



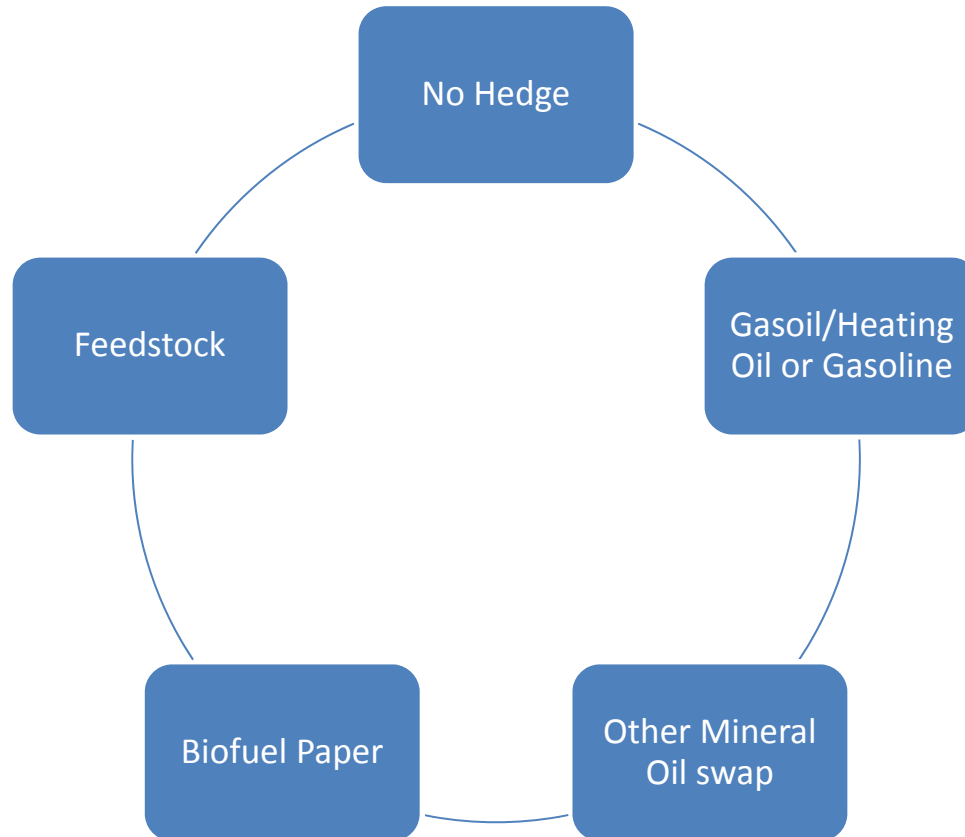
Biofuels Derivatives and Risk Management

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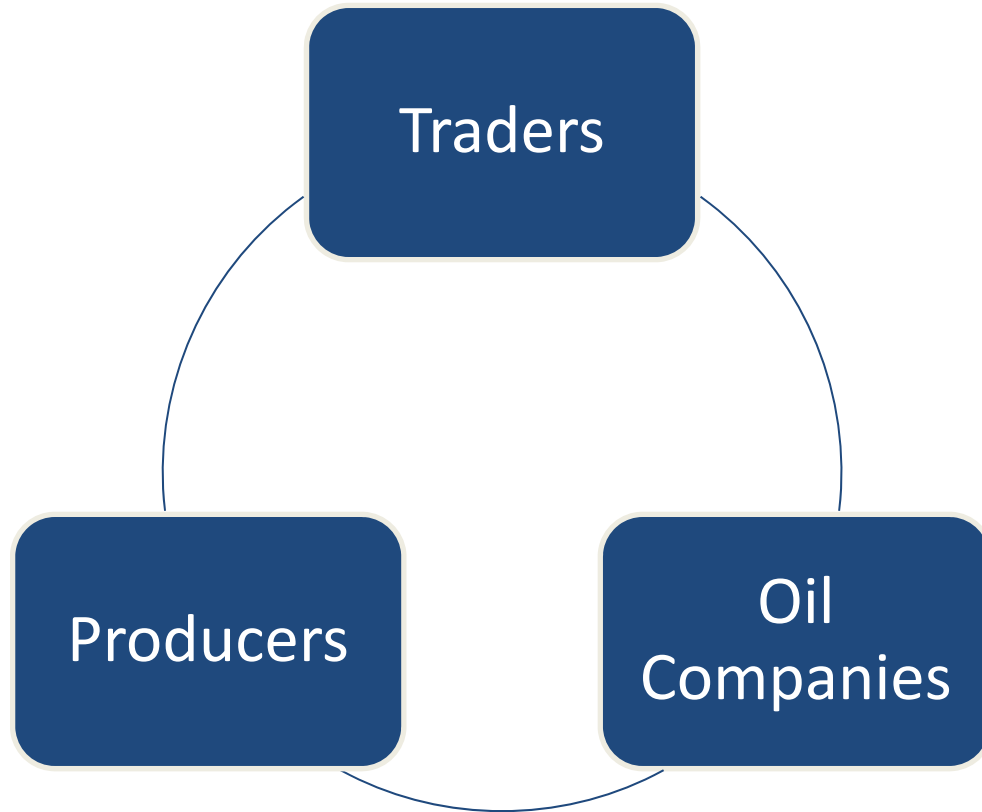


Biofuel Hedging possibilities



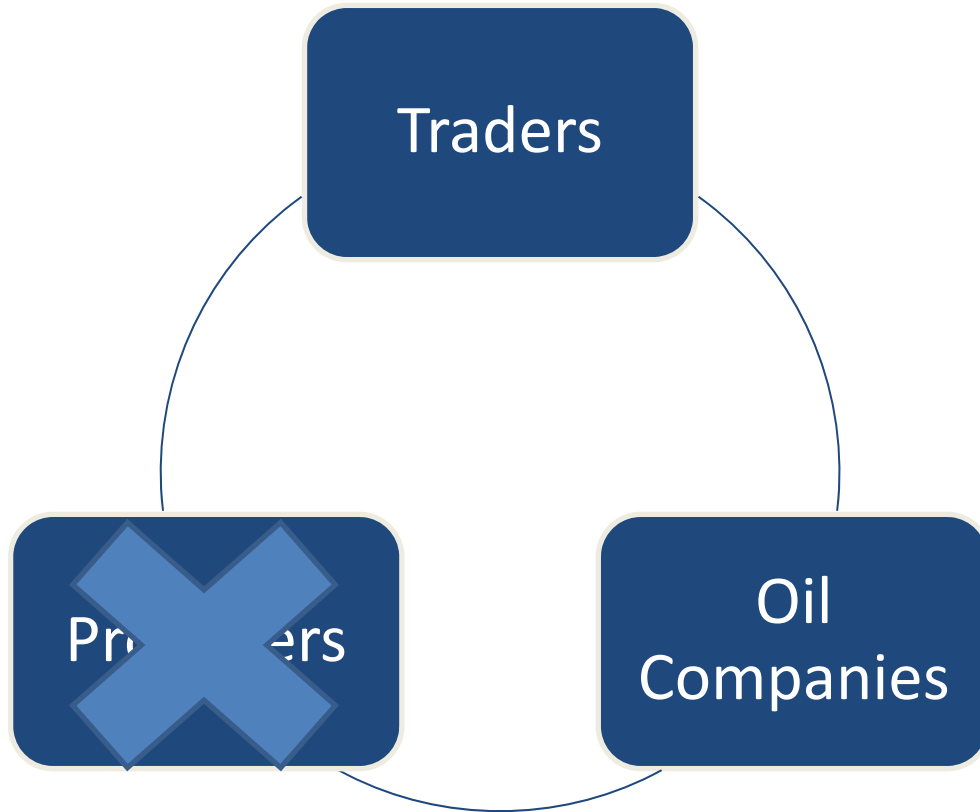


Who is trading Biofuel Paper Swaps?





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Who is trading Biofuel Paper Swaps?

- Benefits for each participant
- Hard to say if positions are more risk management or more speculative
- US market for ethanol is a developed market
- Action needed to develop the fundamental business in all other markets
 - Producers selling on basis Argus/Platts
 - Oil companies buying on basis Argus/Platts





Hedging Biodiesel

Correlations, calculated weekly on a proportional change basis. Apr 09-Oct 09

	RME	SME	FAME 0	PME	Gasoil	Rape Oil	Bean Oil
RME (ARA)	1						
SME (ARA)	0.863	1					
FAME 0 (ARA)	0.865	0.967	1				
PME (ARA)	0.842	0.902	0.895	1			
Gasoil (ICE)	0.709	0.785	0.75	0.719	1		
Rape Oil (ARA)	0.728	0.651	0.677	0.645	0.466	1	
Bean Oil (CBOT)	0.636	0.668	0.657	0.741	0.58	0.769	1
Palm Oil (MDEX)	0.423	0.516	0.494	0.65	0.287	0.57	0.655

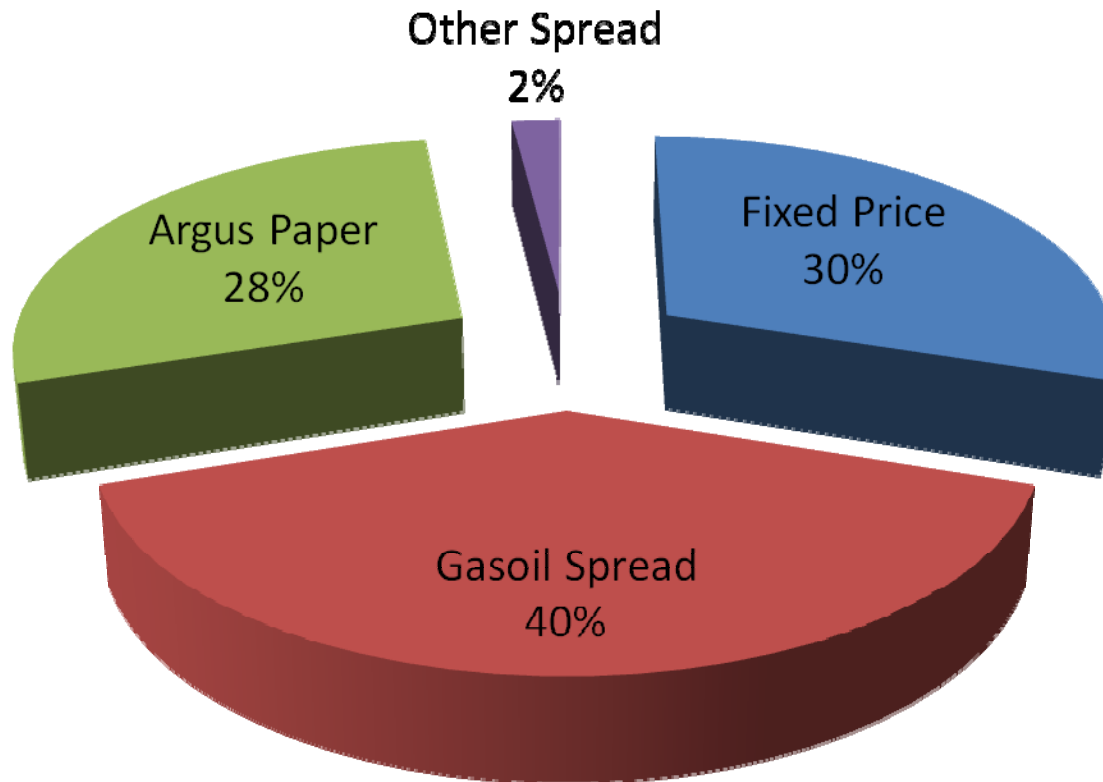
Correlations, calculated weekly on a proportional change basis. Oct 09-Mar 10

RME (ARA)	1						
SME (ARA)	0.682	1					
FAME 0 (ARA)	0.902	0.646	1				
PME (ARA)	0.481	-0.071	0.642	1			
Gasoil (ICE)	0.717	0.615	0.729	0.451	1		
Rape Oil (ARA)	0.785	0.75	0.809	0.362	0.644	1	
Bean Oil (CBOT)	0.691	0.505	0.765	0.46	0.579	0.654	1
Palm Oil (MDEX)	0.574	0.449	0.724	0.561	0.578	0.693	0.664

Source: Starsupply Renewables SA /SCB Group

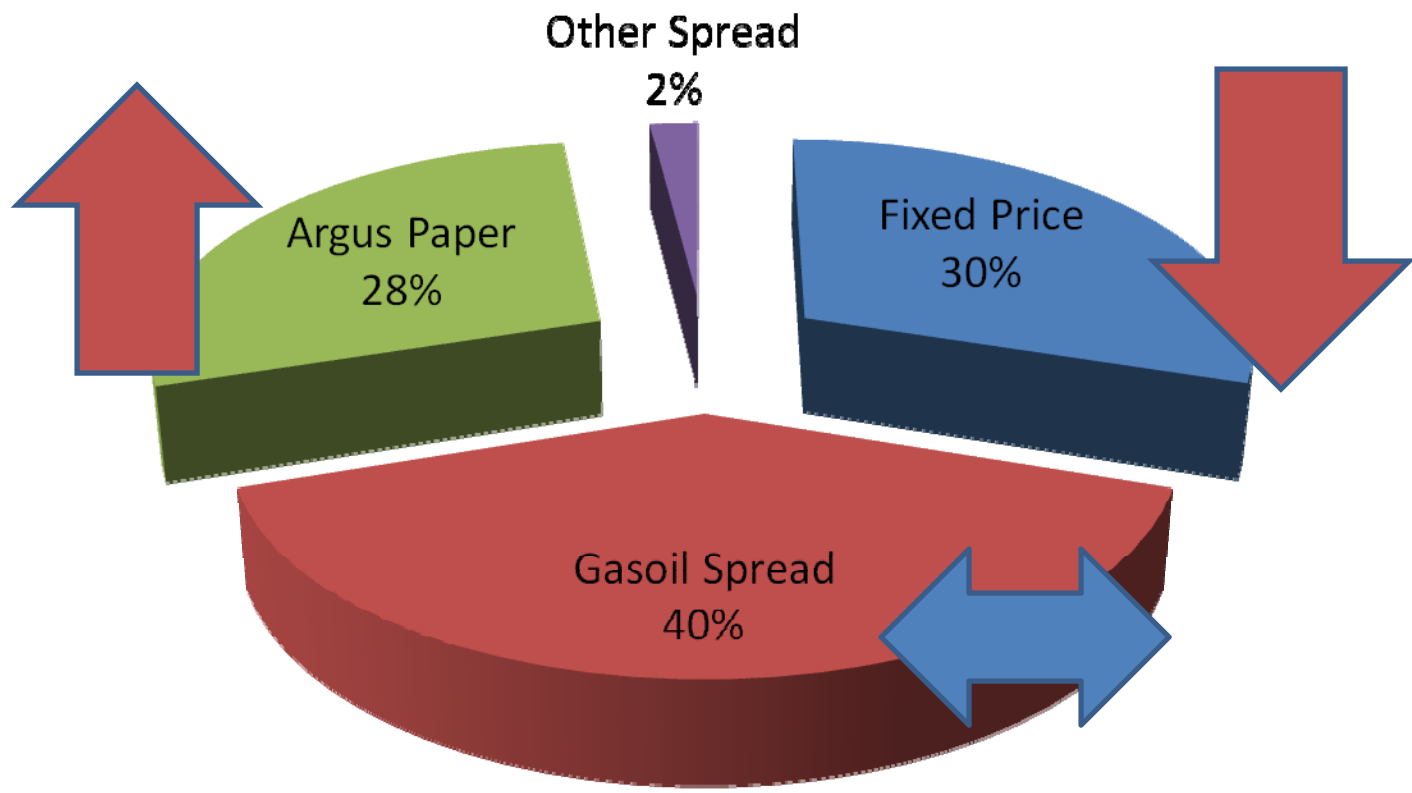


RME Broker Market Summer 2009



Collated by number of transactions
Source: Starsupply Renewables SA /SCB Group

RME Broker Market Summer 2010?



Collated by number of transactions
Source: Starsupply Renewables SA /SCB Group



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