



COMMUNITY UPDATE October 2014

WHAT IS DORSET RENEWABLE INDUSTRIES:

"Dorset Renewable Industries Pty Ltd is a community focussed enterprise aimed at developing new industries for the Dorset region of North East Tasmania which utilize the region's renewable resources in ways which makes the community more resilient and improves the environment."

OUR TEAM:

- **Chairman David Hamilton** - who has extensive experience in health, safety environment experience from the oil industry.
- **Dale Jessup - Vice Chairman, Karen Hall - Vice Chairman and Treasurer, Ken Hall and Michael Brill - Directors**, all representing community interests, forestry, saw milling and forest products industry.
- **Wendy Mitchell - Company Secretary and Public Officer**, has environmental management, economic development and small business experience.
- Assisted by project team members, **Allan Davenport, John Beattie, Heath Blair, Peter Bird.**

We developed as a Community group over two years ago from within the Dorset municipality in response to the economic situation in the region.

- *We are one of the focus points for the community's desire to help itself.*
- *Our group was formed to investigate the opportunity for an Ethanol Plant for the region.*

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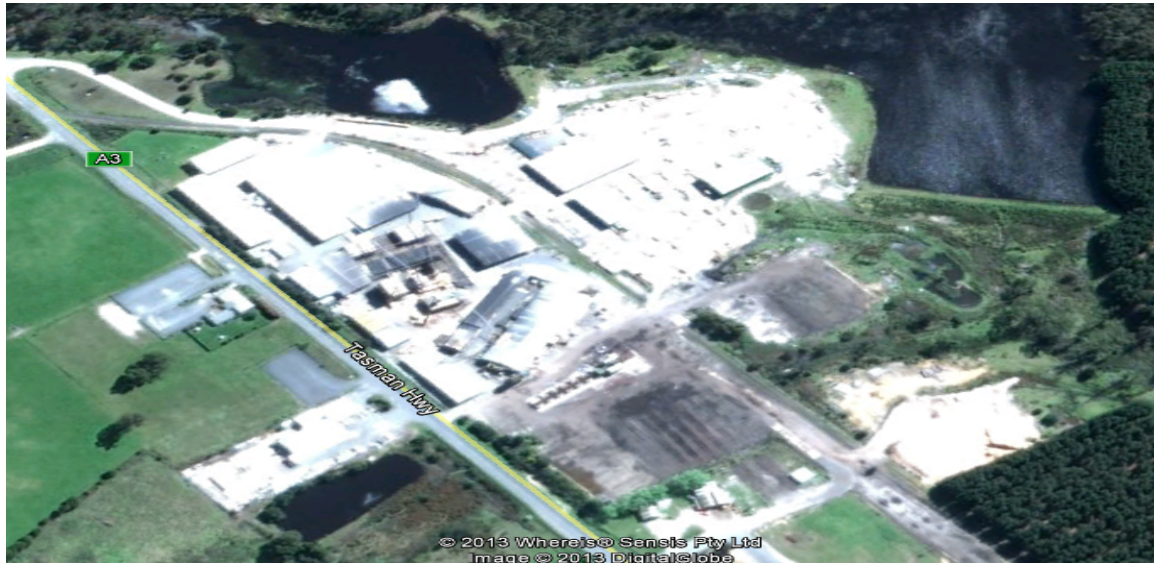


OUR OBJECTIVES:

- Establish a new forestry-related enterprise in Dorset to make the best use of existing resources.
- Deliver positive social, economic and environmental outcomes to the Dorset community.
- Use feed stocks that can be produced on an ongoing and reliable basis and give fair payment for them.
- Make innovation an important component of the enterprise.
- Collaborate and share knowledge and expertise.
- Create long term jobs and develop skills.



Dorset Communities



- **OUR PROJECTS:**

- 1. **Ling Siding:** To purchase and refurbish the industrial land at Ling Siding and develop it into an integrated timber processing hub.

DRI were successfully granted \$2.8 million (ex gst) under the Tasmanian Jobs and Growth Plan.

This grant fits into a very tight budget to purchase most of the Industrial land at Ling Siding.

The grant will to be spent on employing a Project Manager, refurbishing the site by restoring power, water and sewage, fire systems, install a public weighbridge, repair buildings and hardstand, and clear away rubble etc. ready to accept tenants.

Once completed our plan is to re-establish timber processing, with a number of businesses producing a range of products. Waste from one becoming the resource for another. Shared facilities eg maintenance, IT etc to encourage as many locally owned businesses as possible.

This concept is called "**Integrated Timber Processing Hub**" or just the "**HUB**"

There are no spare resources for business establishment or refurbishing the boiler.

Receipt of the grant is dependent on DRI finalising the 46 page contract Deed with the Federal Government Infrastructure Dept which is near completion.



2. Ethanol Plant: To continue to investigate the opportunity of building a wood fibre to Ethanol Plant.

Tasmanian Government commissioned a resource study for the North East Tasmania region.

The study, performed by Jeremy Wilson - 'Esk Mapping and GIS', confirmed the availability of sufficient private resource within an 80 km radius from Scottsdale to feed a 150,000 t/a Ethanol Plant.

The Tasmanian Government and Dorset Council funded a pre-feasibility study into a 30 million litres per year Ethanol Plant. This was performed by Martin Rees and Charles Lord from KPMG

The study looked at resource, 'Ethtec' technology and markets.

Whilst the study considered a range of scenarios, the main question was:

'Do the economics look good enough for us to continue to investigate the opportunity ?

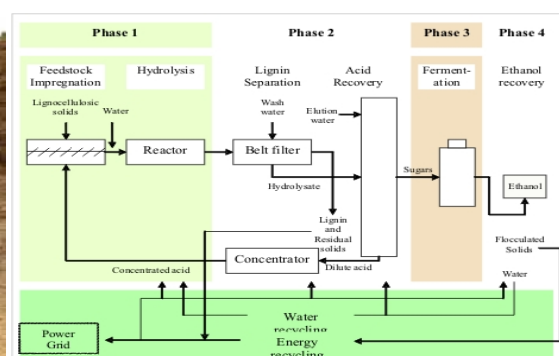
Our interpretation of the results of the study is - **YES.**

Next Steps:

To continue with the Ethanol opportunity requires funding and capital raising by the community.

Advice from KPMG is for DRI to establish a Co Operative. This would be owned by its members, who are people who would purchase shares in the Co Op. Future profits or dividends will flow to shareholders on a per shareholder system.

The Co Op will be the vehicle that the community can use to invest in its own future.



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ABN: 84 163 324 034