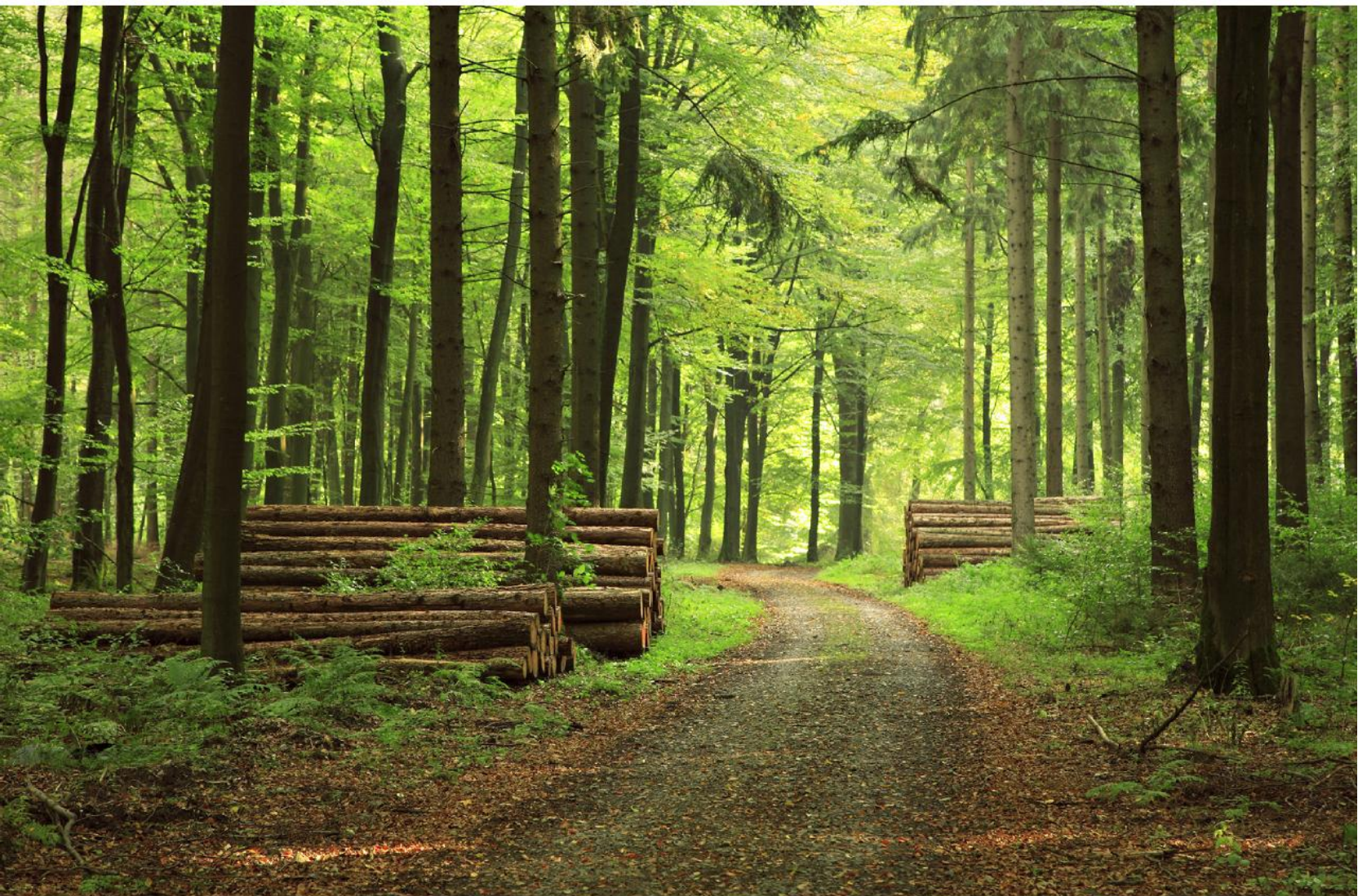


Silva Tree *Biomass for Energy* Fund

Paulownia Biomass Project

Investing in a biomass forestation project in Panama

Rev. 165 - 11/10



Project Manager Silva Tree Panama S.A.



Fund Operator Citadel Trustees Ltd.



Important Notice

This factsheet describes the proposed Biomass for Energy Fund I L.P. (the "Fund") which will invest in a biomass forestation project in Panama. It is addressed only to experienced investors having the expertise necessary to assess the risks of the proposed investment. The minimum investment per investor is USD 12,500, for an investment in the "closed ended fund structure," or USD 15,000, in the case of the "open ended fund structure."

This factsheet is intended as a general introduction to the Fund, is issued for information purposes only and is subject to change. Nothing in this factsheet constitutes a solicitation or offer by any person to enter into any contract or investment agreement to buy or sell any security or other investment or to furnish any investment advice or service. This factsheet does not provide specific investment advice and does not represent that an investment in the Fund is suitable for any specific investor. The information in this factsheet is not intended to form the basis for any investment decision. Those considering an investment in the Fund must request, and must rely exclusively on, the Fund Information Memorandum and related documents which are expected to be available during October 2010 and which will contain more detailed information about the Fund including its economic, legal and tax aspects, as well as setting out in more detail the risks related to a participation in this investment.

The contents of this factsheet are not intended to be, and should under no circumstances be treated by any recipient as being, investment, tax or legal advice. All prospective investors must make their own investigation and evaluation of a prospective investment in the Fund. It is strongly recommended that potential investors should consult with an appropriately qualified independent advisor to assist them in evaluating the risks of an investment in the Fund and its suitability for their individual circumstances.

This factsheet is a confidential document intended only for those prospective investors to whom it is addressed. You may not copy any portion of it except for your personal use or in order to discuss it with your financial, legal or tax advisors or others with whom you share your investment decisions.

All information included in this factsheet reflects facts known as at 1st of July 2010 or, where indicated, at an earlier date and is subject to change without notice. Some material contained in this factsheet has been prepared by third parties. While we consider the information contained in this factsheet to be based on sources we believe to be reliable, the accuracy, timeliness, adequacy or completeness of such information is not guaranteed nor are we under any obligation to correct, update or supplement such information or notify you of any changes to it.

The Fund will be an unregulated collective investment scheme for the purposes of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"), the promotion of which in the United Kingdom is restricted by sections 21 and 238 of FSMA. Accordingly, no Fund interests may be offered or sold in the United Kingdom other than (i) by a person authorised by the UK Financial Services Authority ("FSA") (an "authorised person") as permitted by the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes (Exemptions) Order 2001 or the FSA's conduct of business rules; or (ii) by a person other than an Authorised Person as permitted by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The operator of the Fund will be Citadel Trustees Ltd, a company incorporated in England and Wales and authorised and regulated by the FSA ("Citadel Trustees") which will hold as trustee certain assets of the Fund and which will supervise the activities of the project manager. The Fund itself will not be regulated by the FSA (it is an unregulated collective investment scheme) and accordingly Fund investors will not have the benefit of certain protections provided by FSMA or the rules and regulations made thereunder which are applicable to authorised unit trusts and other authorised collective investment schemes.

Past performance may not be a reliable guide to future performance and the value of investments may fall as well as rise. Because investment in the Fund is in USD, changes in exchange rates may have an adverse effect on the income derived and on the value of a Fund investment. The views expressed in this factsheet are expressions of opinion only, and should not be construed as investment advice. No assurance can be given as to the ultimate success of the project or as to the return that investors will receive.

This factsheet is intended to be distributed to UK based investors only. It is not intended for distribution to, or to be used for any purpose by, any individual or entity in any jurisdiction where its distribution or use is prohibited or restricted by any local law or regulation or where its use would or may subject the Fund or any other person acting on the Fund's behalf to any registration or filing requirement within such jurisdiction.

The Fund is an entrepreneurial investment. It has certain risks and is not suitable for investors who seek a secure investment with fixed payouts. Potential investors should only consider this investment if they can afford the risk of a total loss of their investment and if they have no need of short term liquidity as this investment will not provide immediate payouts and closed ended interests will not be redeemable before late 2031.

The specific risks of this investment (for example those related to climate, fire, pest, key personnel, know-how, biomass quality, market demand, investment structures, tax, legal etc) will be addressed in the Information Memorandum.

This factsheet is issued by Citadel Trustees for the purposes of FSMA section 21.

Introduction to the Investment

The Paulownia Biomass Project, is designed to enable prospective investors to participate in returns from biomass produced from a newly planted forest in Panama. The forest will comprise a fast-growing tropical hardwood, Paulownia Elongata.

Silva Tree Panama S.A. (“STP” or the “Project Manager”) will act as project manager of the Paulownia Biomass Project and the Fund will be operated (and certain Fund assets held on trust) by Citadel Trustees.

The object of the Fund is to create an attractive investment opportunity within the growing sustainable energy sector whilst generating environmental and climate change benefits.

Investing in the Forefront of Energy

Two crucial factors affect the global energy market at present: The world's population and its energy needs are increasing steadily; and its fossil fuel reserves are decreasing dramatically. The added problem of climate change caused by the over-use of fossil fuels makes the search for sustainable, clean energy alternatives particularly significant. As a result, renewable energies are a very dynamic field with high growth rates.

The Paulownia Biomass Project, in which the Fund will invest, is designed to produce a carbon neutral, renewable energy source which can be sold into a market considered by STP to be likely to expand dramatically during the life of the investment as energy targets in key countries, including the member states of the European Union, encourage the use of renewable energy sources.

Structure of the Investment

Prospective investors will invest in the Paulownia Biomass Project through the investment structure described below.

STP has an option to purchase a total of 6000 hectares of land in the Chépo area of Panama.

In December 2010, it is expected that STP will exercise an option to purchase 1200 hectares, out of which 1000 hectares will be used for the planting of Paulownia Elongata trees designated for the Fund. It is intended that each of the four further lots of 1200 hectares will be used for future funds to be managed by the Project Manager in future years which will be designated Biomass for Energy Funds II, III, IV and V respectively.

STP will sell a 21 year usufruct (the right to derive all profit and benefit from the property) over the 1000 hectares of Panama Paulownia forest designated for the Fund (the “1000 Hectares”) to a newly incorporated Panama Company (“Paulownia Biomass Project I S.A.”). The usufruct will not include the right to any carbon credits generated by the land or the project.

Investors investing via SIPPs, and other UK tax exempt investors, will subscribe for interests in Biomass for Energy I Unit Trust, an English Exempt Unauthorised Unit Trust (the “EUT”) of which Citadel Trustees will be the trustee and Operator. Citadel Trustees will also be the General Partner of Biomass for Energy I L.P., an English Limited Partnership (the “LP” or the “Fund”). Investors other than UK tax exempt investors will subscribe directly for limited partnership interests and the EUT will also be a limited partner holding one LP interest for each EUT interest purchased by each of the EUT investors. One class of LP interests will be redeemable (and will be subscribed for at a higher price (reflecting their redemption potential) and the other non-redeemable as explained further below. The LP's sole investment will be shares in Paulownia Biomass Project I S.A..

All of the shares of Paulownia Biomass Project I S.A. will be owned by the LP. It is intended that Paulownia Biomass Project I S.A. will distribute 100% of its net profits each year to the LP and that Citadel Trustees will oversee the profit distribution. As a further investor protection measure, all monies received by Paulownia Biomass Project I S.A. will be paid into bank accounts from which material withdrawals will not be permitted without shareholder consent.

There will be two classes of share in Paulownia Biomass Project I S.A.. The Class A shares will be redeemable in certain

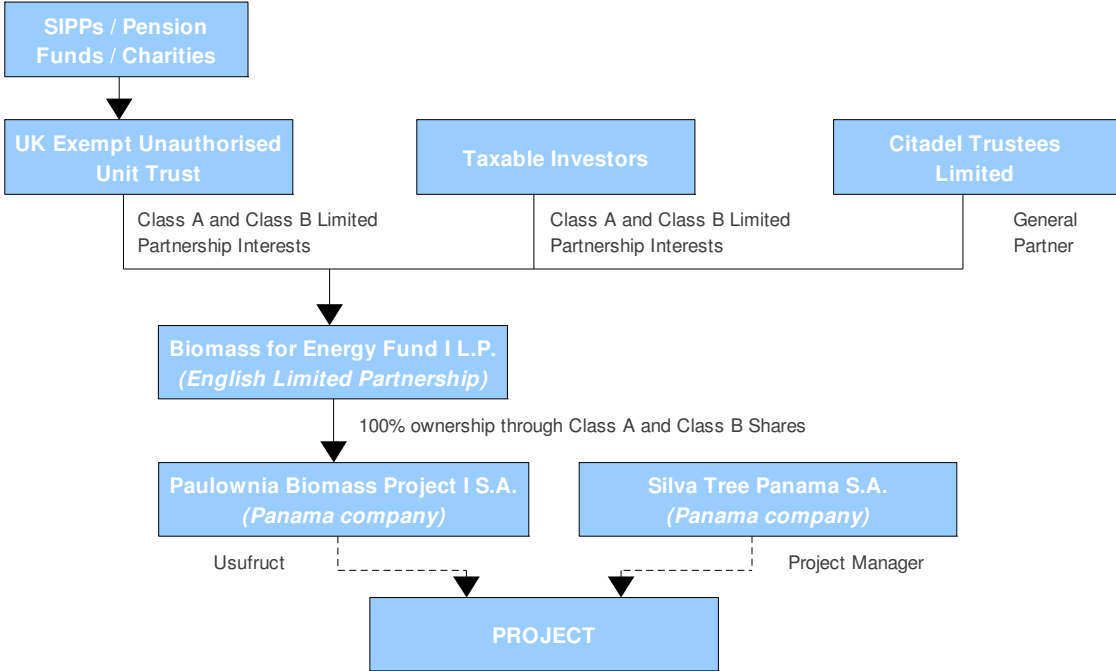
circumstances. Class B shares will not be redeemable. Class A Limited Partners of the LP will hold redeemable limited partnership interests in the Fund represented by the Fund's holding of Class A Shares of Paulownia Biomass Project I S.A.. Class B Limited Partners of the LP will hold non-redeemable LP interests in the LP represented by the Fund's holding of Class B Shares of Paulownia Biomass Project I S.A..

Redemption dates for redeemable LP interests will be established in June and December of each year. Investors wishing to redeem their LP interests will be required to give at least 3 months notice in writing to Citadel Trustees and there will be a limit on the total amount of redemptions allowed on each redemption date of 10% of the redeemable interests outstanding on that date.

STP will manage the 1000 Hectares. It will be responsible for harvesting, processing and transporting the biomass to the port of Panama. In return for its project management services, STP will receive a fee equal to 15% of the gross income of Paulownia Biomass Project I S.A.. STP will also supply Paulownia Elongata seedlings to Paulownia Biomass Project I S.A. from a micro propagation laboratory in Panama which it owns and operates. This supply will be at a market price and STP expects that its profit margin will be approximately 15%. Further details on STP's remuneration arrangements will be set out in the Information Memorandum.

Either Citadel Trustees, as General Partner of the Fund, or another third party, will hold a call option over each limited partnership interest entitling it to purchase each limited partnership interest at a fixed price (for example, USD 1 per limited partnership interest) 21 years after the commencement of the Project and after the expiration of the usufruct over the 1000 Hectares. The Fund will be wound up after the end of the 21 year period and it is expected that similar steps will be taken with respect to Paulownia Biomass Project I S.A. at this point.

It is anticipated that the subscription period for Fund interests will begin on 1st October 2010 and will close on 30th November 2010 (or such later date as may be fixed by Citadel Trustees in its reasonable commercial discretion). A schematic diagram summarising the structure described above is set out following.



Estimated Potential Returns – Closed Ended Partnership Interest

Based on the assumptions set out below, the Project Manager estimates that an investment in the Fund could yield a potential average return of approximately 21.1% (before tax and excluding inflation) on a closed ended partnership interest subscribed for at USD 12,500 and a net income return of approximately 23.45% taking into account inflation at the rate of 3.1%. This is based on the assumptions set out below. **Please note that the Estimated Potential Returns cannot be evaluated independently from these assumptions:-**

- Biomass prices of USD 60 FOB (“Free on Board”) per Ton (“DT”);
- 1000 hectares planted in 2011 and the first harvest in 2013 or early 2014. The Project Manager harvests one third of the plantation per year to ensure a consistent supply of biomass per year of approximately 73,260 Tons (15% Moisture Content) of biomass;
- Harvest details:
2013 or early 2014 through to 2031 – 333 hectares per year, thus providing one harvest each year from year 3 onwards;
- Production details:
Each hectare will have approx 1600 seedlings planted on it and this produces 220 Tons of Biomass (15% MC) per 3 year harvest cycle.
Therefore, each annual harvest produces approximately 73,260 Tons of Biomass (333 hectares x 220 Tons = 73,260);
- Gross return details:
73,260 Tons of Biomass at USD 60 per Ton totals USD 4,395,600 per harvest cycle. There are 3 harvest cycles, thus producing a potential annual return each year from year 3 onwards.
- Costs:
Plantation management, harvesting, machinery repairs and transport costs are estimated at 25% of gross income or USD 1,098,900;
NOTE: This includes the annual Second Priority Profit Share for Citadel, which will be paid at Plantation Company level, full details of which can be found in the fund Information Memorandum.
- Management Costs:
The Project Manager will receive 15% of the gross income (estimated on these assumptions at USD 659,340) as remuneration for its services as Project Manager.
- Potential Net Returns (excluding inflation):
USD 4,395,600 – USD 1,098,900 – USD 659,340 = USD 2,637,360 or approximately 21.10% of the notional total invested sum of USD 12,500,000;



- Estimated fund payouts:
2013 or early 2014 through to 2031 – approximately 21.1% per annum in income, from year 3 onwards, excluding inflation (averaging approximately 23.45% pa over the 21 year life of the fund, including assumed inflation of 3.1% per annum). Please see the table below, which takes inflation into consideration:

Silva Tree Biomass Potential Returns			
Return on Initial Investment from year 3 onwards (excluding inflation)			21,1%
Inflation			3,10%
Year	Initial Investment	Inflation	Annual Return
2011	USD 12,500	3,10%	USD 0.00
2012		3,10%	USD 0.00
2013		3,10%	USD 2,890.32
2014		3,10%	USD 2,979.92
2015		3,10%	USD 3,072.29
2016		3,10%	USD 3,167.54
2017		3,10%	USD 3,265.73
2018		3,10%	USD 3,366.97
2019		3,10%	USD 3,471.34
2020		3,10%	USD 3,578.95
2021		3,10%	USD 3,689.90
2022		3,10%	USD 3,804.29
2023		3,10%	USD 3,922.22
2024		3,10%	USD 4,043.81
2025		3,10%	USD 4,169.17
2026		3,10%	USD 4,298.41
2027		3,10%	USD 4,431.66
2028		3,10%	USD 4,569.05
2029		3,10%	USD 4,710.69
2030		3,10%	USD 4,856.72
2031		3,10%	USD 5,758.37
Total Return			USD 74,047.35
Initial Investment			USD 12,500.00
Net Return			USD 61,547.35
Potential Return per Year			23,45%

- In year 21 when the Project is handed over to the Project Manager, the entire harvest minus costs, but including the Project Manager's 15% remuneration will be divided between the investors. The estimated returns for year 21 have been calculated including this extra remuneration. The inflation rate illustration of 3.1% has been arrived at by applying the average inflation for the years 1989 to 2009 using the Inflation Calculator of the Bank of England¹.

- Explanation of returns:

The Project Manager estimates that Biomass production will be 73.33 Tons of Biomass (15% Moisture Content) per planted hectare per year. Project Manager has based its calculations on Biomass prices of USD 60 per Ton (15% MC) although wood pellets are currently selling for up to €130 per Ton in the European Market;

The Project Manager will aim to produce a consistent supply of 73.33 Tons of Biomass per planted hectare per year of a consistent quality. The Project Manager aims to be in a position to offer Biomass in any of three forms: briquette, pellet or chips after completing the construction of briquette and pellet processing plants in Panama by 2016.

Please note that the above figures represent an income return. Since the Plantation Company's principal asset is the Usufruct, investors should (subject to fluctuations in the price of Biomass) expect the capital value of their investment to depreciate as the remaining life of the Usufruct declines. At the end of year 21 the capital value of the investment can be expected to be zero.

¹ Available on the website of the Bank of England at <http://www.bankofengland.co.uk/education/inflation/calculator/flash/index.htm>



Estimated Potential Returns – Open Ended Partnership Interest

Based on the assumptions set out below, The Project Manager estimates that an investment in the Fund could yield a potential average return of approximately 17.58% (before tax and excluding inflation) on an open ended partnership interest subscribed for at USD 15,000 and a net income return (taking into account inflation) of approximately 18.75%. This is based on the assumptions set out below. **Please note that the Estimated Potential Returns cannot be evaluated independently from these assumption.:-**

- Biomass prices of USD 60 FOB (“Free on Board”) per Ton (“DT”);
- 1000 hectares planted in 2011 and the first harvest in first harvest in 2013 or early 2014. The Project Manager harvests one third of the plantation each year to ensure a consistent supply of Biomass per year of approximately 73,260 Tons (15% Moisture Content) of Biomass;
- Harvest details:
2013 or early 2014 through to 2031 – 333 hectares per year, thus providing one harvest each year from year 3 onwards;
- Production details:
Each hectare has approx 1600 seedlings planted on it and this produces 220 Tons of Biomass per 3 year harvest cycle.
Therefore, each annual harvest produces approximately 73,260 Tons of Biomass (333 hectares x 220 Tons = 73,260);
- Gross return details:
73,260 Tons of Biomass at USD 60 per Ton totals USD 4,395,600 per harvest cycle. There are 3 harvest cycles, thus producing a potential annual return each year from year 3 onwards.
- Costs:
Plantation management, harvesting, machinery repairs and transport costs are estimated at 25% of gross income or USD 1,098,900;
NOTE: This includes the annual Second Priority Profit Share for Citadel, which will be paid at Plantation Company level, full details of which can be found in the fund Information Memorandum.
- Management Costs:
The Project Manager will receive 15% of the gross income (estimated on these assumptions at USD 659,340) as remuneration for its services as Project Manager.
- Potential Net Returns (excluding inflation):
2013 or early 2014 through to 2031 – approximately 17.6% per annum in income, from year 3 onwards, excluding inflation (averaging approximately 18.77% pa over the 21 year life of the fund, including assumed inflation of 3.1% per annum). Please see the table below, which takes inflation into consideration:



- Estimated fund payouts:
2013 or early 2014 through to 2031 – approximately 17.6% per annum in income, from year 3 onwards, excluding inflation (averaging approximately 18.75% pa over the 21 year life of the fund, including assumed inflation of 3.1% per annum). Please see the table below, which takes inflation into consideration:

Silva Tree Biomass Potential Returns			
Return on Initial Investment from year 3 onwards (excluding inflation)			17,58%
Inflation			3,10%
Year	Initial Investment	Inflation	Annual Return
2011	USD 15,000	3,10%	USD 0.00
2012		3,10%	USD 0.00
2013		3,10%	USD 2,890.32
2014		3,10%	USD 2,979.92
2015		3,10%	USD 3,072.29
2016		3,10%	USD 3,167.53
2017		3,10%	USD 3,265.73
2018		3,10%	USD 3,366.97
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2025		3,10%	USD 4,169.17
2026		3,10%	USD 4,298.41
2027		3,10%	USD 4,431.66
2028		3,10%	USD 4,569.04
2029		3,10%	USD 4,710.68
2030		3,10%	USD 4,856.72
2031		3,10%	USD 5,758.37
Total Return			USD 74,047.33
Initial Investment			USD 15,000.00
Net Return			USD 59,047.33
Potential Return per Year			18,75%

- In year 21 when the Project is handed over to the Project Manager the entire harvest minus costs, but including Silva Tree's 15% remuneration will be divided between the investors. The potential returns for year 21 have been calculated including this extra remuneration. The inflation rate illustration of 3.1% has been arrived at by applying the average inflation for the years 1989 to 2009 using the Inflation Calculator of the Bank of England².

- Explanation of returns:

The Project Manager estimates that Biomass production will be 73.33 Tons of Biomass (15% Moisture Content) per planted hectare per year. Project Manager has based its calculations on Biomass prices of USD 60 per Ton (15% MC) although wood pellets are currently selling for up to €130 per Ton in the European Market;

The Project Manager will aim to produce a consistent supply of 73.33 Tons of Biomass per planted hectare per year of a consistent quality. The Project Manager aims to be in a position to offer Biomass in any of three forms: briquette, pellet or chips after completing the construction of briquette and pellet processing plants in Panama by 2016.

Please note that the above figures represent an income return. Since the Plantation Company's principal asset is the Usufruct, investors should (subject to fluctuations in the price of Biomass) expect the capital value of their investment to depreciate as the remaining life of the Usufruct declines. At the end of year 21 the capital value of the investment can be expected to be zero.

² See footnote 1 above.



Renewable Energy in the EU

As a result of the projected expanding demand for biomass, STP expects that it will not be difficult to enter into one/two long term supply contracts with major EU or US customers which should ensure consistent market rate returns which will enable the investment return projections to be met. STP considers that the amount of biomass which the project should produce should be large enough to be of interest to such major purchasers.

In December 2008, the European Parliament gave its backing to the EU's Climate Change Package, which aims to ensure that the EU will achieve climate targets of a 20% reduction in greenhouse gas emissions and a 20% share for renewables in the EU energy mix, by 2020.

The 2009 Directive on the "Promotion of the use of energy from renewable sources" set mandatory targets for the European Union's Member States, as well as a course to reach these targets. The use of Biomass as a renewable energy source is one of the methods being pursued for the achievement of these targets, particularly sustainably sourced, through carbon neutral biomass such as will be created by the Paulownia Biomass Project.

Since these resolutions were passed, growth in the market can already be seen: The "Renewable Energy Snapshots" report, published by the European Commission, Joint Research Centre, Institute for Energy (IE) in July 2010, shows that renewable energy sources accounted for 62% of the new electricity generation capacity in the EU27 in 2009 compared to 57% in 2008.

The IE report concludes that if current growth rates are maintained, 35-40% of overall electricity consumption in the EU could be generated from renewable sources in 2020. Specifically, the total amount of bioenergy produced in the 27 EU Member States grew from 91.6 million tons of oil equivalent ("Mtoe") in 2007 to 97.6 Mtoe in 2008.

It is expected that if the current growth of electricity generation from biomass continues, bioelectricity generation could grow from around 108 TWh (terawatt hours) in 2008 to 200 TWh in 2020. STP expects the demand for biomass to outstrip supply, making a biomass plantation which produces regular, annual production, a rare and valuable asset.

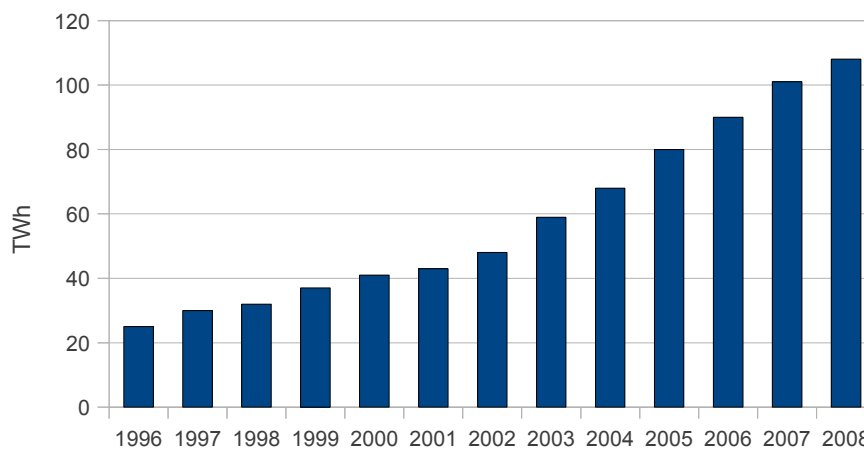


Figure 1: Bioelectricity production in the EU27 from 1996.

(Source for the above: Renewable Energy Snapshots 2010, Hans Bloem, Fabio Monforti-Ferrario, Marta Szabo and Arnulf Jäger-Waldau, European Commission, Joint Research Centre, Institute for Energy)

What is Biomass?

Biomass is derived from living, or recently living organisms, as opposed to fossil fuels. In the context of biomass for

energy, this often means material derived from trees or plants. Although biomass can be produced from any organic material, STP considers that the Paulownia Elongata tree has proved to be a fast-growing and robust species which produces a great deal of plant biomass in a short time, using land which is unsuitable for food production and which requires a low level of maintenance.

The crucial difference between biomass and fossil fuels is one of time scale. Biomass takes carbon out of the atmosphere while it is growing, and returns it as it is burned. If it is managed on a sustainable basis, biomass is harvested as part of a constantly replenished crop. Either during arboricultural management or as part of a continuous programme of replanting the new growth takes up CO₂ from the atmosphere at the same time as CO₂ is released by combustion of the previous harvest. Ideally, this establishes a closed carbon cycle with no net increase in atmospheric CO₂ levels.

Many coal to energy plants are seeking to add biomass to their fuel supply. STP considers that sustainably grown biomass could produce as little as 27kg of carbon dioxide per megawatt hour - 98% less than coal. The most significant barrier preventing coal plants from changing their fuel supply to biomass is the current inconsistency in the supply of high quality biomass, and this is where Silva Tree aims to fill a market niche with the 73,260 tons per annual harvest. Furthermore a total of 366,300 tons per annual harvest is expected to be produced from the full 5000 hectares project:

A biomass project does not rely on wind or strong sunlight, and does not require sophisticated technology or resources, making it a dependable, immediately implementable energy production system, with increasing demand for its output.



Silva Tree Panama S.A.

Silva Tree Panama S.A. is registered in Panama with registration number (ficha) 662964. It was incorporated in 2008 for the purpose of the development and execution of environmental projects.



The Paulownia Biomass Project in which the Fund will invest, and for which STP will be Project Manager, follows on from STP's "Princess Project Panama" (PPP) which was started in 2009 and also uses the Paulownia Elongata species for sustainable timber production in Panama. In addition, to commencing work on a 1500 hectare reforestation project, the project provides socioeconomic development within the area and is being developed as a carbon offset project, expected to receive Voluntary Carbon Standard (VCS) certification.

STP's Director in Charge of Forestry has been involved in plantation management in Central America since 1992 and has particular experience of growing Paulownia Elongata in Panama. Silva Tree projects have a strong emphasis on improving environmental and socio-economic conditions and design parts of their investments as carbon offset projects.

STP pioneered the first large-scale commercial Paulownia plantation in Panama with the patented tree species Paulownia Elongata Superselect. STP has an exclusive patent licence to cultivate this species in Panama and Costa Rica. It also owns and operates Panama's only functioning micro-propagation laboratory.

Silva Tree's Directors and staff make up a highly experienced team, possessing many years of forestry experience in Central America.

Eduardo Reyes has been working as a consultant with STP since early 2009. He will provide consultancy services to the Paulownia Biomass Project including advising about biomass technologies, performing the relevant environmental impact assessments and implementing suitable monitoring plans and codes of practice for carbon leakage. He is a specialist in the field of renewables, particularly in Panama which is his home country. He has extensive experience of climate change policy-making, renewable energy and carbon emissions reductions. He is the Panama representative for the Clean Development Mechanism (CDM) which is one of the flexibility mechanisms defined in the Kyoto Protocol intended to assist in achieving sustainable development and in contributing to the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC), which is to prevent dangerous climate change. He is also the head of Panama's National Designated Authority under the CDM.



Citadel Trustees Limited

Citadel Trustees Limited will own all of the shares of Paulownia Biomass Project I S.A. and in its capacity as shareholder will appoint officers and directors and supervise its profit distribution.

It will also supervise all payments made by Paulownia Biomass

Project I S.A. Citadel Trustees will also supply certain custody and back office administrative functions for Paulownia Biomass Project I S.A. and the Fund.



Citadel Trustees is part of the Hutchinson Trust Group and was formed in 2007 as a specialist trustee. It is authorized and regulated by the FSA to establish and operate unregulated collective investment schemes. It has particularly focussed on innovative and forward thinking products such as the Silva Tree Biomass project, in particular those requiring trustee, stakeholder and escrow activities enabling it to draw on the Group's 25 years experience in these fields. The Group currently holds in trust or under its management in excess of USD 2.5 billion of assets and has offices in India, China, Thailand and Spain as well as its head office in the United Kingdom.

Citadel Trustees' fees for these services are as follows:

- Initial Fee the amount invested by each investor:
 - ◆ 3% of individual investments of up to USD 250,000 (subject to a minimum fee of \$500);
 - ◆ 2% of individual investments of between USD 250,000 and \$1,000,000;
 - ◆ 1% of individual investments of over USD 1,000,000.
- Annual fee (Payable from date of first harvest. These fees are payable by the Fund)
 - ◆ 2% of the gross proceeds of sale of product produced up to USD 12,500,000 annually;
 - ◆ 1.5% of the gross proceeds of sale of product produced in excess of USD 12,500,000 annually.



Panama

The Republic of Panama is an important regional financial center and currently has one of the fastest growing economies in the Western Hemisphere. GDP growth was 11% in 2007, 9.2% in 2008, and projected by the United Nations to be 4.5% in 2009².

Panama also has bilateral trade agreements with over 20 countries globally.

Panama's economy operates in US dollars (which is the official currency of Panama) and relies mainly on a well-developed services sector including the operation of the Panama Canal, banking, the Colon Free Zone and tourism. Economic growth will be further strengthened by the expansion of the Panama Canal which began in 2007 and is scheduled to be completed by 2014³.

Panama supported an impressive 70% forest cover in 1947 making its land superbly suited to forestry activities. Its climate is hot and humid; the average annual bio-temperature is approximately 26.4 °C, and average total annual rainfall varies between 2,000 and 4,000 mm. This tropical climate with its high rainfall, plentiful sunlight and high humidity makes it an ideal habitat for tropical tree growth and makes forest fires highly unlikely. These qualities also make the land selected for the project, classed as tropical wet forest land, unsuitable for agricultural purposes and food growth, a major concern within the bio-fuels market.

According to the World Wildlife Fund classification system, 8 of the 200 world recognised eco-regions exist in Panama. Sadly, the country has been affected by severe deforestation practices causing land degradation, loss of eco-systems and reduced land productivity. STP considers that, in order to restore the environmental health and human usability of these lands, reforestation practices are of great significance. Reforestation projects bring employment, wealth, education and sustainable income to local communities, many of which are in the severe poverty bracket.

Parties

Silva Tree Panama S.A.	Land owner and plantation manager. www.silvatree.com/biomass
Silva Tree UK Ltd.	Marketing company with responsibility for liaison with UK IFAs. www.silvatree.co.uk
Citadel Trustees Ltd.	UK based trustee holding certain assets of the Fund on trust and overseeing the distribution of project income to investors. www.citadeltrustees.com
Katten Muchin Rosenman Cornish LLP	UK lawyers to the Fund. www.kattenlaw.co.uk

2 US State Department <http://www.state.gov/documents/organization/120055.pdf> (pages 402/558 to 407/558). Panama

3 CIA Fact Book 2010 <https://www.cia.gov/library/publications/the-world-factbook/geos/pm.html>



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Our planet is our business

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