing facilities in Chetwynd and Ft St John currently markets in excess of 550,000 tonnes per annum of industrial grade pellets to the European and Asian markets. In addition, PBEC in partnership with the Nazko First Nation in Quesnel operates a 200,000 tonne per annum Biomass Preprocessing Facility converting low grade timber into merchantable saw logs, high quality pulp chips, furnish for pellet manufacturing and hog energy fuel.

Sumitomo Corporation owns several power generation plants in Japan and has been importing wood pellets for power generation since 2008. Japanese utilities have been increasing their use of renewable biomass fuel at their power plants and Sumitomo views its purchase of 48% of PBEC as a means to ensure access to a stable supply of renewable biomass fuel for the long term.

PBEC Chairman and CEO Don Steele states "PBEC welcomes the acquisition of 48% of our company by Sumitomo Corporation. We see the acquisition as a vote of confidence in our vision to continue to build PBEC and the biomass energy sector in British Columbia."

PBEC acquires residual fibre from the sawmilling and forest harvesting industry that would normally have been incinerated and converts this "waste" material into a useful, environmentally favorable export product while at the same time lowering air pollution from incineration in the Prince George and Quesnel air sheds. Since 2008 PBEC has been a pioneer in recovery of otherwise open air incinerated "slash" from forest harvesting operations and is developing new techniques and processes in conjunction with the existing industry participants in what amounts to a 'Secondary Harvest' focused on recovery of Mountain Pine Beetle damaged forest assets. With Sumitomo's investment PBEC intends to intensify its' activities in this new industrial sector.

Since PBEC was founded in 1994 it has exported approximately 3.5 million tonnes of wood pellets to markets in Europe and Asia. This equates to more than \$600 million in sales. PBEC's plant has significantly helped improve air quality in Prince George by taking material formerly burned in beehive burners and in the forests using the material to produce renewable wood pellets for use in power plants in Europe and Asia.

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