

Forest Concepts Granted 2 Core U.S. Patents for Biomass Baling Systems

For immediate release

AUBURN, WA - August 2, 2011 - Today Forest Concepts received notice from the U.S. Patent Office of the issuance of the following patents:

- U.S. Patent No. 7,987,776, issue date August 2, 2011, entitled ENGINEERED WOODY BIOMASS BALING SYSTEM
- U.S. Patent No. 7,987,777, issue date August 2, 2011, entitled ENGINEERED TALL GRASS BIOMASS BALING SYSTEM

Baling of hay and other agricultural crops has been practice for more than one hundred years, but adapting existing agricultural balers to be successful with bioenergy feedstocks has proven problematic. Engineers at Forest Concepts applied sound science to discover and document three important rheological properties of woody biomass and tall grass biomass. Knowledge of these three properties enables the design and construction of new balers that can predictably and reproducibly bale both materials at preselected optimum transportation densities while minimizing fossil fuel consumption during baling, handling and transport. The three rheological properties are platen pressure, friction and Poisson's ratio, the values of which are specific for the material to be baled.

According to Dr. James H. Dooley, Chief Technology Officer and co-founder, "These three discoveries enable engineers to design and manufacture robust, lightweight rectangular balers for woody biomass and tall grass feedstocks. Balers using our inventions are likely to reduce the supply chain cost for delivery of feedstocks on conventional semi-trailer trucks to bioenergy and biofuel plants."

"We have an aggressive IP strategy, and with the first two critical patents in place, the next step is to secure financing to begin building production balers or to license/sell the biomass baling technology to an established equipment manufacturer for commercialization," said Mike Perry, CEO.

Additional U.S. and international patent applications are pending.

About Forest Concepts: Forest Concepts LLC is a wood-based materials research and development company that was formed in 1998 to apply sound science and disciplined design to solve important societal problems. The firm is a nationally recognized leader in the development and commercialization of new uses for smallwood and biomass from urban sources and as co-products of forest management and wildfire protection in rural areas. In addition to Woodstraw® ECM the company has developed innovative baling technology for woody biomass, plantation grasses like switchgrass and for corn stover and is currently working on a \$1 million DOE grant to produce and characterize Precision Feedstocks™ for biofuels as well as a USDA SBIR grant to develop a process to extract clean white wood from hog fuel.

Forward Looking Statements:

This press release contains forward-looking statements, including, without limitation, statements related to Forest Concept's products and its other research and development programs. These forward-looking statements are based upon Forest Concept's current expectations. Forward-looking statements involve risks

and uncertainties. Forest Concept's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties. You should not place undue reliance on these forward looking statements, which apply only as of the date of the press release. Forest Concepts expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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