



For Immediate Release
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Addax Bioenergy Hosts Ground Breaking Ceremony for Renewable Energy Project in Sierra Leone

President Koroma provides keynote address

GENEVA, Switzerland and Makeni, Sierra Leone (November 10, 2011) — Addax Bioenergy S.A. (“Addax Bioenergy”), a subsidiary of the Addax and Oryx Group (AOG), today hosted the ground breaking ceremony for its energy and agriculture project near Makeni, in Sierra Leone (the “Project”).

The Project started in 2008 and includes the development of a Greenfield sugarcane plantation, the construction of an ethanol refinery and a biomass fuelled power plant which are due to become operational in 2013.

Today’s ground breaking ceremony marks the start of construction of the ethanol refinery and the biomass fuelled power plant. This is a significant milestone for the Project, which aims to become a model for responsible sustainable investment in Africa. The ceremony was attended by key political dignitaries and representatives of different stakeholder groups, including landowners, farmers, civil society organisations, development institutions, and management and employees of the company.

President’s Keynote Address

During his keynote address, **H.E. President of Sierra Leone, Dr. Ernest Bai Koroma**, commented: “My Agenda for Change identifies agriculture as the engine for socio-economic growth and development with a wholesome focus on the commercialisation of the agricultural value chain and promotion of private sector participation. The Addax Bioenergy project is the largest private sector investment in Sierra Leone’s agriculture sector to date and provides a great example of successful investment in our country.”

The President of Sierra Leone went on to present certificates to 20 graduates of the Farmer Field & Life School Programme run by Addax Bioenergy to help durably improve food security through better adapted farming methods.

Dr. Joseph Sam Sesay, Minister of Agriculture, observed: “As the only sugarcane ethanol project under construction in Africa that fully complies with international social, cultural and environmental best practice standards, it represents a major step forward in Sierra Leone’s efforts to become a hub for renewable energy alternatives. We congratulate all the stakeholders who have worked so well together to achieve this major milestone, and look forward to the multiple benefits this project will bring to so many people not just around Makeni, but also nationally.”

Mr. Sylvannus Shyllon Sesay, Representative of Land Owners, stated: «Right from the beginning, Addax Bioenergy has been clear and straightforward in all our negotiations. They have taken great care to minimize disruption to our people, and have brought lasting benefits through

reforestation and providing access to clean drinking water all year long. Together, we have achieved a win-win solution, which improves the livelihoods of everybody in the project area.”

Nikolai Germann, Managing Director of Addax Bioenergy, welcomed the guests: “Our team recognizes that it is a privilege to earn the trust of the people of Makeni, the local authorities and the Government of Sierra Leone. We take this responsibility seriously and are committed to honouring our commitment to become a model for sustainable investment in Africa, to the benefit of all those involved. Today marks a significant achievement for all of us, and I would like to thank each of you personally for the professionalism, commitment, trust and cooperation you have demonstrated to achieve this milestone. Finally, I sincerely thank the Addax and Oryx Group, and in particular its Executive Chairman Jean Claude Gandur, for their unwavering support since 2008.”

Becoming a benchmark for sustainable investment in Africa

Right from its first discussions with the local community in Makeni in 2008, Addax Bioenergy has been determined to design and manage this Project as a benchmark for sustainable investment in Africa.

Choice of Sugar Cane Biofuels

Sugarcane has been chosen due its broad recognition as the most efficient and sustainable crop for biofuel production. Sierra Leone’s tropical climate, with its high rainfall, is particularly suitable for the crop. The bioethanol produced will help meet demand in Europe and on the local market in Sierra Leone. In addition, the power plant fuelled by the sugar cane biomass will provide renewable electricity for the ethanol refinery and supply approximately 20% of Sierra Leone’s national grid.

Food Security

The Addax Bioenergy project has already become the largest food production program in Sierra Leone, thanks to the cultivation of some 1,500 hectares of rice for local populations. ***“We have not experienced hunger months this year”, said one villager recently.*** The initiative has effectively improved food security in one of the poorest regions of the country. In parallel, Addax Bioenergy’s Farmer Development Program, started in autumn 2010 and organized with the support of the UN Food and Agriculture Organisation (FAO), has already seen the graduation of 1,441 farmers. The program aims to durably resolve food security issues and to offer the potential of additional income, thanks to improved farming methods. A total of 2,000 farmers are expected to benefit from the program.

Transparent Land Lease Process

The 14,300 hectare project area has been leased, not purchased, from local landowners through the local chiefdoms, in compliance with the laws of Sierra Leone and after a long, transparent and public consultation process. Addax Bioenergy further introduced a major innovation to enhance landowners’ rights, by charting their lands and producing maps, which they have used to register their property deeds and which serve to ensure they receive the annual lease payments. At November 2011, a total of US\$850,212 has been paid to the district council plus US\$330,638 directly to landowners in lease payments. So far, compensation payments totaling US\$656,636 have been paid direct to landowners for asset values on land developed by the project.

Real Development

Hundreds of people in Makeni have already seen their livelihoods improved in the form of jobs, social services, health services and clean drinking water.

As of November 2011, the project employs 772 national staff and has paid 4.6 billion Leones or US\$1.15 million in wages since April 2010. It will create 2,000 jobs when steady operations are underway in 2013, offering more than twice the average minimum salary. All employees - whether

short term or permanent - receive formal contracts, are equipped with proper safety equipment and have access to health, transportation and housing benefits. **An employee of Addax Bioenergy, and former farmer, Francis Koroma, said “God bless Addax. I am now gainfully employed and receive about \$70 per month whereas before I struggled to make \$50 in a whole year.”** In total during the period April 2010-November 2011, Addax Bioenergy has injected US\$13.1 million or 52.5 billion Leones in cash or cash equivalents into the local economy.

Respecting Stringent Social and Environmental Standards

Addax Bioenergy is developing the project in partnership with seven development finance institutions, reflecting its commitment to comply with the most stringent social and environmental standards. They include the AfDB’s Environmental and Social Safeguard policies, the World Bank’s International Finance Corporation (IFC) Performance Standards, the EU bioenergy environmental and social sustainability standards, and the industry guidelines developed by the Roundtable for Sustainable Biofuels and the Bonsucro Better Sugarcane Initiative; as well as local environmental and social laws. The institutions are continuously monitoring the project to ensure it respects the standards.

The quality of the Environmental and Social Health Impact Assessments commissioned by Addax Bioenergy from 2008 – 2010, and used to shape the project, was recently recognized in the results of a study commissioned by the EU Commission on the Environmental Impact Assessments (EIAs) of 19 biofuel projects. The study, carried out by Chalmers University in Sweden and Ecofys, a renewable energy consultancy in Holland, concluded that Addax Bioenergy’s EIA “stands out in comparison with the other EIAs” and that **“if the Addax approach proves successful more companies targeting the EU-RED [Renewable Energy Directive] market might follow”**.

Development Finance Institutions

Under the financing agreement, the African Development Bank (AfDB), the Emerging Africa Infrastructure Fund (EAIF), the Netherlands Development Finance Company (FMO), the German Development Finance Institution (DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH), the South African Industrial Development Corporation (IDC), the Belgian Development Bank (BIO), together with Cordiant managed ICF Debt Pool, are providing debt financing of €133 million. The Swedish Development Fund (Swedfund) and FMO are to join AOG as equity partners. The total size of the investment is estimated at €267 million. The financial close and first draw down of loans and equity is expected to take place in November 2011.

Project Timeline

2008 – 2010:	Feasibility studies and stakeholder dialogue
2010 – 2013:	Initial sugarcane planting
Autumn 2011:	Groundbreaking for sugarcane bioethanol refinery and biomass electricity plant
2012:	Completion of sugarcane bioethanol refinery and biomass electricity plant
Late 2013:	First production of biofuel and “green” electricity for production and National Grid
2014	Full production

Facts & Figures

Location:	Bombali and Tonkolili Districts, close to Makeni, Central Sierra Leone
Project phase:	2008 – 2013
Investment:	Euros 267 million
Project area:	14,300 hectares
Processing capacity:	1 million tons of cane per year
Estimated ethanol output:	90,000 m3 per year
Excess power:	15 MW (for National Grid)
Workforce:	2,000 (772 people at November 2011)

About Addax Bioenergy

Addax Bioenergy is a wholly-owned subsidiary of The Addax and Oryx Group Limited (AOG), formed in 2008 to develop a sustainable investment model for biofuels in Africa. Addax Bioenergy is developing this unique project near Makeni, Sierra Leone, in partnership with seven European and African development banks, reflecting its commitment to the highest social and environmental standards. The project in Sierra Leone is expected to become operational in 2013.

About the Addax & Oryx Group

The Addax & Oryx Group Limited (AOG) is a diversified energy group of companies and a key player in the energy industry principally in Africa. Created in 1987 out of an expertise in international trade and a strong knowledge of the African continent, it has developed its activities to include Upstream; Downstream supply, storage and distribution; Bioenergy; capital investments and real estate. AOG employs around 800 people from 30 countries in Africa and Europe. It is strongly committed to conducting its activities in compliance with the most rigorous ethical, health, safety and environmental standards, to ensure the long term success of the Group.

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For additional information on the project, including copies of due diligence reports, supportive statements and testimonials, photographs, recent press coverage and a comprehensive Q&A document, please visit: <http://www.addax-oryx.com> and click "Bioenergy."