



Fulghum Fibres, Inc. from the United States, state of Georgia and AS Graanul Invest from Estonia have finalized their discussions and formed a new joint venture: Fulghum Graanul, LLC. The joint venture is based in the state of Georgia USA and will be focused on developing wood pellet projects in the USA and Canada. The newly elected CEO of the company is John Bradley.

The plans are to build at least one 100-200.000 ton pellet production facility per year in the USA over the next five to ten years. Fulghum Graanul will also seek strong opportunities to further introduce pellets as fuel for heating and power plants in the local markets where the production plants will be established.

The parties expect to announce the first pellet factory to be built during 2009, and further details will be disclosed as soon as the major components are in place, including logistics, raw material and financing.

Sales activities for the pellets produced in the USA will be carried out by AS Graanul Invest from Estonia (www.graanulinvest.com), with the goal of bringing to the European market at least 500.000 tons per year of wood pellets both industrial and premium to satisfy the growing need in Europe for renewable energy sources, especially biomass.

Both parties feel that they can add their core strengths to the project and make it a success. The newly formed joint venture can benefit from the strong raw material knowledge of Fulghum Fibres as well as a good understanding of pellet production and sales in Europe from Graanul Invest.

Fulghum Fibres, Inc. is one of the largest independent wood chip producers in the world with an annual production of approximately 15 million tons of wood chips primarily for the pulp and paper industry.

Graanul Invest AS is one of the largest wood pellet producers in Europe with an annual production capacity of 400.000 tons of pellets, and since all its production facilities are currently located in the Baltic States, it is the largest producer in the region.