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OPERATOR: Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the BIOX Corporation 2010 Year-End and Q4 Results Conference Call. At this time, all participants are in listen mode only. Following the presentation, we will conduct a question and answer session. Instructions will be provided at that time for you to queue up for questions. If anyone has any difficulties hearing the conference, please press star, zero for operator assistance at any time.

Listeners are reminded that portions of today's discussion, including responses to questions posed in today's call, could constitute forward-looking statements that are subject to risks and uncertainties relating to BIOX's future financial or business performance and conditions. Actual results could differ materially from those anticipated in these forward-looking statements. Risk factors that may affect results are detailed in BIOX's filings with Canadian securities regulatory authorities, which can be accessed at *www.sedar*—s-e-d-a-r—*.com*. Please note that BIOX is under no obligation to update any forward-looking statements discussed today, except as required by applicable law, and investors are cautioned not to place undue reliance on these statements.

I would like to remind everyone that this call is being recorded on Wednesday, December 8th, 2010 at 9 a.m. Eastern Time.

I would now like to turn the call over to Mr. Tim Haig, President and Chief Executive Officer. Please go ahead, sir.

TIMOTHY HAIG (President and Chief Executive Officer, BIOX Corporation): Good morning, everyone, and thank you for joining the call today. This morning, we issued the 2010 fourth quarter year-end financial results by press release, and a copy of those results are available on our website, *www.bioxcorp.com*.

With me today is Chris Clinning, our CFO, and I'll summarize the key events of the quarter, as well as the biodiesel sector, and then Chris will review our financial results for Q4 and fiscal 2010. Then, I'll close with a few comments followed by Q&A.

Q4 was another positive quarter with results of biodiesel production. We ran at, essentially, target capacity. We also benefited from our produce and store strategy that we implemented in Q3, which I will address in greater detail in a moment. The broader biodiesel market, specifically in the US, continues to struggle; however, it does show signs of improvement in pricing. The primary challenge currently exists in the US federal tax extension. I will refer to this as the biodiesel tax incentive. The biodiesel tax incentive was not reinstated by Congress prior to the US mid-term election that took place in November. This delay was expected as immediately prior to the election period approached, and continues to significantly impact the price to producers.

On the positive side of the ledger, the RFS2 mandates began to make impact in pricing, as demonstrated in the upward trends in value of RINs in the open market. Subsequent to the end of Q4, BIOX received notification from Natural Resources Canada, NRCan, that our ecoEnergy application for the second 67 million litre annual nameplate capacity biodiesel facility in Hamilton, Ontario, met all the requirements to be accepted for incentive funding, subject to funding becoming available.

We continue to produce at our target range. During Q4, we produced 14.3 million litres of methyl ester, which resulted in production of 57.1 million litres of full-year period, compared to 15.2 million litres and 53.8 million litres for the respective periods last year. The ratio of biodiesel total to methyl ester produced was 90.0 percent in Q4, compared to 91.7 for the corresponding period in 2009.

During the Q3 conference call, I discussed an implementation of produce and store strategy meant to optimize the prices we receive for our product. In the past, we generally sold the product as it was produced. Our produce and store strategy represents a new approach which we manage the timing of sales; selling the biodiesel when prices warrant and storing biodiesel for sales on future dates if we believe the potential to realize higher values exist. This strategy has proved beneficial to date. However, it does result in periodic increases in inventory and, as a consequence of that inventory, fluctuation in sales volumes cash balance from quarter to quarter. This was the case in Q3 when we carried 7 million litres of biodiesel produced during Q3 as inventory into Q4. That inventory was subsequently sold in Q4, as mentioned on the Q3 conference call. Similarly, we held more than 12 million litres of biodiesel in inventory at the end of Q4, which has already been sold and shipped into an improving pricing environment.

So, how is the pricing environment improving? Well, since June 2010, the trend in each of the price of heating oil, the price of biodiesel, and the values of RINs has been positive. As an example, the price of heating oil increased 25 percent, from US$1.98 a gallon on September 30th to $2.47 a gallon yesterday …

CHRISTOPHER CLINNING (Chief Financial Officer, BIOX Corporation): June.

TIMOTHY HAIG: June 30th—sorry, my mistake. The value of the RINs has also risen over the same period, increasing 240 percent, from $0.27 on June 22, 2010, to yesterday, of $0.92. We believe that managing the timing of sales, which is quite common in other sectors, is an important and prudent strategy in the current environment. This is particularly true with the implementation of RFS2 mandates, and in the US the potential resolution of the US blender tax incentives.

The rise in the biodiesel price and the RIN values coincide with the implementation of our RFS2 on July 1, 2010. Refiners and importers in the US are now obliged to blend 1.145 billion US gallons of biomass-based diesel through 2010 to the end of 2011, and a minimum of 350 million US gallons of biomass-based diesel is allocated for blending prior to the end of 2010, and an additional 800 million gallons of blending by the end of 2011. Obligated parties can purchase biomass-based diesel to meet their blending requirements or, alternatively, they can purchase RINs on a standalone basis in the open market.

RFS2 has shifted the market from the voluntary one to an obligated market in the US. In order for the industry to generate product required to meet these minimum volumes, it is reasonable to presume that the biodiesel producers will need to achieve an acceptable return. We believe the increase in RINs reflects the repricing of biodiesel, moving it from representing a replacement price of petroleum diesel to one that is more correlated to the cost of producing biodiesel. Feedstock makes up the majority of the cost to produce biodiesel and we believe that the biodiesel price will more closely track the cost of soybean, which is used as the traditional feedstock to produce biodiesel in the United States. This creates an advantage for BIOX because our proprietary patented technology allows us to be feedstock-agnostic. We have the ability to use lower cost feedstocks than soy, like yellow grease and tallow, in a lower energy and chemistry continuous process and generate yields in excess of 99 percent.

As a registered foreign producer and a renewable fuels importer, as well as a RIN generated through our subsidiaries, we are able to sell either physical product with its attached RINs or separate the RINs in certain situations to sell physical product and RINS separately to refiners and importers in the US to enable them to meet their blending obligations. As the market matures and the escalating minimum volumes take effect, we believe that there will be upward pressure on the combined value of biodiesel RINs generated relative to our cost of production.

In addition to the mandates in place in the US, the Canadian regulations requiring blending have also progressed. The final Canadian regulations were published in the *Canadian Gazette* of August 23rd, requiring a 5 percent renewable content in gasoline. The first compliance period is approximately two years, December 15th, 2010 until December 31st, 2012, to provide refiners and importers the opportunity to ramp up blending. Biodiesel qualifies under the renewable content under this regulation and can be blended by obligated parties to meet the minimum requirement. We currently are in progress to register under the Canadian Environmental Protection Act to ensure that our sales qualify under this renewable content. We expect the government to provide further details on the implementation of the 2 percent biodiesel requirement between now and the first half of 2011, which is set to begin next year, subject to technical feasibility.

As I mentioned earlier, the blender tax incentive was not dealt with prior to the mid-term elections. Although the legislators continue to publicly support its reinstatement, there is no assurance that it will be reinstated or retroactive to January 1st, 2010. We continue to believe this issue will be resolved by Congress eventually, but since April 1st, 2010, the product that we have been sold is, essentially, excluded any incentive revenue. Chris will address the impact of this exclusion in our financial results in a moment. However, from a top-line perspective, if the incentive is retroactively reinstated, we stand to record a total of $3.5 million in contingent revenue on products sold in fiscal Q3 and fiscal Q4 for the 2010 period.

The uncertainty that surrounds the final form of the resolution of the biodiesel incentive has had significant impact on the biodiesel sector. We are confident that if Congress provides a clear resolution to the program in the future, that BIOX will be in a strong position to capitalize on the impact that RFS2 is having on the market. In our view, optimal resolution from Congress to reinstate the program retroactive to January 1st 2010 will allow us to receive the 3.5 million in contingent revenue and at the same time a clear deadline for phasing out of the incentive such that the RIN market could adequately adjust to reflect the true cost of the inputs. This would differentiate the market with producers that have an economical viable production process to achieve long-term recurrence from those who are solely dependent on incentive programs. Under this scenario, we believe our proprietary patented process would provide a significant cost advantage over the traditional producers.

In terms of our expansion plan, subsequent to Q4 we announced that NRCan had provided us with an update on our ecoENERGY application for the second 67 million litre nameplate capacity biodiesel facility in Hamilton. The Hamilton application met all of the incentive funding. However, we were advised that the ecoENERGY program wasn't able to fund all eight programs that met the requirements at that time due to insufficient funds. We continue to pursue further discussion with the Canadian government to determine if additional fundings can be made available in a timely manner to provide incentive payments for the second Hamilton facility.

NRCan also separately notified us that our Montreal application did not meet the criteria required for its advanced state of readiness, and as such the application did not undergo any full merit-based assessment and will not receive any further consideration under the program at this time.

Despite NRCan's decision on the second facility, our intention remains to expand and build a second production facility. We are currently re-evaluating options available to us in Canada and the United States regarding location of our next production facility to determine optimal jurisdiction and regulatory environment for the second facility.

Since we submitted the eco-ENERGY application last March, we have further optimized our design plan and we reduced the capital requirement to build the second plan from $38 million down to $29 million. However, I want to make it clear that until the decision on the site location is finalized and greater clarity exists on the underlying economics of the business, including the funding available under NRCan and improved market conditions for the sale of biodiesel, we are taking a very cautious approach of making significant capital commitments on this expansion.

With that, I'll turn it over to Chris to review the financial results.

CHRISTOPHER CLINNING: Thank you, Tim, and welcome, everyone. As Tim mentioned, our produce and store strategy has proven to be successful, as the value of our biodiesel has increased significantly since the end of Q3. While there still is no definitive resolution on the extension of the US biodiesel tax incentive, we continue to believe that the longer term economics for biodiesel will improve, supported by the implementation of RFS2 in the US and the Canadian biodiesel mandate which is expected to commence during 2011.

Sales volume in Q4 was 8.5 million litres of biodiesel compared with 13 million litres in the same period last year, a 35 percent decrease from 2009. Sales volume for fiscal 2010 was 41.5 million litres compared with 50 million litres in 2009, a decrease of 17 percent. The reduction in sales volume was primarily the result of the implementation of the produce and store strategy that Tim mentioned, which we implemented during Q3 of fiscal 2010. Subsequent to the end of Q4, as a result of improved values for biodiesel, we sold all 12.3 million litres of biodiesel that was held in inventory at September 30th, 2010.

Average revenue per litre of biodiesel sold for Q4 was $0.81 compared with a $1.23 per litre in the same period last year. This change is partially due to the impact of the continued uncertainty surrounding the US biodiesel tax incentive, and is also due to the retroactive payment we received in Q4 2009 from the ecoENERGY program. Year-to-date average revenue—or for the full year, average revenue per litre of biodiesel sold was $0.92 compared with $0.96 per litre in 2009, and the decline in revenue per litre was, again, primarily a result of the delayed reinstatement of the U.S. federal excise tax incentive.

Sales of bioheavies were 1.1 million litres for Q4 and 4.8 million litres for fiscal 2010, compared with 0.4 million litres and 3.2 million litres for the same period last year. We did not sell any glycerin during Q4 of 2010, which was also the case in Q4 2009. However, overall, in fiscal 2010, we sold 18.3 million pounds compared to just 70,000 pounds in fiscal 2009. Subsequent to our year end, our entire 12.5 million pounds of inventory held at September 30th was sold at nominal net proceeds.

Our sales revenues for Q4 and fiscal 2010 were 7.3 million and 40.2 million, respectively, compared to 16.2 million and 48.9 million for the corresponding periods in fiscal 2009. The change in sales revenues was primarily due to the implementation of the produce and store strategy in Q3.

I should point out that the value of our biodiesel since the implementation of RFS2 on July 1st is impacted by both changes in the heating oil rack rate and changes in RIN values. For each gallon of biodiesel we sell into the US, we generate 1.5 biomass-based biodiesel RINs. These RINs are either sold as a physical product and their value is taken into account as part of the sale price or, in certain circumstances, the biodiesel is sold RINless and the RINs are separated and then sold on a standalone basis or held in inventory for sale at a future date. As of yesterday, biomass-based diesel RINs were trading for US$0.92 per RIN or the equivalent of $1.38 per US gallon of biodiesel that we sell into the US market.

As I mentioned during the Q3 call, we continue to record continued revenue on biodiesel that we have sold, which increased to a total of 3.5 million as at September 30, 2010. Recognition of this revenue will also improve our working capital balance immediately by 3.5 million and, ultimately, our cash balance by that same 3.5 million once collected from our customers. Of course, this revenue cannot be recognized as cash collected unless and until the US federal excise tax incentive is reinstated on a retroactive basis.

Our direct expenses for Q4 were 7.2 million compared with 12.6 million in Q4 2009. Direct expenses for fiscal 2010 were 39.8 million compared with 43.2 million in fiscal 2009. The decreases in direct expenses for Q4 and fiscal 2010 were primarily the result of lower sales volumes since the implementation of the produce and store strategy.

Our feedstock costs accounted for 80 percent of direct costs for Q4 and 74 percent of direct costs for the year, compared with 66 percent and 67 percent for the same periods last year, and the average cost of feedstock in fiscal 2010 was $721 per ton compared with $621 per ton in fiscal 2009. The increase in the cost of feedstock in 2010 reflects the increased commodity cost of fats and oils compared with 2009.

Our operating loss for Q4 was 2.8 million compared with operating income of 1.1 million in Q4 2009, and operating loss for fiscal 2010 was 10 million compared with an operating loss of 3.7 million in fiscal 2009. The increased operating loss for fiscal 2010 was due to lower sales as a result of the produce and store strategy, reduced per litre payment under Natural Resources Canada's eco-ENERGY for Biofuels Program in accordance with the incentive rate schedule, and the $3.5 million of contingent revenue that cannot be recognized unless and until the US federal tax incentive is reinstated retroactively.

Operating loss prior to non-cash items for Q4 was 1.7 million compared with operating income of 2.2 million in Q4 2009, and operating loss prior to non-cash items for fiscal 2010 was 5.8 million compared with operating income prior to non-cash items of 0.6 million in fiscal 2009.

Operating loss prior to non-cash items in BIOX Canada Limited, our wholly-owned subsidiary that operates the Hamilton production facility, was 0.1 million for Q4 compared with operating income prior to non-cash items of 3.3 million in Q4 2009, and operating loss prior to non-cash items for BIOX Canada Limited for the year was 0.6 million compared with operating income prior to non-cash items of 4.9 million in 2009.

The increase in operating losses prior to non-cash items was primarily due to the significantly lower margins achieved in Q4 and in fiscal 2010, compared with the same periods last year.

I should point out here, however, that despite the lower sales and the $3.5 million in unrecognized contingent revenue, BIOX Canada was still basically breakeven for the year on this measurement.

Net loss and comprehensive loss in Q4 and fiscal 2010 were 3 million, or $0.07 per share, and 16 million, or $0.45 per share, respectively, compared with net income of 0.6 million, or $0.03 per share, and a loss of 5.6 million, or $0.26 per share, for the corresponding period in 2009.

As of September 30th, 2010, we had a cash balance of 21.5 million compared with 0.2 million on September 30, 2009, and our working capital balance at September 30th, 2010 was 32.3 million compared with 0.2 million at September 30th, 2009. I should also note that we are not drawing on our $5 million operating facility at this time.

As mentioned earlier, since implementing the produce and store strategy, inventory levels have increased significantly, negatively impacting our cash balance in the near term. We expect that inventory levels will stabilize in coming quarters, although we still intend to take advantage of opportunities in the market to achieve higher values for our biodiesel, and this may require higher than historical inventory levels. At September 30th, 2010, we had 13.8 million of inventory, including 12.3 million litres of biodiesel. As mentioned earlier, our entire year-end inventory of biodiesel has been sold and shipped during the first two months of our first quarter of fiscal 2011.

In summary, we continue to produce at our target volumes, which reflects our continued belief that the longer term economics for the sale of biodiesel are and will continue improving. There is still uncertainty surrounding the US tax incentive that has impacted our financial results; however, we believe that this issue will be resolved eventually. Should the tax incentive be reinstated on a retroactive basis, our future results will reflect recognition of the $3.5 million in contingent revenue and, ultimately, the cash on the balance sheet that was not recognized in 2010.

We look forward to 2011 and to providing you with additional update as the biodiesel market continues to develop.

With that, I'll turn it back to Tim for closing comments. Thank you, again, for your time and your continued support.

TIMOTHY HAIG: Thanks, Chris. In closing, we have produced 152 million litres of biodiesel since the commissioning of the Hamilton plant in April 2007. As such, we are the largest producer of biodiesel in Canada and we continue to produce at, essentially, full capacity. The produce and store strategy we implemented in Q3 has proven beneficial as biodiesel prices and RIN values have both increased significantly since the implementation of RFS2 on July 1st, 2010. The Canadian government is moving ahead with its renewable content regulations, although tracking about a year behind the US.

We continue to believe that the blender tax incentive issue will be resolved. A clear resolution on this matter will provide the market with a greater level of certainty on the revenue mix, either a combination of government incentives, product sales and RINs traded, or primarily from product sales and RINs traded. Under either scenario, we believe that repricing of biodiesel already is underway and refiners and importers must move forward towards meeting their minimum threshold under RFS2.

We believe BIOX is strongly positioned to capitalize on the repricing because of our propriety patented technology, enabling us to use lower feedstocks than traditional producers. It is our technology and cost advantage in a new obligated market that makes us committed to an expansion in an optimal location.

While the sector and, by extension, BIOX has come under pressure in 2010 because of the uncertainty regarding the US tax incentive, we remain confident that our original thesis is still intact. As a low-cost producer serving the US and the Canadian market, that have minimum mandated volume requirements, we believe BIOX is in a strong position to deliver growth and shareholder value.

This concludes our formal remarks this morning and I thank you for all participating on the phones, and I'd like to open the phones up for questions, please.

OPERATOR: If anybody would like to ask a question at this time, simply press star, one on your telephone keypad.

Your first question comes from Carolina Vargas from Clarus Securities. Your line is open.

CAROLINA VARGAS: Good morning. I have a question regarding the direct expenses. They were substantially lower on a year-to-year basis, yet your production levels were very similar. So, is the difference mainly transportation or how do you explain that difference?

CHRISTOPHER CLINNING: Hi, Carolina, it's Chris. Because we had the high levels of inventory at the end of the year, basically, that inventory is carrying those costs in that inventory balance, so …

CAROLINA VARGAS: I'm sorry, it's just accounting, basically?

CHRISTOPHER CLINNING: Yes, the direct expenses reflect the cost to produce the product that was sold for the year.

CAROLINA VARGAS: Okay.

CHRISTOPHER CLINNING: The good news is that at the end of the year, as opposed to Q3, we only had a very small write-down. It was related to a specific sale that we did on October 1st, about $80,000. But, other than that, the value of the product at the end of fiscal 2011 was higher than the cost to produce and, therefore, that all carried in the inventory balance of that 13.8 million.

CAROLINA VARGAS: Okay. Then, going back to your 3.5 million contingent revenue, does the Q4 production still have that provision or not anymore?

CHRISTOPHER CLINNING: Does the Q4 production have that provision?

CAROLINA VARGAS: Yes, the provision of retracted (phon) payments. You talked about the RINs and the RINs sold, et cetera. So, the Q3, Q2, we saw that you sold your biodiesel on the premise that that tax schedule would be reinstalled and it didn't happen, so you have that contingent revenue?

CHRISTOPHER CLINNING: Yes.

CAROLINA VARGAS: So, I'm wondering if your Q4 had that, too, or not?

CHRISTOPHER CLINNING: Yes, the 3.5 million is made up of 1.6 million from Q3 of contingent revenue and then 2 million in Q4 of contingent revenue. That's the breakdown of—the 1.5 million is from exchange variance, the 1.5 million for Q3 and 2 million for Q4, so that's the makeup of the 3.5 million. Does that answer your question, Carolina?

CAROLINA VARGAS: Yes, it does. Then, are you still using tallow as your main feedstock at this point?

CHRISTOPHER CLINNING: We're using a combination of a bunch of different feedstocks, depending on value. BFT has recently increased in price quite significantly. We're always moving away from the high-cost feedstocks, so we're starting to use more and more yellow grease, et cetera, because it's lower cost. We still are using BFT, but it really depends on price.

CAROLINA VARGAS: Okay. I'll jump back in the queue. Thanks.

CHRISTOPHER CLINNING: No problem.

OPERATOR: If anyone has a question, please press star, one on your telephone keypad.

Your next question comes from Rupert Merer from National Bank Financial. Your line is open.

RUPERT MERER: Good morning, everyone.

TIMOTHY HAIG: Hi, Rupert.

RUPERT MERER: What percentage of your sales are you recognizing the value for RINs on today? Are you getting RIN credits on all of your sales?

CHRISTOPHER CLINNING: We get it on anything that we send down to the US. So, it depends on the mix in terms of sales to the US versus elsewhere. In terms of our sales in 2010 or in the fourth quarter, the vast majority of our sales were down into the US, but that’s not necessarily going to be the case all the time. Really, again, it depends on what the total value of the product is that we can get, whether it’s in the US or elsewhere, but the value of the product in the US, obviously, is driven by heating oil but also the RIN value, which clearly has increased significantly recently.

TIMOTHY HAIG: But, Rupert, even if we were selling it somewhere else, the value would have to reflect the sales that we could make in the states that would attract a RIN.

CHRISTOPHER CLINNING: Yes.

RUPERT MERER: Right, and I realize I’m asking you to speculate here, but where do you think RIN values could go in the next few months?

TIMOTHY HAIG: Well, we’ve done a lot of thinking about this. Back to the original thesis that the seed oil guys need to be profitable, I think it’s somewhere, depending on if the reinstatement of the dollar—the dollar and the RIN combination would probably be about 1.2 or 1.7, I can't remember which one we came to—1.2, which multiplied by 1.5, brings you to 1.7. Did that make sense, Rupert?

RUPERT MERER: Yes, so we're almost there today, with RINs at $0.92 …

TIMOTHY HAIG: Yes, it's very interesting how we're getting there. So, soybean would have to get 1.2 in a RIN. So, you multiply it by 1.5 to get to 1.7.

CHRISTOPHER CLINNING: We've always thought that as we got closer to the end of the compliance period, the end of this year, that RIN values should increase. They basically popped, you know, once RFS2 was implemented in July and stayed steady around $0.60 for some time, and then over literally the last week to 10 days, we're really seeing a jump and, in fact, yesterday, you know, that $0.92 reflects a $0.10 jump from the prior day. So, it really is unfolding the way we thought it would.

TIMOTHY HAIG: And, you know, and it's fair to say that if the blender tax incentive came back in today and it was going through to next year, we could expect those RINs to go down, but it's the combination of that dollar and the RIN that needs to get to that volume, that price, if you understand what I'm saying.

RUPERT MERER: Yes, and just one other question. I may have missed this, but when do you expect to know if the ecoENERGY funding would be available for the Hamilton expansion?

TIMOTHY HAIG: Well, it is—we are discussing with NRCan, there is some progress being made, but this is—it's Treasury Board confidential. We don't exactly know when we would hear more about that, so we just have to stay tuned, and we will, obviously, inform the market when we understand more.

RUPERT MERER: Okay, great. Well, thank you very much.

TIMOTHY HAIG: Thank you.

OPERATOR: Your next question comes from Mark Vernest from Jacob Securities. Your line is open.

MARK VERNEST: Good morning.

TIMOTHY HAIG: Hey, Mark.

CHRISTOPHER CLINNING: Good morning.

MARK VERNEST: I was just wondering if you can give us a sense of current breakeven price selling into the US and maybe comment on storage costs on a per litre or per gallon basis?

TIMOTHY HAIG: Breakeven, you know, it's always dependent on the feedstock cost, which moves, but I would say that right now our breakeven, in terms of consolidated, from an operating income prior to non-cash items basis, is about 3.60, $3.60.

MARK VERNEST: Okay.

TIMOTHY HAIG: Per gallon, obviously, and then on top of that we get the $0.20 per litre from the ecoENERGY program. Is that helpful?

MARK VERNEST: Yes, for sure.

TIMOTHY HAIG: In terms of our storage costs, we're sort of in a transitional period right now because we've acquired storage assets down in the US at IMTT and we're giving up storage assets here in Canada. We had a lot of glycerin stored, et cetera, and a lot of heavy stored, but we've cleared out a lot of that inventory, so we're kind of in the middle phase right now, but, basically, our storage costs per month will probably trend down to, you know, the $150-200,000 a month going forward.

MARK VERNEST: Okay, perfect. Thanks.

OPERATOR: If you'd like to ask a question, please press star, one on your telephone keypad.

I have another question from Carolina Vargas from Clarus Securities. Your line is open.

CAROLINA VARGAS: Hi, a follow-up question on the inventory for Q1. So, we're a few months now into the quarter and I'm just wondering if you are storing as part of your strategy or you're selling now at a price (inaudible) better?

TIMOTHY HAIG: Well, I think, without going into too much detail in terms of the forecast, I mean, with the values increasing rapidly over the last period, there's certainly the potential to clear product before year end. Frankly, you know, as we mentioned, everything's gone from the inventory that we had at the end of fiscal 2010. I don't know exactly yet what we're going to have at the end of the quarter. I mean, frankly, you know, we're looking at doing some additional activity over the next few weeks, but it's not closed yet.

CAROLINA VARGAS: Okay. Then, going back to plant number two, I guess the question is how long would you wait for the ecoENERGY before you start planning on building it elsewhere?

TIMOTHY HAIG: Well, we're always thinking about expansion, Carolina, so we're not—it's hard to say. We think that we will have a resolution on ecoENERGY pretty quickly, but, also, on top of that, we want to make sure that everybody understands that the underlying market economics are important also, which are very optimistic right now, but we still need to see some improvement. We haven't been sitting around, we've spent a lot of work getting that cost from $38 million down to 29, so there's been a lot of activity. You want to add to that, Chris?

CHRISTOPHER CLINNING: Well, I just want to say that the expansion's not ecoENERGY-dependent. I mean, ecoENERGY is about location, and so that's really where we've had to take a step back when we got the news in terms of insufficient funding for the Hamilton application. Frankly, it's made us step back and take a look at, you know, what really makes sense in terms of the location, and a lot of it has to do with the work on the capital reduction, et cetera. We do have other opportunities out there that, you know, that we are looking at, and ecoENERGY, obviously, from a Hamilton perspective, is important in terms of one element of the decision in terms of the location of plant two, but it's not the only element.

CAROLINA VARGAS: Okay. Also, can you comment on the items for that reduction? It's a substantial reduction from the initial budget, so I just want to get more colour on what are you planning the savings to come from?

CHRISTOPHER CLINNING: I mean, just to go back, in terms of the application that went into the program on March 31st, the changes were announced in December of 2009, relative to having to go through this application process, which was a very exhaustive and extensive process, and involves a lot of detailed work, including things such as, you know, providing quotes from vendors or purchase orders from vendors, et cetera. Frankly, through that process that—and we were going through the closing of the private placement and the amalgamation of the RTO, et cetera—we just did not have enough time to go through and take a look at the detailed costing and engineering for plant two at that particular point, and, frankly, because there was a requirement to get firm quotes from vendors, et cetera, we basically looked at replicating what we had done in Hamilton II and adding some additional components to it. Without a window of opportunity to negotiate significantly with vendors, frankly, we got basically their prior cost plus escalation plus contingency, et cetera, and that all went into that $38 million.

Subsequent to that March 31st date, we've been able to go back and take a look at the design of plant two and look at, you know, optimizing that design in terms of either certain things that we don't require, are there certain elements that we can acquire less cheaply, can we put certain portions of the plant out to tender rather than going with a particular vendor who may not necessarily provide us the right pricing, et cetera, and so all of those elements have been worked on over the last several months and I think the results have been very positive.

CAROLINA VARGAS: Okay.

CHRISTOPHER CLINNING: Does that give you the information you need, Carolina?

CAROLINA VARGAS: Yes, yes. Then, my last question, relating to the renewable diesel requirement for Canada, you're probably closer than I am, but have the government established how it's going to be implemented? I believe that is a big issue. We know how much will be required, but we have no idea yet of how the implementation is going to be, so that may take some time and push back the implementation a bit. What are your thoughts regarding that?

TIMOTHY HAIG: Actually, the implementation is very well known, Carolina. It's really the start date that's not.

CAROLINA VARGAS: Yes.

TIMOTHY HAIG: The start date is being discussed right now and it's supposed to come into effect next year. The first compliance period will start sometime next year, and it will likely be 5 percent. The 5 percent had a 24-month compliance period for the gasoline, and we do—biodiesel is allowed and is recognized under that compliance. They have to buy physical product, there is not a RIN kind of market that is the States, the obligated parties actually have to buy physical product. So, the way it's done is understood. The start and the finish of the first compliance period is still in discussion and we've got a lot of pressure going on. I don't want to speculate at this stage, but I think we'll know very shortly.

CAROLINA VARGAS: Thank you.

TIMOTHY HAIG: Thank you.

OPERATOR: Gentlemen, I have no further questions in the queue. I'll turn the call over to you for closing remarks.

TIMOTHY HAIG: Well, thank you, everyone. This wraps up the Q&A session. I'd like to thank everybody for the great questions and for your time today. We feel very positive on the progress that's happened. It's been a difficult 2010, but we feel very positive on the progress going forward. We will keep you informed on anything moving, obviously, by press release, et cetera. Until then, have a great day.

OPERATOR: This concludes today's conference call. You may now disconnect.

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