



MINISTÉRIO DA AGRICULTURA E PESCAS

MEMORANDUM OF UNDERSTANDING (MOU)

The purpose of this Memorandum of Understanding is to set forth the understanding between the Ministry of Agriculture and Fisheries and hereinafter referred to as Government, and GTLESTE BIOTECH, hereinafter, (the Parties), to cooperate in the pursuit of profitable investment opportunities in the Integrated Sugar Cane sector in Timor-Leste, according to the general terms set forth below:

WHEREAS:

- A. The Government of Timor Leste** is desirous of seeing the establishment and operation of profitable ventures in the Agro industry sector, including the set up of Sugar Cane Plant and Ethanol Plant;
- B. GTLESTE BIOTECH**, being a foreign investment company, has identified that an integrated Sugar Cane Industry are investment opportunities wherein it is willing to create the conditions to set up the implementation of said project, putting together the right professionals & experts in order to secure the necessary experience, technical and commercial expertise, financing and market.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE THAT:

- C.** The estimated total investment of the project is more than USD.\$100.000.000, including the sugar cane plantation, sugar plant, ethanol plant, and power generation facility and residential facilities, which are expected to generate more than 2.000 regular employees and more than 8.000 labor direct jobs;
- D.** The Government acknowledges the fact that it would like to have implemented in Timor-Leste such an important project;
- E.** The Government underlines how crucial it is for the approval and successful implementation of any project of sound supporting financial engineering. Hence, the Government underlines, it is for an Integrated Sugar Cane Project of such a magnitude;
- F.** GTLESTE BIOTECH will take full responsibility for any loan guarantees required to finance the business venture;
- G.** The Government will grant the company the exclusive concession of 100.000 hectares of unproductive land and to be utilized for sugar plantation (land site as per attached), sugar plant and ethanol plant. The Government will not have to come up with any capital cost. The entire integrated project's set up costs in Timor Leste and in other country will be borne by the company or by the cooperation it subsequently

set up to run the entire business properly;

- H.** The Government shall accord the company a 50 (fifty) years contract to land use, operate and cultivate the sugar plantation, sugar plant, ethanol plant and other supporting facilities, and extendable to another 50 (fifty years) contract. The duration of the first 50 (fifty) years contracted awarded will be irrevocable due to the high investment costs incurred by the company;
- I.** The government will support in providing all necessary incentives, export excess of the company product, licenses, permits for sugar plantation, sugar plant, ethanol plant and its derivative products ;
- J.** The Government will guarantee the exclusive rights suitable land use for sugar cane plantation for the first 10 (ten) years in Timor Leste due to the high cost of building the supporting infrastructure, training and development of the direct & indirect labors.
- K.** GTLESTE BIOTECH will be staffed by qualified personnel from Timor Leste and or experienced Indonesian assisted also by other foreign technician it necessary;
- L.** However, the Government stresses that, at this stage, with the level of information available, this such project are strictly private ventures, with no State participation of any sort, whatsoever;
- M.** GTLESTE BIOTECH will establish training & development centre for maintenance, mechanics, and agriculture in order to transfer technology.
- N.** GTLESTE BIOTECH will support Timor Leste total consumption of sugar and ethanol with reasonable prices;
- O.** GTLESTE BIOTECH will participate the district electricity supplies from the excess of electricity power from the company's plants;
- P.** GTLESTE BIOTECH will provide community facilities such as clinics and sporting areas.
- Q.** Entirety. This MOU constitutes the entire understanding and agreement between the Parties hereto and their affiliate with respect to the subject matter contained herein, and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of such parties (whether oral or written). No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the Parties hereto.
- R.** Construction. This MOU shall be construed according to its fair meaning and not strictly for or against either Party. This letter does not, and is not intended to impose any binding obligations on the Parties beyond the intent and promise herein stated.
- S.** Confidentiality. All information and documents supplied by one Party to any other pursuant to this MOU shall be treated as confidential by the Parties and shall not be disclosed to any third party without expressed written consent of the Party who supplied the information or document. The restrictions and obligations of this Article shall expire two (2) years after the termination of this Memorandum of Understanding.

- T. Extension and Modification. The Parties may extend or modify the content of this MOU by mutual agreement.
- U. Duration. This Memorandum of Understanding is valid for two years from the date of its signature below.
- V. This MOU is not intended to create any legal obligations by either party. The proposed project is subject to and conditional upon GTLESTE BIOTECH meeting all legal requirements set out by the laws of the Democratic Republic of Timor-Leste with respect to the proposed project.

If the terms and conditions of this MOU are acceptable, please sign and return to us an original of this letter so that we can proceed with further discussions.

Done and signed in Dili. Timor-Leste, on the 15th January of 2008.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mariano', with a large, sweeping flourish extending to the right.

Mariano ASSANAMI Sabino
Minister of Agriculture and Fisheries

Accepted and Agreed:
For GTLESTE BIOTECH

A handwritten signature in dark ink, appearing to read 'Gino Sakiris', with a large, sweeping flourish extending to the right.

By Gino Sakiris
Chairman