



Pacific BioEnergy
Prince George Limited Partnership

CHAIN OF CUSTODY POLICY

PACIFIC BIO ENERGY CORPORATION IS COMMITTED TO ESTABLISHING AND MAINTAINING A CHAIN OF CUSTODY SYSTEM REGISTERED TO THE PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION STANDARD, SUSTAINABLE BIOMASS PARTNERSHIP STANDARD, AND GREEN GOLD LABEL STANDARD, THAT PROVIDES A LINK BETWEEN THE ORIGIN OF THE RAW MATERIAL USED IN THE PELLET MILLS AND THE PRODUCT SOLD TO OUR CUSTOMER.

Pacific BioEnergy will:

- ✚ Identify the origin of all raw material procured and delivered to the pellet mills.
- ✚ Track and record the volume of raw material from:
 - Forests certified to the CSA Z809 and SFI Sustainable Forest Management standards.
 - Forests not certified to a Sustainable Forest Management standard but assessed as a negligible risk or controlled fibre.
- ✚ Operate our wood pellet manufacturing facilities in accordance with the standard to ensure correct implementation and maintenance of our Chain of Custody.
- ✚ Provide training for our employees and contractors involved in the management of our Chain of Custody.
- ✚ Conduct regular internal and external audits of our Chain of Custody management system.
- ✚ Communicate information about the Chain of Custody to our customers upon request.

VP of Operations

Date