



## **Press Release**

**Release Date: 7 November 2011**

### **SEEMA ENERGY AND VIASPACE SIGN MOU TO TEST NEW DEDICATED ENERGY CROP IN THAILAND**

#### **Giant King Grass targeted as fuel for planned 90 MW biomass power plant**

Bangkok, Thailand--7 November 2011. Seema Energy Co., Ltd, a renewable energy development company based in Thailand and US OTC Bulletin Board listed VIASPACE Inc. (stock symbol VSPC) have signed a Memorandum of Understanding (MOU) to jointly develop a test plot to optimize cultivation of VIASPACE's proprietary Giant King™ Grass<sup>1</sup> in Thailand.

The MOU provides for the supply of seedlings and development of a 2 hectare (12.5 rai) testing facility to assess and optimize Giant King Grass cultivation under Thai climate conditions. Giant King Grass has already been successfully grown in plantations in China and elsewhere.

Giant King Grass has similar characteristics to sugar cane but is not a food crop as it develops cellulosic material rather than sugar. It has been demonstrated to have the highest energy yield per hectare of potential energy crops.

Duncan Ritchie, CEO of Aequero and a Director of Seema Energy said "Seema Energy is very pleased to take this first step with VIASPACE. We look forward to completing the test phase and building on this agreement to use VIASPACE's Giant King Grass to supply Seema Energy's first 90 MW biomass power plant in Nakhon Ratchasima and for subsequent projects developed by Seema. There is huge potential for biomass power generation in Thailand and ASEAN countries. Seema Energy's innovative captive, dedicated energy crop concept will provide fuel supply security, addressing a key risk in biomass projects." Aequero, an Asia-based boutique development and financial advisory firm with a primary focus on the energy and infrastructure sectors, is advising Seema Energy on its project.

Dr. Carl Kukkonen, CEO of VIASPACE remarked: "This is a landmark agreement for VIASPACE to support the largest biomass power project being developed in Asia. Thailand is implementing a new Feed-In Tariff as foreshadowed in the Cabinet announcement last summer and we expect this to extend to support energy crop projects. The agreement with Seema Energy provides a platform for significant growth for VIASPACE in Thailand and South East Asia."

"This is also an important project for Thailand" Pongchat Limvichit, Director of Seema Energy added "as it paves the way for Thailand to access a domestically developed and grown energy source and provide an energy hedge against increasingly volatile conventional energy commodities such as gas and coal. This is especially important for

---

<sup>1</sup> Giant King™ Grass is a trademark of VIASPACE Inc.

Thailand which faces difficulties in developing conventional energy projects – in particular coal-fired power plants”

The government of Thailand has set a target of 3,700MW of biomass capacity by 2022. Only 1,700MW have been awarded so far with only a fraction of this capacity actually in operation. The Thai cabinet has approved a move to replace the present ‘Adder’ mechanism for renewable energy with a more effective Feed-In Tariff regime with a priority to promote biomass generation and, in particular, biomass generation from dedicated energy crops.

Seema Energy is developing the first 90MW dedicated energy crop biomass project in Thailand. The project will use up to 930,000 tonnes of Giant King Grass per annum (at 35% moisture content). Seema Energy is presently in discussions with potential EPC contractors and suppliers with experience in biomass projects and with the Thai energy market. The project is expected to achieve financial close in 2012 and achieve commercial operation in 2014.

Seema Energy’s project will provide more than 2,000 jobs for farmers and local communities in the northeast of Thailand, principally for the management of up to 9,000 ha of Giant King Grass plantations.

#### **Information on the Companies named in the Press Release:**

**Seema Energy Co., Ltd.** is a Thai registered company that is developing a series of captive, dedicated energy crop renewable energy projects in Thailand. The first of Seema Energy’s projects is a 90 MW (net) project in Nakhon Ratchasima that will use Giant King Grass to supply 3 x 30 MW (net) boilers to generate electricity which will be sold to the Thai grid under a long term off-take agreement.

**Aequero** is a boutique development and financial advisory firm headquartered in Hong Kong. Aequero advises private developers, financial investors and governments on the development and financing of transactions in the energy and infrastructure sectors, including public-private partnerships (PPPs), with a primary focus on Asia. Aequero is acting as development and financial advisor to Seema Energy and has a 47% shareholding in Seema Energy. Additional information about Aequero is available at [www.aequero.com](http://www.aequero.com).

**VIASPACE Inc.**, based in Irvine California USA, is a clean energy company providing products and technology for renewable and alternative energy. Through its majority-owned subsidiary VIASPACE Green Energy Inc., the Company grows Giant King Grass as a low-carbon fuel for electricity generating power plants. Giant King Grass can also be used to manufacture energy pellets; as a feedstock for bio methane production and cellulosic biofuels such as ethanol and butanol, and for biochemicals and bioplastics. For more information, please go to [www.VIASPACE.com](http://www.VIASPACE.com) or [www.VIASPACEGreenEnergy.com](http://www.VIASPACEGreenEnergy.com).

**Contacts:**

**At Aequero / Seema Energy:**

Duncan Ritchie  
CEO, Aequero  
Email: duncan-ritchie@aequero.com  
Mobile: +852 9307 5343

Yanis Boudjouher  
Managing Director, Aequero Singapore  
Email: yanis-boudjouher@aequero.com  
Mobile: +65 9199 3320

**At VIASPACE:**

Dr. Carl Kukkonen  
CEO and Chairman  
Email: kukkonen@VIASPACE.com  
Tel: +1 (626) 768-3362