



Prospectus

bioenergy systems N.V.
Amsterdam

Prospectus

November 21, 2007

for

the Public Offer

of up to

12,250,000 ordinary bearer shares

- each having a nominal value in the share capital of EUR 0.01 and
carrying full dividend rights for the fiscal year 2007 -

thereof

up to 1,750,000 new bearer shares with a nominal value of EUR 0.01 per share from a capital increase
against cash from authorised capital ("New Shares"),

and

10,500,000 already existing bearer shares with a nominal value of EUR 0.01 per share, that are offered
publicly on the Open Market of the Frankfurt Stock Exchange, on the unofficial market ("*Freiverkehr*") of
the Stuttgart Stock Exchange and of the Berlin Stock Exchange, and in the trading system XETRA
("Existing Shares"; together with the "New Shares" also "Offer Shares")

of

bioenergy systems N.V.

Amsterdam, The Netherlands

International Securities Identification Number (ISIN): NL0000686582
German Securities Number (WKN): A0KETQ
Stock Exchange Code: B8S

Table of Contents

1	PROSPECTUS SUMMARY	5
1.1	Summary of the Public Offer	5
1.2	Information about the Shares	8
1.3	Summary of the Risk Factors	9
1.4	Summary of the Business of the Company	13
1.5	Selected Financial Information	17
1.6	General Information on the Company	19
1.7	Inspection of Documents	20
2	RISK FACTORS	21
2.1	Risks related to the Issuer	21
2.2	Legal and tax risks	34
2.3	Risks related to the Securities	37
3	GENERAL INFORMATION	40
3.1	Responsibility for the Contents of the Prospectus	40
3.2	Forward-Looking Statements	40
3.3	Third Party Sources and Information	40
3.4	Inspection of Documents	41
4	PUBLIC OFFER	42
4.1	Object of the Prospectus	42
4.2	Conditions and Timetable of the Public Offer	43
4.3	Offer Price	47
4.4	Restrictions of Sale	47
4.5	Letter of Engagement	48
4.6	Interests from Natural and Legal Persons	48
4.7	Purchase of Shares by Members of the Management or Supervisory Board	48
4.8	Lock-up und Agreements on Market Protection	49
4.9	Dilution	49
4.10	Admission to the Open Market of the Frankfurt Stock Exchange	49
4.11	Reasons for the Public Offer and Use of Proceeds	49
4.12	Earnings per Share and Dividend Policy	50
5	SELECTED FINANCIAL DATA	51
5.1	General Information concerning the Financial Data and Financial Situation	51
5.2	Selected Financial and Operational Information	52
5.3	Working Capital, Capitalization and Indebtedness	54
6	MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	56
6.1	Analysis of Financial Conditions and Results of Operations	56
6.2	Selected Consolidated Financial and Operating Data	56
6.3	Consolidated Cash Flow Statement	58
6.4	Capital Resources	59
7	BUSINESS OF THE COMPANY	61
7.1	Overview	61
7.2	Core Data of the Company History and Current development	61
7.3	Business Activity	62
7.4	Research and Development	68
7.5	Investments	69
7.6	Sales proceeds	70
7.7	Personnel	71
7.8	Industrial property rights, copyrights and licences	72
7.9	Material Contracts	72

7.10	Insurances	74
7.11	Property, Plants and further Fixed Assets	75
7.12	Environment	76
7.13	Regulatory Environment	76
7.14	Legal Disputes	81
7.15	Business Plan	82
8	MARKET AND COMPETITION	85
8.1	Positioning of the Company	85
8.2	Market Environment	85
8.3	Competition	89
9	GENERAL INFORMATION ON THE COMPANY	91
9.1	Incorporation, Name, Registered Office, Fiscal Year and Duration of the Company	91
9.2	Corporate Object	91
9.3	Notices, Depositary and Paying Agent	92
9.4	Corporate Governance	92
9.5	Auditor	92
9.6	Group Structure	93
9.7	Holdings of the Company	93
10	DESCRIPTION OF THE CAPITAL OF THE COMPANY	97
10.1	Issued Share Capital	97
10.2	Development of the Issued Share Capital	97
10.3	Authorised Capital	98
10.4	Debentures or Options	98
10.5	Contingent Capital	98
10.6	Own Shares	99
10.7	Provisions regarding the Issuance of new Shares	99
10.8	Provisions regarding the Amendment of Rights connected with the Shares	100
10.9	Obligation of Shareholders to Disclose Certain transactions in Securities	100
11	MANAGEMENT, SUPERVISORY BOARD AND GENERAL MEETING	101
11.1	Management Board	101
11.2	Supervisory Board	103
11.3	Additional Information regarding Members of the Management and the Supervisory Board	107
11.4	General Meeting	108
12	SHAREHOLDER STRUCTURE	110
12.1	Major Shareholders	110
12.2	Control of the Company	110
12.3	Future Change of Control	110
13	RELATED PARTIES TRANSACTIONS	111
13.1	Loan Agreements	111
13.2	Contracts on Construction of Bioenergy Plants	112
13.3	Other Agreements	113
14	INFORMATION ABOUT THE SHARES	114
14.1	General Information	114
14.2	Rights regarding the Shares	114
14.3	Transferability of the Shares	116
14.4	Takeover Bids	116
15	TAXATION	117
15.1	Taxation in Germany	117
15.2	Taxation in The Netherlands	123
16	RECENT DEVELOPMENT AND OUTLOOK	128

17 FINANCIAL INFORMATION	F-1
17.1 Interim Consolidated Financial Statements (IFRS) for the period January 1 until June 30, 2007 (unaudited)	F-1
17.2 Consolidated Financial Statements (IFRS) as at December 31, 2006 (audited) including the Company-Only Financial Statements	F-20
18 GLOSSARY	G-1
18.1 General Glossary	G-1
18.2 Business related Glossary	G-3
SIGNATURE	S-1

1 Prospectus Summary

The following summary is to be considered an introduction to this Prospectus. Investors should therefore read the entire Prospectus carefully and base any decision whether to invest in securities of bioenergy systems N.V. (hereinafter also referred to as “bioenergy N.V.” or the “Company”; the Company and its subsidiaries bioenergy systems GmbH and bioenergy systems project GmbH collectively also referred to as “bioenergy”, the “bioenergy Group” or the “Group”) on an examination of the Prospectus as a whole.

This document constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC (“Prospectus Directive”) and has been prepared in accordance with Article 5:9 of the Netherlands Act on Financial Supervision (*Wet op het financieel toezicht*) as amended. This Prospectus has been filed with and approved by the Netherlands Authority for the Financial Markets (“AFM”).

The Company is responsible for the content of this summary, in accordance with Article 5:14 of the Netherlands Act on Financial Supervision (*Wet op het financieel toezicht*) as amended. The Company can only be held liable, however, for the content of this summary if the summary is misleading, incorrect or contradictory when read in conjunction with the other parts of this Prospectus.

In the event that claims are brought before a court based on the information contained in this Prospectus, the application of national legislation of countries in the European Economic Area could result in the investor appearing as plaintiff having to bear the costs of translating this Prospectus before the start of such proceedings.

1.1 Summary of the Public Offer

1.1.1 Object of the Prospectus

The object of this Prospectus is the Public Offer

- of up to 1,750,000 new bearer shares with a nominal value of EUR 0.01 per share from a capital increase against cash from authorised capital (“New Shares”), and
- of 10,500,000 already existing bearer shares with a nominal value of EUR 0.01 per share, that are offered publicly on the Open Market (“*Freiverkehr*”) of the Frankfurt Stock Exchange, on the unofficial market of the Stuttgart Stock Exchange and of the Berlin Stock Exchange, and in the trading system XETRA (“Existing Shares”; together with the “New Shares” also “Offer Shares”).

The issue of the New Shares will be made on the basis of the capital increase against cash from the authorised capital resolved by the Management Board on November 20, 2007 and approved by the Supervisory Board on November 20, 2007. Accordingly, in return for cash contributions the Company shall issue up to 1,750,000 new ordinary bearer shares having a nominal value of EUR 0.01 per share and carrying full dividend rights as from 1 January 2007. The shareholders will be granted a statutory subscription right. The subscription price for the New Shares is EUR 1.10 per share.

1.1.2 Terms of the Offer and Offer Price

Terms of the Offer

Via its representative ACON Actienbank AG, Munich, Germany, the Company intends to publicly offer a total of up to 1,750,000 New Shares to the Company's shareholders for subscription in the context of their statutory subscription right during the period between November 27, 2007 (commencement of subscription period) and December 11, 2007 (end of subscription period), in the ratio 6:1, i.e. six Existing Shares grant entitlement to the purchase of one New Share. An extension of the subscription period is possible. The shareholders may make subscription offers going beyond their legal subscription right (oversubscription). However, the Company may restrict the amount of oversubscription.

Bankhaus Gebr. Martin AG, Kirchstrasse 35, 73033 Göppingen, Germany is acting as the subscription agent for this capital measure. The offering and subscription price is to be paid by the depositary banks and thus also by the shareholders by the end of the subscription period at the latest.

For calculating the number of subscription rights to which the shareholders are entitled, their respective shareholding by the end of November 26, 2007 shall be decisive. The subscription rights are generally transferable; however, no stock exchange trading in subscription rights will take place.

At the end of the subscription period, subscription rights that have not been exercised shall lapse and be struck off the books as worthless. No compensation shall be afforded for subscription rights that have not been exercised.

Shares not subscribed or oversubscribed by the original shareholders in the Company in the context of the subscription offer will be offered in private placements to selected investors in Germany and elsewhere. Shares will not be offered in the United States of America, Canada, Japan, Great Britain and Northern Ireland or to U.S. persons within the meaning of Regulation S of United States Securities Act of 1933, as amended from time to time ("Securities Act"). Individuals wishing to take advantage of the offer outside the Netherlands or Germany are requested to inform themselves about any restrictions in force outside the Netherlands and Germany.

Furthermore the already existing 10,500,000 shares of the Company will be offered publicly on the Open Market of the Frankfurt Stock Exchange, on the unofficial market ("*Freiverkehr*") of the Stuttgart Stock Exchange and of the Berlin Stock Exchange, and in the trading system XETRA.

Offeror, and therewith responsible for the Public Offer, is bioenergy N.V. In this context, ACON Actienbank AG, Munich, Germany, undertakes the technical bank transactions.

Offer Price

The offer price of the New Shares corresponds to the fixed subscription price and amounts to EUR 1.10 per share. The New Shares for which the subscription right has not been exercised will also be offered at this price in the context of the oversubscription and the private placement.

The offer price of the Existing Shares corresponds to the respective exchange quotation and is based on the supply and demand reflected in stock exchange bids. It is determined by the stock record leader in charge of fixing prices in accordance with the respective stock exchange regulations, the objective being to attain the best possible balance between purchase and sales orders.

Delivery

Subject to the Public Offer being extended, the delivery of the New Shares being offered shall begin after payment of the purchase price and the usual securities commission, probably as from December 20, 2007.

1.1.3 Timetable

For the implementation of the Public Offer by bioenergy N.V., the following schedule is planned:

November 21, 2007	Approval of the Prospectus by the Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i> , “AFM”)
November 21, 2007	Notification to the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> ; “BaFin”)
November 22, 2007	Publication of the Prospectus and the German summary on the Company’s homepage
November 23, 2007	Announcement of an indication regarding the publication of the Prospectus in the German <i>Börsen-Zeitung</i>
November 24, 2007	Publication of a notice announcing the subscription offer in the German <i>Börsen-Zeitung</i>
November 26, 2007	Publication of a notice announcing the subscription offer in the <i>Staatscourant</i> and in a daily newspaper with wide circulation in The Netherlands
November 27, 2007	Beginning of the subscription period for the shareholders / Beginning of the Public Offer
December 11, 2007	End of the subscription period for the shareholders
until December 17, 2007	Private placement of the New Shares that were not subscribed
December 17, 2007	End of the Public Offer
December 18, 2007	Publication of the volume of the capital increase on the Company’s homepage as well as in the German <i>Börsen-Zeitung</i>
December 20, 2007	Beginning of the delivery of the New Shares

It is pointed out that this timetable is provisional and subject to alteration. Modifications concerning the offer period will be published in a supplement to this Prospectus.

1.1.4 Restrictions of Sale

The Company’s Public Offer is restricted to the Netherlands and Germany. Outside Germany and the Netherlands the Offer Shares are not offered publicly, but only to individual institutional investors in the context of a private placement, not however in the United States of America, Japan, Canada, Great Britain and Northern Ireland, or to U.S. persons as defined in Regulation S of the Securities Act.

The Offer Shares are not and will not be listed either in accordance with the regulations of the Securities Act, or by the securities supervisory authorities of individual states in the United States of America. They will therefore neither be publicly offered nor sold there, nor directly or indirectly delivered there, except in application of an exception from the registration requirements laid down in the Securities Act. In particular this Prospectus constitutes neither a Public Offer nor a call to bid for the Offer Shares in the United States of America, and thus it may not be circulated there.

1.1.5 Admission to Trading on the Open Market

All the Company's shares have been admitted to trading on the unofficial market (Open Market) at the Frankfurt Stock Exchange since August 17, 2006. The New Shares of bioenergy N.V. will likewise be traded on the unofficial market at the Frankfurt Stock Exchange, and trading may also be done at the other German stock exchanges where the Company's shares are presently traded on the unofficial market. The stock market tier "unofficial market" and "Open Market" respectively is not an organised or regulated market pursuant to the Directive 2004/39/EC of April 21, 2004.

The Company has appointed VEM Aktienbank AG, Rosental 5, 80331 Munich, Germany, as its Designated Sponsor.

1.1.6 Lock-up / Agreements on Market Protection

No lock-up periods have been agreed in respect of the Company's Offer Shares. Agreements on Market Protection have also not been agreed upon.

1.1.7 Dilution

If shareholders do not exercise their subscription right or apply for New Shares in the context of the capital increase dated November 20, 2007 constituting the subject-matter of this Prospectus, then the actual dilution on full realisation of the capital increase in the amount of EUR 17,500 will amount to 16.67%, based on the Company's present issued share capital totalling EUR 105,000.

1.1.8 Reasons for the Public Offer / Use of Proceeds

The Public Offer of the New Shares is being made primarily to reinforce the Company's equity capital base, in order to finance the planned investments in the site located in Artern, Germany.

The Public Offer of all Offer Shares including the Existing Shares is to increase public awareness of the Company, expand its investor base, and strengthen the share's liquidity.

The total costs of the Public Offer including bank commission may amount to up to EUR 200,000 depending on the number of placed shares. The net proceeds of the issue of up to 1,750,000 New Shares will therefore add up to EUR 1,725,000, which shall accrue to the Company. The Company intends to use the net proceeds from this offering for the following projects:

- Expanding the production facility in Artern, Germany
- Expanding the Research & Development Division
- Expanding the Sales Division (foreign markets)

The Company will not accrue any revenues from the possible sale of Existing Shares, since the Company does not hold own shares.

1.2 Information about the Shares

The Offer Shares are ordinary bearer shares having a par value of EUR 0.01 per share.

All the shares carry full dividend rights as from January 1, 2007.

The Shares are transferable under the rules on transferring bearer shares.

The shares are documented in one or more global certificates which have been deposited with Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany.

The Company's paying agent is Bankhaus Gebr. Martin AG, Kirchstrasse 35, 73033 Göppingen, Germany.

International Securities Identification Number (ISIN): NL0000686582

German securities number (WKN): A0KETQ

Stock exchange code: B8S

1.3 Summary of the Risk Factors

Before deciding whether to buy shares in the Company, investors should carefully weigh up the risks involved. Certain risks which the Company deems particularly critical are described in the section "Risk Factors". These include amongst others:

1.3.1 Risks relating to the business

- The bioenergy Group's operations depend on two products. No experience has been gathered yet on these products' long-term operation under full load.
- As far as its liquidity and the funding of its business targets is concerned, the bioenergy Group relies in the medium term on business trends steadily improving, in particular its income position, and/or on the influx of borrowed capital or equity.
- The success of the Company's products and services mainly depends on renewable energy being subsidised by the state.
- So far, bioenergy's range of products and thus their field of application is still limited.
- Technical faults have occurred in the bioenergy installations in the past and may still do so in future, interrupting their continuous operation and causing economic losses.
- The bioenergy Group depends on just a few suppliers (technology firms).
- So far, the bioenergy Group has only a limited clientele.
- The products and technologies developed by bioenergy can only be protected to a certain extent, and in some cases not at all. There is no guarantee that patent applications already filed or filed at any time in the future will result in patents being granted, and if they are, that they will provide sufficient protection. Opposition may be made to the occurred transfer of patent applications, and third parties may contest the legal validity of the Company's patents or its ownership of them. Controlling and asserting patent rights generally incurs great expense. The Company could be obligated to pay additional consideration to further co-inventors of the three patent applications acquired from Dr. Martin or future patent applications or patents.
- Any further technological development of the bioenergy Group's products bears inherent risks. In particular, the product developments may fail and the economic investments may be lost.
- There are risks involved in bioenergy's business model, focussing on selling fully implemented energy projects to investors rather than selling bioampere® installations directly.

- The growth which the bioenergy Group is planning involves risks, in particular with regard to the organisation's internal structure, expanding the sales division, and financing.
- The planned expansion in production capacity involves risks, in particular with regard to the quality of the products, fault-free production processes, and investment risks.
- bioenergy's technology may be overhauled by a competitor.
- The market launch of the technology on which the plant developed by bioenergy is based could fail or be delayed.
- The bioenergy Group depends on its managerial staff and qualified employees. If employees leave, know-how may be lost or acquired by other market players. On top of this, bioenergy depends on finding new employees with appropriate qualifications.
- There is a risk of bioenergy infringing third-party intellectual property rights.
- There is a risk of third parties infringing bioenergy's intellectual property rights.
- The plans to internationalise bioenergy Group's business activities are not without risk.
- There is a risk of the bioenergy Group's insurance cover turning out to be inadequate in any particular case, and of the insurance premium being increased as a result of a claim. There is a higher risk of sustaining losses due to customers being partly co-insured over specific periods.
- There is a risk of accidents occurring at the Company's production facilities.
- The asset deal (including the assumption of liabilities) for acquiring the firm T&M Engineering GmbH and the one-man business Dr. Harald Martin T&M Consulting involves risks, in particular regarding possible write-off requirements and the integration of the firms' distinctly different organisational structures. Furthermore there is a risk resulting from the undertaking of bioenergy N.V. to secure the liquidity of T&M Engineering GmbH to exclude insolvency risks of T&M Engineering GmbH.
- Indirectly via investment companies, the sole Managing Director Ralph Brendler and the Chairman of the Supervisory Board Hannes Hofer are currently also the Company's main shareholders. In addition, Mr. Brendler and/or Mr. Hofer are currently also limited partners participating in the investment companies that buy and subsequently operate bioenergy's plant. Members of bioenergy N.V.'s Supervisory Board are currently managing the investment companies. This constellation could lead to a conflict of interests.
- Limiting bioenergy N.V.'s function to that of a holding company involves risks for the Company's shareholders.
- Buying real estate for the business involves risks.
- Rising costs in raw materials, e.g. due to substandard quality, delivery shortages or even non-delivery, and increases in the prices for the organic materials required could make it considerably more expensive to run bioenergy's installations, thus rendering them unprofitable.
- There is a risk of the Company wrongly assessing market developments, its customer's requirements, or competitors' behaviour.
- The competition which bioenergy faces could become tougher.

- The demand for bioenergy's products could decline for various reasons.
- There is a risk of the technology developed by the bioenergy Group failing to assert itself over other processes for using biomass for energy purposes.
- The existing legal framework governing the construction and operation of bioenergy plant could be made more stringent.
- With only few barriers obstructing market entry, new competitors could gain sizeable market shares in a very short time.
- Products, refuse or residues used in connection with the Company's products could be classified as health hazards, or actually turn out to be hazardous.

1.3.2 Legal and tax risks

- The legal dispute with Hügelland KG, Querfurt/Germany still exposes bioenergy GmbH to substantial risks that may even threaten the existence of bioenergy GmbH and therefore of the Group, because for the moment the parties only filed motions to put the legal proceedings on hold in the course of the agreed settlement process.
- There is a risk of claims for voidance and reversal of the asset deal involving T&M Engineering GmbH and the one-man business Dr. Harald Martin T&M Consulting. There is a risk that bioenergy GmbH may be liable for taxes of T&M Engineering GmbH and T&M Consulting accrued for the time period prior to the acquisition.
- Claims could be imposed on bioenergy N.V. based on the loans of up to EUR 7.176 million that have been granted to its subsidiaries of which (as at October 31, 2007) only a sum of EUR 0.990 million has been disbursed so far; bioenergy N.V. could find itself faced with claims exceeding its own liquidity. The loan amounts already extended to the subsidiaries could (partly) be ascribed the character of capital substituting equity which would result in the Company's claims stepping back behind the claims of other creditors in case of insolvency.
- bioenergy N.V. is exposed to the risk of claims of up to EUR 0.250 million being asserted on it under the letter of comfort issued to bioenergy GmbH.
- Existing official permits could be revoked, or additional approval requirements could be stipulated as a result of changes in statutory regulations. There is a risk of the Company violating national approval requirements in countries outside Germany.
- The bioenergy Group is exposed to risks created on assuming guarantees and product liability risks.
- The proprietor of the Community trademark "bioampere®" is Mr. Hannes Hofer. The proprietor of the internet domains www.be-sys.com, www.bioampere.com and www.be-sys.eu is also Mr. Hofer respectively his wholly-owned company Fontis Capital GmbH. There is a risk of the bioenergy Group no longer being entitled to use the Community trademark "bioampere®" and/or the internet domains, in particular 'www.be-sys.com' or only being entitled to use them against remuneration.
- Payments under the law on employees' inventions may fall due for protection-worthy inventions made in the bioenergy Group.

- German legislation on commercial agents may be applied to the self-employed sales staff working for the bioenergy Group, resulting in particular in compensation claims under sect. 89b of the Commercial Code.
- Audits by the tax office or by social security authorities could result in subsequent tax bills or in subsequent demands for social security contributions.
- As a result of its holding function, bioenergy N.V. could be denied the right to deduct input tax.
- For shareholders subject to full tax liability in Germany, there is a risk of additional taxes being levied pursuant to the German Foreign Transaction Tax Act (*Außensteuergesetz*).
- The financing costs of bioenergy GmbH and bioenergy project GmbH may rise because of the German corporate tax reform becoming effective January 1, 2008.

1.3.3 Risks related to the securities

- Prior to the capital increase, two major shareholders (who are controlled by the Managing Director of bioenergy N.V. Ralph Brendler respectively the Chairman of the Supervisory Board Hannes Hofer) hold approx. 79% of the shares and the voting rights in the Company, and even after the capital increase has been fully consummated they will still be in a position of exercising a dominant influence on all the main decisions taken by the general assembly – and thus on the Company itself and indirectly on the bioenergy Group as a whole – irrespective of how other shareholders vote. The interests of these major shareholders could conflict with those of the Company and also diverge from those of the other shareholders.
- The Company's two major shareholders are not subject to any restrictions regarding the sale of their shares. If the two major shareholders sell large numbers of shares, the stock exchange quotation for the Company could fall, making it more difficult for the other shareholders to sell stock and for the Company to raise capital in the future.
- There is no guarantee that the offering price can be realised if shares are sold.
- The public offering could be withdrawn, meaning that investors who have made short sales might find themselves unable to meet liabilities, or that investors who have bought subscription rights might suffer losses.
- bioenergy N.V.'s Management Board is entitled to issue shares in the Company's capital up to an amount of total 50 million shares, and at the same time to restrict or exclude the shareholders' subscription rights without limitation until 20 July 2011. This may lead to the shareholders' shareholdings being substantially diluted in future.
- The price for bioenergy N.V.'s shares could turn out to be volatile.
- It cannot be guaranteed that the shares are tradable.

1.4 Summary of the Business of the Company

1.4.1 History of the Company

The joint founders of the Company, Hannes F. Hofer and Ralph Brendler, have been working in the field of renewable energy for about 10 years. At their preceding company BioHara GmbH & Co. KG with its business seat in Germany, in which Hannes Hofer and Ralph Brendler were the sole partners, the first bioenergy projects were initiated as early as 2005. During the course of these projects, the entrepreneurs realised the huge economic viability of the process for solid particle gasification. They joined forces with Navigator Equity Solutions N.V., and through investment companies they set up bioenergy N.V. in July 2006.

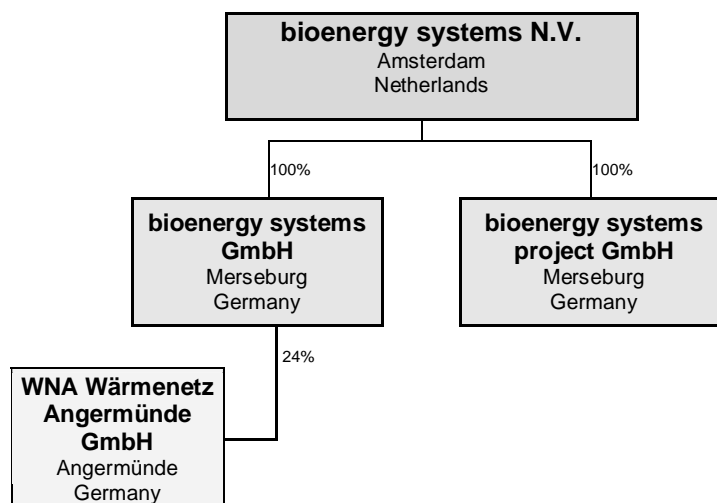
Through its subsidiary bioenergy systems GmbH that was incorporated in August 2006, the bioenergy Group was mainly initially occupied with projects for planning and developing bioenergy plants. bioampere®, the first complete plant that had been partly manufactured externally, was sold to an investment company in October 2006.

In November 2006, the bioenergy Group commenced work on its first heat contracting project, and in this context along with other partners it founded WNA Wärmenetz Angermünde GmbH, Angermünde/Germany.

In an asset deal in December 2006, bioenergy systems GmbH acquired assets from one of its technology partners - T&M Engineering GmbH based in Thuringia, and parts of T&M Consulting. At the same time it took over the entire staff, thus implementing the plan to expand bioenergy Group's operations to include plant construction and research and development. In March 2007 another subsidiary was founded - bioenergy systems project GmbH – which has taken over the project planning and marketing divisions. The Group has retained this existing structure to date.

1.4.2 Group Structure

bioenergy N.V. is a purely holding company. Operative business is carried out by the two subsidiaries bioenergy systems GmbH (also referred to hereinafter as “bioenergy GmbH”) and bioenergy systems project GmbH (also referred to hereinafter as “bioenergy project GmbH”).



1.4.3 Operations

The bioenergy Group develops, builds and distributes plants for exploiting bioenergy, focussing mainly on solid particle gasification. Business operations centre on marketing fully realised energy projects implementing bioenergy's plant technology, and selling them to investors rather than selling the plant directly. This range of activities is reflected in the Group's setup and structure, comprising the four following divisions:

- **Research & Development:** The R & D division works in particular on further developing technical aspects of plant systems in the market segment "solid particle gasification". Apart from scaling the plants' output, the Company primarily focuses research on examining the different degrees of quality and efficiency that emerge on obtaining energy from varying raw materials.
- **Plant Engineering & Construction:** The plant construction division has been in operation since the end of 2006. It covers the development and in-house construction of the bioampere® solid particle gasifier and the bioampere® block heat and power plant, as well as the further development of technologies for opening up new areas of use. At the existing plant construction site in Artern in Thuringia (Germany), there are plans to expand the factory currently producing small series.
- **Project Planning:** In the field of project planning, bioenergy project GmbH develops and plans projects and also assists with actually setting up bioenergy plants on a suitable site. The services provided here range from finding a suitable site to turn-key construction of the plant.
- **Heat Contracting:** In the field of heat contracting, bioenergy projects focussing on generating and marketing heat all year round are planned and carried out, specifically in line with local heating requirements. The target group here includes in particular institutions needing the greater part of their energy requirements in the form of heat, such as e.g. local authorities, hospitals, or big industrial or residential facilities.

Providing the entire range of relevant services rounds off these four divisions. The services offered include finding and developing sites, analysing prevailing conditions, reviewing economic viability, obtaining project rights, arranging approval procedure, developing a business model, constructing and setting up the plant, technical operation, and materials management.

Business Model

The bioenergy Group is involved in every stage of the value-added chain, from project planning and construction to actually managing facilities. As a plant constructor bioenergy GmbH supplies the hardware for the projects initiated, planned and implemented by bioenergy project GmbH. At the end of the project development phase, each new bioenergy product is sold to a customer, e.g. an operator in the form of an investment company or a single financial investor, and then put into operation. As a rule, bioenergy assumes technical management of the plant after its delivery. The bioenergy Group's customers currently mainly comprise financial investors, for the most part in the private sector. However, institutional investors are also showing an interest in bioenergy's plant.

Products

The bioenergy Group's facilities consist of two independent system units, which when combined form a complete bioenergy plant but which can also be run as stand-alone installations. Using a thermo-chemical process, the bioampere® solid particle gasifier produces synthesis gas from various biomass products. The

bioampere® block heat and power plant generates electricity and heat, for example using the synthesis gas produced by the bioampere®.

1.4.4 Strategy

The bioenergy Group's strategy is aimed at implementing its bioampere® gasification technology in the long term on the bioenergy market which the Company sees as an expanding market, and thus permanently positioning itself as a leading plant manufacturer commanding superior technology. Apart from this bioenergy is planning to increase the areas of use for its facilities, so as to take full advantage of all the possibilities for using bioenergy and open up the "waste to energy" field – i.e. treating domestic refuse for energy purposes as well as other residues having an organic origin.

The following measures are currently planned in order to achieve these strategic aims:

- **Expanding the sales organisation:** In this context, the Company is planning to intensify existing cooperations and establish project partnerships with potential suppliers of raw materials, in particular in forestry and agriculture. To this end, the bioenergy Group will continue to attend relevant trade-fairs and attract suitable projects.
- **Making the Company and its products and brands better known:** With specific marketing campaigns, the bioenergy Group is planning to increase awareness of the business and its products and to establish the bioampere® brand as a synonym for high standard plants for solid particle gasification in the bioenergy sector.
- **Extending production capacity:** In order to prevent the Company from losing its market position to a larger competitor, the bioenergy Group is planning to extend its production facilities so as to enable it to commence serial production of the plant and satisfy increasing future demand.
- **Increasing the product range:** So far, the bioenergy Group manufactures a bioenergy plant with an output of approx. 240 kWel. Facilities with greater or lesser output may be called for, depending on the specific project requirements. The Company is therefore currently reviewing its existing range of standardised products, aiming to supplement it with new variations that will enable it to efficiently carry out projects having varying dimensions and specifications.
- **Opening up new target markets:** The Company constantly analyses the domestic and foreign markets in order to open up new market segments and areas of use. In the renewable energy sector, this includes in particular heeding each specific country's statutory requirements and any changes in legislation affecting profitable operation of a bioenergy plant. With a view to the possibility of going international, countries where large expanses are put to agricultural use – such as the USA or numerous countries in Eastern Europe – are also interesting markets, offering prospects of vast growth potential in the bioenergy field, even if state subsidy schemes there have not yet reached Central European standards in terms of efficiency.

1.4.5 Competitive Advantages

The following features in particular distinguish the Company from its competitors:

- **Quality of technology:** The Company believes the - according to its own assessment - existing technological quality of the bioampere® solid particle gasifier and the bioampere® block heat and power plant, as well as its know-how in developing the technology of solid particle gasifier systems and the components they require, to be suitable to ensure the bioenergy Group a strong position on the bioenergy market in the long term.
- **Quality of management:** The Company benefits from an experienced and qualified management and lean management structures. In particular the Managing Director Ralph Brendler has long-standing experience both on the market for renewable energy and in rapidly growing businesses involved in energy technology, in particular energy suppliers.
- **Range of services:** The Company distinguishes itself from its competitors in that it is one of the few plant manufacturers operating on the market who offer complete solutions and have sufficiently extensive know-how, thus enabling it to cover the entire process of setting up and marketing a bioenergy plant
- **Research and development:** The R & D department currently has a staff of 24 involved in further developing plant technology, improving the energy efficiency of the raw materials available, and extending the range of raw materials.

1.4.6 Recent Development & Outlook

Whilst activities in the early months of 2007 largely featured optimising production procedures and increasing production capacity, the main focus in the 3rd quarter of the business year was on research and development as well as on actual plant construction. In order to increase the efficiency of the teamwork between the R & D and construction departments, to make better use of available synergy effects and to improve the structure of communications, the Company left its site in Bad Frankenhausen in August 2007 and moved the R & D division to the works in Artern.

In July 2007, after a short test phase at the works in Artern, one bioampere® solid particle gasification plant was delivered and finally assembled at its designated location on the site of a composting firm in Thuringia. It was accepted by the operator and has been successfully operating since then, producing electricity and heat from loppings (green-cut) from the surrounding communities.

A second bioampere® solid particle gasification plant that has also already been sold is currently in the test phase at bioenergy GmbH's works in Artern. As soon as all the tests for checking its operational reliability have been completed, this plant will also be delivered to its future operator and set up at its designated location. The Company is expecting to be able to deliver by the end of 2007.

Moreover, in recent months the bioenergy Group has succeeded in setting up a wide and reliable network of suppliers and component manufacturers. The management has already commented on the positive effects this has had on procurement standards. At the same time the sales department has been expanded and a nationwide network of distributors established.

In the management's view, the Company's positive trend will continue for the remaining business year 2007. Two main reasons are seen for this: for one thing, it reckons that efforts to develop the technology to the stage of market maturity have succeeded, for another several installations have meanwhile been delivered and put into operation.

Apart from this, the Company estimates that political factors – such as the planned revision of the EEG – also play an important role in the course business takes in the future. According to an announcement of the Federal Ministry of the Environment in Germany in July of this year and recommended by the BMU Field Report on the Renewable Energy Sources Act, dated November 7, 2007, the statute will probably retain its current structure. The Company takes the view that the planned amendments to individual provisions aiming to achieve greater energy efficiency will increase its plant's economic viability, and thus improve its position in terms of competition.

1.5 Selected Financial Information

1.5.1 Selected Balance Sheet Data

bioenergy N.V

	December 31, 2006 audited (in thousands of EUR)	June 30, 2007 unaudited (in thousands of EUR)
Total Non-Current Assets (Investment in group companies)	59	262
Total Current Assets	50	995
Total Assets	109	1,257
Shareholders' Equity	106	1,251
Total Current Liabilities	3	6
Total Liabilities and Equity	109	1,257

bioenergy Group

	December 31, 2006 audited (in thousands of EUR)	June 30, 2007 unaudited (in thousands of EUR)
Total Financial Assets	565	568
Total Fixed Assets	211	298
Total Current Assets	538	1,747
Total Assets	1,314	2,613
Shareholders' Equity	106	1,251
Total Non-Current Liabilities	50	71
Total Current Liabilities	1,158	1,291
Total Liabilities and Shareholders' Equity	1,314	2,613

1.5.2 Selected Profit and Loss Data

bioenergy N.V.

Period	July 18 – December 31, 2006 audited (in thousands of EUR)	January 1 – June 30, 2007 unaudited (in thousands of EUR)
Profit after taxes	- 3	5
Profit from Subsidiaries	9	153
Net Profit	6	158

bioenergy Group

Period	July 18 – December 31, 2006 audited (in thousands of EUR)	January 1 – June 30, 2007 unaudited (in thousands of EUR)
Net turnover	457	2,922
Cost of Sales	318	1,947
Gross Profit	139	975
Total Operating Expenses	128	744
Profit from Operations	11	231
Profit before tax	9	222
Profit after Tax	6	158
Weighted Average Number of Shares	5,000,000	5,250,000
Earnings per Share	EUR 0.001	EUR 0.03

1.5.3 Main Cash Flow Data

bioenergy Group

Period	December 31, 2006 audited (in thousands of EUR)	June 30, 2007 unaudited (in thousands of EUR)
Cash flow from operating activities	428	- 823
Cash flow from investing activities	- 782	- 129
Cash flow from financing activities	462	1,008
Net increase in cash and cash equivalents	108	56

1.5.4 Capital Resources

As per September 30, 2007, the liabilities of the bioenergy Group totalled EUR 0.682 million, of which EUR 0.590 million were current liabilities and EUR 0.092 million were non-current financial liabilities. As per September 30, 2007 there were no current financial receivables and no current financial debts. On September 30, 2007, bioenergy Group's liquid assets amounted to EUR 0.181 million

Bioenergy Group's equity totalled EUR 1.251 million on June 30, 2007 (December 31, 2006: EUR 0.106 million); this is equivalent to an equity ratio of 48% (December 31, 2006: 8%).

1.5.5 Statement on Working Capital

The bioenergy Group has been able to generate sufficient funds from operations and finance activities during the past period to meet its working capital requirements. The bioenergy Group has sufficient working capital to meet its present requirements for at least the next 12 months. Nevertheless there will be a cash flow deficit from time to time due to the gap between the pre-financing of projects and the delayed invoicing. The bioenergy Group expects to rely on a combination of cash provided by operations, cash on its balance sheet and external funds from related parties and banks to fund these temporarily deficits in the next 12 months. In addition the bioenergy Group also intends to use the proceeds from the Public Offer described in this Prospectus to finance its intended growth and investments.

1.6 General Information on the Company

1.6.1 Company's Incorporation, Corporate Name, Registered Office and Financial Year

bioenergy systems N.V. was incorporated on July 18, 2006. Its registered headquarters are in Amsterdam; its business address is Aalsterweg 181 A, 5644 RA Eindhoven, Netherlands.

The Company's financial year coincides with the calendar year.

1.6.2 Capital

The issued and paid up share capital of bioenergy N.V. currently amounts to EUR 105,000 and is divided into 10,500,000 bearer shares each having a par value of EUR 0.01.

The Company currently still has authorised capital amounting to EUR 395,000 divided into 39.5 million bearer shares. According to the resolution adopted by the Management Board on November 20, 2007, up to 1,750,000 new shares will be issued from the authorised capital.

1.6.3 Management and Supervisory Board, Auditors and Main shareholders

Managing Director: Ralph Brendler

Supervisory Board: Hannes F. Hofer (Chairman)
Robert Käß
Prof. Dr. Lutz Brendler
Eberhard Mayer

Auditors: DRV Accountants en Belastingadviseurs
Independent member of Moore Stephens International
Hoofdweg 52, 3067 GH Rotterdam, Netherlands

Main shareholders	Shareholder	Before capital increase (as per 15 November 2007)		After capital increase (in case of full consummation)	
		Shares	%	Shares	%
	Brendler Beteiligungs GmbH, Merseburg ¹⁾	4,188,000	39.88	4,188,000	34.19
	Fontis Capital GmbH, Munich ²⁾	4,081,167	38.87	4,081,167	33.31
	Free Float	2,230,833	21.25	3,980,833	32.50
	Total	10,500,000	100.00	12,250,000	100.00

1) Sole shareholder and managing director of Brendler Beteiligungs GmbH is the Managing Director of bioenergy N.V. Ralph Brendler.

2) Sole shareholder and managing director of Fontis Capital GmbH is the Chairman of the Supervisory Board of bioenergy N.V. Hannes F. Hofer.

1.7 Inspection of Documents

For the period of the validity of this Prospectus, the following documents relating to the Company and referred to in this Prospectus may be inspected during regular business hours at the premises of the Company at Aalsterweg 181a, 5644 RA Eindhoven, Netherlands:

- the Company's Articles of Association;
- the consolidated interim financial statement (IFRS) of the Company for the period January 1 to June 30, 2007, including the interim financial statement (IFRS) of the Company for the period January 1 to June 30, 2007 (unaudited);
- the consolidated financial statement (IFRS) of the Company for the financial year 2006, including the financial statement (IFRS) of the Company for the financial year 2006 (audited).

2 Risk Factors

Potential investors should read all risk factors described below and the other information enclosed in this Prospectus carefully and consider them on their investment decision before making a decision on the purchase of shares. The occurrence of these risks - separately or together with other circumstances – can considerably affect the business activity of the Company and have considerably adverse effects on the net assets, financial position and results of operations of bioenergy systems N.V. (hereinafter also “bioenergy N.V. or “Company”) as well as of the bioenergy Group. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risk. Moreover additional risks of which the Company is not currently aware or which the Company does not consider significant at present could likewise have a material adverse effect on the business of bioenergy N.V. and on its net assets, financial position and results of operations. If any of these risks stated below were to materialise it could have negative economical effects on the issuer or its securities and/or the market price of the shares could fall considerably and sustainably. In this case the investors could lose all or part of their investment capital.

2.1 Risks related to the Issuer

2.1.1 Dependency on a few Products without any long-term experience

The success and the future growth of the bioenergy Group depends considerably on the technical maturity and the marketability of both products of the bioenergy Group, the bioampere® solid particle gasifier and the bioampere® block heat and power plant in the current development stage. Regarding the full load operation of the solid particle gasifier respectively the block heat and power plant that is connected with high technical and physical risks the Company has no long-term experience. This being the case neither binding statements on the durability of the plant or one of it's components nor on its operational reliability or long-term efficiency are possible at the moment. Should it become apparent that the plants developed by the bioenergy Group can not be operated with the expected durability, reliability or efficiency, it would have significant negative consequences to the product acceptance and marketability of the plant and this would have considerably adverse effects on the net assets, financial position and results of operations of the Company and the bioenergy Group. A threat to the existence of the Company leading to the total loss of investments of the shareholders can not absolutely be excluded.

2.1.2 Corporate Financing und Liquidity

The bioenergy Group recorded a negative cash flow from operating activities in the first half-year 2007. Bioenergy succeeded to maintain its liquidity in the past by a capital increase as well as shareholder loans. The Group also assumes that the financing of the current operative business is secured for a period of at least 12 months after publication of this Prospectus. Nevertheless, with regard to its liquidity and the realisation of business objectives in the near future bioenergy is reliant on a considerable and sustainable improvement of the business development, especially of the result situation and/or the acquisition of committed assets or further equity capital. However, it is not secured that the bioenergy Group will succeed in the future in generating sufficient surplus from its operative business activity or to obtain committed assets or equity capital at the necessary amount to cover its financial requirements. In this context it cannot

be guaranteed, that the determined capital increase of up to 1,750,000 shares can be fully placed and that the proceeds of the issue generate the intended amount. If the expected positive business development will not occur and the respective need for financing is not met, a threat to the existence of the Company will emerge, which means the shareholders could lose all of their investment.

2.1.3 Risk of the dependency on the promotion of renewable energies

The success of the products and services of bioenergy essentially depends on the promotion of renewable energies. The sales market for the products of the bioenergy Group could diminish substantially or even vanish without the current political and legal framework, which envisages a purchase guarantee and fixed price guarantee for the operators of bioenergy plants, and guarantees the access to the existing electricity and gas networks. This applies even more because as things are now the generation of electricity and heat from customary, fossil energy carriers still requires less work and is more cost-effective than from regenerative sources. Regulations which are comparable to the EEG also exist in several other countries of the European Union owing to European stipulations. The regulations concerning the promotion of renewable energies, which are applicable in these countries, are also of major significance for the success in these countries. A change in the European or national stipulations, such as e.g. a reduction in the feed-in charges, the introduction of fees for using the electricity and gas networks or the lapse of the whole basic conditions could therefore have negative implications on the demand for the products and services of the bioenergy Group. Therefore, depending on the scope of possible changes the operation of a bioenergy plant, in particular of bioenergy plants of bioenergy, could prove to be uneconomical in future and other forms for energy generation more lucrative. A substantial impairment of the net assets, financial position and results of operations of the Group, which could result in the Company becoming insolvent, cannot be excluded under such conditions.

2.1.4 Risk of the Limited Field of Application for the Products

The plants of the Company cover currently a defined power spectrum of an electrical and thermic output of approx. 240 kW. Making an attempt to open up new sales markets the Company could come across external factors and general conditions that do not allow an economical operation of its products. Under economical aspects an adaption of the plants on the requirements of a new market could be risky and accomplished only under the assumption of a high financial risk. This could make the access to new markets extremely difficult. In this case negative implications on the net assets, financial position and results of operations of the Company and the bioenergy Group cannot be excluded.

2.1.5 Risk of Technical Deficiencies

In the past malfunctions occasionally occurred, which interrupted the continuous operation of the plants and caused economical losses. Future malfunctions cannot be excluded. If the products manufactured by the Group do not meet the requirements the production must possibly be stopped until the cause of defect is identified and things are put right. Besides it can not be excluded that the technical deficiencies that became known lead to sales difficulties and damage the reputation and the image of the bioenergy Group.

As a consequence, a loss of reputation can lead to a damage of the product acceptance and constrain the business activity sustainably. Besides it cannot be excluded that malfunctions entail claims for indemnification, which affect the net assets, financial position and results of operations of the Company considerably and may - worst case - lead to the insolvency of the Company.

2.1.6 Risk of Dependency on Suppliers

Due to the modular construction of the bioampere® solid particle gasifier and the bioampere® block heat and power plant the Group is considerably dependent on the supply of high-quality, prefabricated components in required quantities and on target dates by its suppliers. At the moment the circle of suppliers consists of few technology companies, so that switching to another supplier on short notice might not be possible. In the case of an increased order situation of the bioenergy Group the supply with the components urgently required for production could be delayed. Subsequently plants already sold within specific projects will possibly not be completed in due time and because of delayed installation of the plants contractual penalties may become due. It cannot be excluded that delivery obligations arise from already agreed delivery contracts at a time, at which the construction of the already ordered plant in due time cannot be guaranteed because of delayed supply with components. The resulting consequences could have considerably adverse effect on the net assets, financial position and results of operations of the Group and the Company.

2.1.7 Risk of a Limited Clientele

The customers of the bioenergy Group are momentary limited to a small group of mainly private investors organised in 'customer companies'. Up to know the members of the Management and Supervisory Board of the Company were also always shareholders in the customer companies. The bioenergy Group is reliant on the future extension of its clientele to gain sufficient sales of its products. It cannot be guaranteed that bioenergy will succeed to do so sufficiently, which would have negative effects on the business development and the net assets, financial position and results of operations of the bioenergy Group.

2.1.8 Risk of Missing or only Limited Protection of Own Product Developments and Product Technologies / Risk of additional consideration or costs

The Company endeavours to protect its new products and technologies in all important geographical markets, in particular Germany and within the EU, by patents. Presently, the Company owns three patent applications. There is no warranty that patents are granted on the basis of these already filed patent applications or future patent applications or that the Company is able to develop marketable products on the basis of patented inventions. In particular the current application procedures could not result in granting of the applied patents or the assignments of the applications to the Company could be contestable. The granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary and desired to offer a protection against third parties or to ensure competitive advantages to the Company. Furthermore it cannot be totally excluded that the Company may be obligated to pay additional consideration to further co-inventors of the three patent applications acquired from Dr. Martin or future patent applications or patents. Every single point could have considerably adverse

effects on the net assets, financial position and results of operations of the Company and the bioenergy Group.

In countries in which the Group's products or technologies are not protected by patents the Company has no exclusive marketing rights for its products. With missing patent protection the Company is possibly not able to generate turnovers to cover its development costs or to generate a sufficient profit. It is also possible that third parties arraign the legal validity of the patents of the Company or its ownership. The patents would be cancelled or could not be used any more. The loss of an important patent for the products and technologies of the Company can lead thereto that the competitors can use the corresponding technology unrestricted and without paying of a consideration (licence fee) to the Company. Attempts of competitors to sidestep the patents of the Company could also affect the turnover of the Company negatively.

The enforcement of claims on patents rights is unsure. Technical and legal questions could be very complex in this field. Patent disputes are often to be clarified only within the framework of an extensive lawsuit. In some countries the enforcement of patent rights is linked with immense insecurity and lengthy proceedings. Furthermore, due to its limited personnel resources the Company is not able to observe the market comprehensively and to check all competing products in respect of infringement of patents of the Company. As a result the Company cannot ensure that it can effectively acquire, defend or enforce its patent rights in the European Union and other countries, in which patents were applied for. This could have considerably adverse effects on the net assets, financial position and results of operations of the Group.

The Company intends to apply for patents only at the European Patent Office and to make an application according to the Patent Cooperation Treaty ("PCT") only after a further analysis of the value of the invention and the prospect of granting the patent under exhaustion of the period of priority. Because of the period of time that lies between the application of the patent and the PCT-application in some legal orders the Company could be denied the protection by patent for own application, for example, if meanwhile within its period of priority similar patents were already applied for by third. The lack of protection by patent in core countries, in which the Company will market its products in the future can immensely derogate the marketing and the protection of the technology of the Company and have substantial negative implications on the net assets, financial position and results of operations of the Company.

2.1.9 Risk of Technological Development of the Products

The bioenergy market is subject to a high innovation pressure. To assert and to stabilise the market position of the Company and the bioenergy Group for a long term a permanent development of the products concerning effectiveness, raw material and energy efficiency as well as overall efficiency on the generation of electricity and heat is necessary. In respect of the marketability of future technological developments and product innovations no reliable statements are possible at the moment, so that the success of the product development is not guaranteed. Furthermore, the bioenergy N.V. cannot guarantee that the launching of new products will succeed or the further development of the products can be distributed into the appropriate market segment. For the further development of the bioampere® plant technology high capital appropriations must be provided and the personnel capacities of the Research and Development Department must be retained over the next years. Nevertheless it is possible that the product development could technically fail or reach the boundaries of economical feasibility. In this case the financial expenses for the development work is opposing to no income, which can not respectively not

shortly be compensated as bioenergy generates its income mainly with the two products bioampere® solid particle gasifier and the bioampere® block heat and power plant. Every single point could have considerably adverse effects on the net assets, financial position and results of operations of the Company and the bioenergy Group.

2.1.10 Risks Connected to the Business Model of the Company

The business model of the bioenergy N.V. does not include the direct distribution of the bioampere® plants, but the marketing of complete realised energy projects, that are equipped with the plant technology of the Company, and their sale to investors. In this context the Company is dependent on finding locations, that are suited for the construction of bioenergy plants, as well as investors, that are willing to invest their capital in such kind of project for the long term. As the bioenergy market is agrarian-oriented and many agricultural companies plan to put up own bioenergy plants, this business model could prove not sustainable for the medium or long term. Considering the turnovers connected to the power input into the public grids and the sale of heat, few and fewer agriculturists could shrink away from the financial risk, that is basically linked with the construction and operation of an own bioenergy plant in the future.

Should this development continue it cannot be ensured, that the business model so far will endure for the long term. If the Company is not able to expand the business model in this case by the direct distribution of its plants the market share relating to direct distribution may be lost for bioenergy. Both factors are able to have adverse effects on the net assets, financial position and results of operations of the Group and the Company.

2.1.11 Risks in connection with the growth of the bioenergy Group

In the course of the planned growth of the bioenergy Group it is necessary for the Company to adjust its internal organisation structures to the growth and the increasing complexity of the business activity. Affected by this are in particular the units of accounting and cost accounting, controlling and risk management, Human Resources management and employee training as well as Investor Relations. It cannot be excluded that the existing risk management system of the bioenergy Group will prove to be insufficient in future. Moreover, the expansion of production requires the expansion of sales and distribution and project planning. Insofar as bioenergy N.V. does not succeed in reasonably further developing its internal organisation and information structures, this could lead to a false assessment of risks and trends or to the Company's failure to recognize negative developments in time. Defects in the sales structure and project development would be suitable for preventing the growth of the Company. These factors could have negative implications on the development of the business activity and accordingly on the net assets, financial position and results of operations of the bioenergy Group.

Moreover the bioenergy Group requires substantial financial funds in order to implement its growth strategy, in particular initially in connection with the planned expansion of the production location in Artern/Germany. For this purpose the Company resolved to issue up to 1,750,000 new shares for an issue price of EUR 1.10 per share. Whether and to what extent the Company will succeed in procuring sufficient financial funds on the capital market depends on the one hand on the net assets and financial position as well as the

Company's situation with regard to operating results and on the other hand on the actual market situation as well as the general situation on the financial markets. It cannot be guaranteed that bioenergy N.V. receives the necessary financial funds in time, in the required volume and at reasonable conditions. As the products of bioenergy are so far only sold within the framework of complete projects and not as individual plants, the incoming payments from the operational business are subject to large fluctuations in terms of time and quantity. For the afore-mentioned reasons there is the risk that the Company will not be able to realise its growth plans, in particular the planned expansion of capacity, or not in the intended time frame. Financing bottlenecks could thus also place considerable pressure on other business units, such as e.g. the Research and Development work of the Company and substantially impair the competitive situation. This could have negative implications on the net assets, financial position and results of operations of the Company.

2.1.12 Risk of the planned expansion of production capacity

The two standard products of the bioenergy Group, the bioampere® solid particle gasifier and the bioampere® combined heat and power plant, can currently only be produced in low numbers of units owing to the existing production capacities. In order to increase production capacities the Company is planning to expand and extend the existing production location in Artern/Germany in order to adjust it to the conditions of a serial production. So far bioenergy N.V. still has no experience in this respect so that when increasing the numbers of units there is the risk that the quality of the products will decline or the products will not be available in time owing to defects in the production flow. In addition, there may be breakdowns or interferences in the run-up to the extension phase or already when expanding the location, which delay the current operation. In addition, there is an investment risk as a result of budget overruns and delays in completing the conversion measures. Problems with the transition to serial production could weaken the competitive position of bioenergy N.V. and have a negative effect on the development of the business activity. In this case negative implications on the net assets, financial position and results of operations of the Company and the bioenergy Group cannot be excluded.

2.1.13 Risk of the deterioration in the position on the market

The products of the bioenergy Group serve to generate gas, electricity and heat from biomass. They differ from the customary, now relatively widespread biogas plants owing to the technical principles upon which they are based and the possibilities for their use. The market in the field of solid gasification, the process used by bioenergy, is according to estimates of the Company hardly saturated at present still, however is expected to be controlled by the company that can build up a head start in technology through research and product development. In the event that the Company should be overhauled by a competitor, from a technological point of view, this could have a long-term negative effect on the net assets, financial position and results of operations of the bioenergy Group.

2.1.14 Risk of the delays or the failure of the market launch of technology

The bioenergy plants developed by bioenergy concern products of which the technology, upon which they are based, was so far primarily used in university operation. First plants in real operation have in fact been installed, however, have not yet been running long enough in order to be able to draw conclusions about their long-term suitability. Certain applications have not been tested yet or only in test series. This applies in particular to the use of various biogenous solids, the processing of which has not yet been successful or only partly successful. Here there is still a need for research and development. Setbacks in this field could delay the readiness of future plants for the market and could lead to the fact that bioenergy cannot market the relevant products or only with substantial delay, which on the other hand could be associated with sales difficulties. This could lead to substantial negative implications on the net assets, financial position and results of operations of the Company and the Group.

2.1.15 Risk of the dependency on management personnel and persons in key positions as well as the loss of know-how

The success of the bioenergy Group depends to a large extent on qualified executives and employees. Besides the Management Director Ralph Brendler these are above all the employees in the research and development department, as well as in sales and distribution, who have a decisive effect on the business development particularly in the current development phase of the Company. Furthermore, the members of the Supervisory Board, in particular Mr. Hannes Hofer, and external consultants such as Dr. Harald Martin considerably contribute to the success of bioenergy. Should the Company lose executives or employees in key positions or competence carriers from the field of research and development the resulting loss of know-how and personal business contacts could have a negative effect on the business activity of the Company. If a sufficient number of competent employees could not be found in time in such a case, the ability to take action and the competitiveness of bioenergy N.V. would be restricted. Further, there is the risk that know-how which is relevant for the market could be obtained by other participants on the market through former employees, which could leave to an aggravation of the competitive situation. Owing to the increasing competition there is moreover the risk that qualified employees are poached from competitors or it will not be possible to recruit a sufficient number of suitable employees. It is not guaranteed that the Company will succeed in keeping its executives and other employees in key positions to the present terms and conditions. The same applies to the acquisition of new employees with corresponding qualifications, in particular in the field of research and development. This could mean that bioenergy N.V. is not able to implement technological developments, market the results of projects or achieve financial targets. These factors could have substantial negative effects on the net assets, financial position and results of operations of the Company and the Group.

2.1.16 Risk of the infringement of industrial property rights of third parties

Despite conducting patent research certain processes or products of the Company could infringe patents, of the existence of which the Company was not aware. It is also conceivable that patents or patent

applications of third parties with a prior rank, cover the products and technologies already produced and marketed by the Company, as patent applications are subject to secrecy until they are disclosed in many countries. Third parties could assert claims against the Company in court after the patent is granted, through which substantial costs are incurred and the Company could be ordered to pay damages and to cease and desist from infringing the patent.

In order to avoid such claims of third parties the Company could decide or be obliged to acquire licences for the used technology from third parties. This could result in the payment of substantial licence fees. Should no agreement be reached about these licences there would be the threat of lawsuits. Should it not be possible for the Company to acquire licences at acceptable conditions, the Company could be substantially impaired in marketing its products and important sales markets remain blocked. A further conceivable consequence of an infringement of patent by bioenergy is that bioenergy would be forced to change its production to the extent that the patent rights of third parties are no longer infringed. This could, insofar as at all possible, be expensive and time-consuming. In addition, there is the risk that the brands used by the Company affect rights of third parties, which can lead to claims for cease and desist and damages. Each of the circumstances described could have a substantial negative effect on the net assets, financial position and results of operations of the Company and the Group.

2.1.17 Risk of the infringement of industrial property rights of bioenergy by third parties

Even if the Company receives patent protection for its products and technology, competitors could infringe or circumvent the Company's patents. Insofar as the Company takes legal steps against this, it can lead to lawsuits which last for many years and which require a substantial amount of costs and a lot of time. Management as well as research and development resources are tied to the Company for the duration of such a lawsuit and the costs of the lawsuit have to be financed. Owing to the still small size of the Company it would be at a disadvantage compared with an opponent which has greater financial and human resources in such proceedings. This could have a substantial negative effect on the net assets, financial position and results of operations of the Company.

2.1.18 Risk of the planned internationalisation of the business activities

The strategic approach of bioenergy N.V. to also internationalise the business activities in future and in particular to establish itself on the markets in Europe and the US could involve a host of risks, which have to be examined separately for each individual country. They are in context to general basic economic, legal, fiscal and political conditions, with regulatory requirements, the respective patent situation and the necessity to comply with a multitude of foreign laws and regulations. The complexity of the bundle of regulations, which are to be complied with, can lead to delays in commissioning particularly with regard to the erection of a bioenergy plant. Bioenergy cannot guarantee that an operating permit will be granted despite careful planning for each project. It is possible that the satisfaction of local market requirements and the thus associated development of specific marketable products will only succeed by investing a substantial amount of time and money. Further, it cannot be excluded that the bioenergy market is seen

under a different light in other countries and receives little public support, in particular no public subsidies. Against this background a future internationalisation of bioenergy N.V. and the penetration into foreign markets could prove to be difficult and have substantial negative implications on the future business development and thus on the net assets, financial position and results of operations of the Company.

2.1.19 Risk of insufficient insurance cover

The bioenergy Group has taken out insurances for certain damaging events and claims for damages, which can occur in connection with its business activity. Such damages involve high costs, as well as the defence of claims for damages and their settlement. The Company may not be in the position to maintain its insurance cover at reasonable financial conditions. Moreover, the insurance cover could prove to be insufficient in an individual case and insurance costs could rise as a result of a damaging event. Should the Company be forced to accept unreasonable conditions with insurances or should damages be suffered, which are either not or not fully covered by existing insurances, this could have substantial negative implications on the net assets, financial position and results of operations of the bioenergy Group.

The Company has not taken out any pecuniary damage liability insurance (so-called D&O insurance; *Vermögensschadenhaftpflichtversicherung*) for the members of the Management Board and the Supervisory Board. In case of possible claims for damages against the members of the Management or Supervisory Board the Company is therefore dependent on the assertion of claims against the person(s) concerned itself/themselves and cannot take recourse to a corresponding cover by an insurance which, insofar as the Management or Supervisory Board member concerned is not solvent, can have severe negative implications on the net assets, financial position and results of operations of the Company and in the worst case result in the Company becoming insolvent.

The customers of bioenergy (operator company or financial investor) are as a rule partially included in the insurance cover of the insurances taken out by bioenergy until the plant is handed over. This can increase the probability of occurrence of damaging events - under certain circumstances combined with an increase in the insurance premiums - and accordingly have negative implications on the net assets, financial position and results of operations of the bioenergy Group.

2.1.20 Risk of industrial accidents

There is the risk of industrial accidents occurring in the production plants of the Company and that employees are injured and plants are damaged. Heavy and unmanageable machines are used in the production hall through which an increased accident risk has to be assumed and increased demands are to be made from labour safety measures. It cannot be excluded that the accident risk will continue to rise with the transition to planned serial production.

Accidents could result in substantial claims for damages against the bioenergy Group, which may not in any event be covered by insurance. If the Group does not succeed in guaranteeing a safe and to a large extent

accident-free production, this could have substantial negative implications on its net assets, financial position and results of operations.

2.1.21 Risks in connection with the acquisition of the business operation of T&M Engineering GmbH and T&M Consulting

Bioenergy systems GmbH (hereinafter also referred to as “bioenergy GmbH”) acquired the business operation of T&M Engineering GmbH and the sole proprietorship Dr. Harald Martin T&M Consulting through the take-over of the essential assets (including liabilities) with the purchase contract of 8/10 December 2006.

The new organisation structure of bioenergy GmbH which was produced through the asset deal and the take-over of the employees is still being set-up in part. It cannot be guaranteed that bioenergy will succeed in quickly integrating various operational organisation structures. The amalgamation of several divisions with deviating corporate cultures poses risks, which could have negative effects and could hinder the integration process. Furthermore, risks combined with the enterprise and that have not been recognized so far may occur or extraordinary depreciations may become necessary. Substantial and – as the case may be – existential negative implications on the net assets, financial position and results of operations of bioenergy GmbH and thus the whole bioenergy Group cannot be excluded in these cases.

In connection with the acquisition of the businesses of T&M Engineering GmbH and T&M Consulting bioenergy N.V. undertook with agreement dated November 28, 2006 to secure the liquidity of T&M Engineering GmbH to exclude any insolvency risks of T&M Engineering GmbH. It cannot be excluded that bioenergy N.V. will be held liable in connection with this undertaking which could have a substantial negative impact on its net assets and financial position.

2.1.22 Risk of conflicts of interests

The only Managing Director, Ralph Brendler, and the Chairman of the Supervisory Board, Hannes Hofer, are currently also principal shareholders of the Company indirectly through holding companies. In addition, Mr Brendler and/or Mr Hofer currently also participate as limited partners in the investment limited partnerships, which acquire and subsequently operate the plants of bioenergy (customer companies). The management of the investment limited partnerships is currently exercised by Supervisory Board members of bioenergy N.V. Owing to these constellations there may be conflicts of interest with the stated persons between their obligations as members of the Management or Supervisory Board of bioenergy N.V. and their private interests as shareholders of the Company or as shareholder-managing directors of the investment limited partnerships.

2.1.23 Risk of the holding structure

Bioenergy N.V. has no own business operation and is dependent on the inflow of funds from capital measures or on profit distributions of the subsidiaries with regard to its financing. It cannot be ensured that

sufficient liquid funds can be raised through capital measures in future or that sufficient profit distributions are carried out. This could lead to liquidity bottlenecks on the level of bioenergy N.V.

As the business operation is exclusively carried out in the subsidiaries the shareholders of the Company only participate indirectly in the assets and operating results of the bioenergy Group. There is no automatic transfer of profits to bioenergy N.V. in the absence of contractual agreement. A corresponding distribution resolution is respectively required at the subsidiaries with regard to the profit distributions to bioenergy N.V., upon which the shareholders of the Company have no influence.

On the other hand the Management Board of bioenergy N.V. could dispose of the operational subsidiaries and thereby of the business of the Group without adequate consideration which would severely affect the position of the shareholders of bioenergy N.V., in particular in case they have no or no enforceable claim for damages against the respective member of the Management Board.

2.1.24 Risk from the acquisition of properties

As the owner of business properties claims could be asserted against the bioenergy Group both by authorities under public law as well as by third parties under civil law in the event of ground or ground water contamination under the aspects of causing party (*Verursacher*) or party causing the interference to the condition (*Zustandsstörer*). It can not be totally excluded that the real estate in Artern purchased by bioenergy GmbH has contaminated sites that have not been detected yet and that can only be disposed of with high expenditures. Each of these events could have negative implications on the net assets, financial position and results of operations of the bioenergy Group.

2.1.25 Delivery bottlenecks or price increases with raw materials recycled for energy recovery

The bioenergy plants of bioenergy require organic material (e.g. wood or straw) as energy carrier. Their procurement could prove to be difficult if there are harvest losses due to weather conditions or other external circumstances that result in a shortage of organic material which can be recycled for energy recovery or if quality defects were to be determined with the raw materials. In addition, there could be delivery bottlenecks or losses, if agricultural cultivated areas were to be used for cultivating other raw materials, which are not suitable for operating a bioampere® plant, however secure higher income for the farmer. An increase in the costs for raw materials could substantially increase the costs for operating the plant and thereby influence its cost-efficiency which could in an extreme case render it impossible to sell respectively to find investors for the bioenergy projects. Against this background bioenergy N.V. cannot guarantee that the bioenergy projects can always be sold or distributed with the planned profit margins. Should this circumstance arise it cannot be excluded that it will have substantial negative implications on the net assets, financial position and results of operations of the Group.

2.1.26 Risks of the sales market development

Bioenergy plants for generating electricity based on the solid gasification are a comparably young product and have only been exploited commercially for the last few years. Only rudimentary key figures such as regarding the size of the market, growth rates, revenue development, market segments or market participants can be published as there are hardly any reliable surveys and objective forecasts of industry and trade associations or market research institutes and the own experience does not allow any conclusions to be drawn.

Therefore, bioenergy N.V. is to a large extent dependent on its own analyses when identifying potentials for growth. Strategic investments or corporate decisions could prove to be wrong should the Company make a mistake in its estimate of the market development, the demands of its customers or the behaviour of the competitors. This could have substantial negative implications on the net assets, financial position and results of operations of the Company.

2.1.27 Risk of competition which is becoming more and more intensive

Market participants, whose products serve another service area, another target group or another market and who currently do not compete directly with bioenergy, could change their strategy and attempt to establish themselves in the market environment of the Company. Thus, for example companies, which previously operated in a completely different segment of renewable energies or the energy market to a broad extent, could change their orientation and penetrate into the bioenergy market. Particularly large companies and energy groups with their networks and human as well as financial resources would have the capability to occupy important market segments with rival offers within a short period of time and pose a risk for the market position of the bioenergy Group. This could have substantial negative implications on the net assets, financial position and results of operations of the Group.

2.1.28 Risk of the fall in demand

It cannot be completely excluded that the current mood, which in the opinion of the Company is mainly positive, changes and bioenergy plants are subjected to criticism owing to possible side-effects which may occur, such as e.g. noise or smells. In addition, a possible occurring agricultural monoculture could supply further arguments against an expansion of the use of biomass as an energy source and thus harm the positive image of bioenergy in the long-term. In the most unfavourable case this would involve a fall in demand and could have substantial negative implications on the net assets, financial position and results of operations of bioenergy N.V. In particular a change in the interest level on the capital markets could also have negative implications here as buyers of the plants offered by the bioenergy Group are mainly financial investors and could choose other investment products in the event of a sustainable change in the interest level.

2.1.29 Risk of the inability to assert the technology developed by the bioenergy Group

Owing to its structural conditions the bioenergy market offers a broad range of possibilities to use biomass for energy recovery. Just as varied as the offer of organic raw materials are the technological processes for their energy recovery. Bioenergy is aware that there are competitors which have developed similar technologies for generating electricity and heat from biomass and produced these ready for launch on the market. There is the possibility that these are superior to the plants of the bioenergy Group in individual technical details. The marketable technology of a competitor could prove to be more efficient and cost-effective and mean that the products of the bioenergy Group can no longer maintain their position on the market. This would have substantial negative implications on the net assets, financial position and results of operations of the Group.

2.1.30 Tightening of basic legal conditions

The building and operation of a bioenergy plant is subject to statutory regulations. It cannot be excluded that a change in these regulations, in particular in Germany will have negative implications on the net assets, financial position and results of operations of the bioenergy Group.

2.1.31 Risk of the intensification of the market and competitive conditions

The bioenergy market is a comparably young market, which is just at the beginning of a growth phase. The Company expects that the growth will also continue in future. However, with the increasing professionalism in the industry and progressive proficiency with regard to the technologies the competitive situation will also become more acute. Companies, which only invest a small amount or no capital into research and the plant development, could enter the market with aggressive price policies and intend to profit from the financial benefits of that scientific engagement. As the barriers for entry onto the market are not high, new competitors could win substantial market shares within a short period of time insofar as they offer their customers much more favourable conditions. Particularly large energy groups or their closely cooperating plant engineering companies could, if the trend towards environmentally-friendly energy systems continues, quickly establish themselves on the market and develop into serious competition. Against the background that the energy providers are also as a rule the network operators in Germany, this effect could quickly have negative implications on the business activity of the Company. Should this be the case and the demand for products and services of bioenergy fall in the long-term this could have substantial negative implications on the net assets, financial position and results of operations of the Company and the bioenergy Group.

2.1.32 Risk of the classification as being a health hazard or harmful to the health

Exhaust gases can be produced in the gasification of biogenous solids, which are classified as dangerous or pose a health hazard. It cannot be excluded that products or waste and residual materials when using products of bioenergy, which are currently not deemed to pose a health hazard, are classified differently in

future. It can further not be excluded that there may be health impairments, in particular with faulty applications, for which the Group may not be responsible, owing to so far unknown product features or however contamination which occurs over the course of the production process. Should these risks occur and the Group be liable for corresponding impairments or damages or should this also only be claimed accordingly the revenues with these products would be impaired and there could be substantial negative implications for the Group's reputation as well as on the net assets, financial position and results of operations.

2.2 Legal and tax risks

2.2.1 Risks from the lawsuit with Hügelland KG

Hügelland KG, Querfurt, has filed an action against bioenergy GmbH for damages in the amount of around EUR 500,000 owing to the delayed delivery of an energy generation plant. In addition, it has filed a motion for the declaration that bioenergy GmbH also has to reimburse all damages Hügelland KG suffers in future through the late delivery of the plant which was contrary to the contract. With regard to the asserted claim for damages Hügelland KG has obtained an arrest order over the assets of bioenergy GmbH. In October/November 2007 the parties entered into a settlement agreement according to which bioenergy GmbH is obligated to pay to Hügelland KG the amount of EUR 320,000. After payment of the first instalment in the amount of EUR 220,000 and providing of a guarantee of bioenergy N.V. for the remaining amount of EUR 100,000 both parties filed motions to put the legal proceedings on hold until complete fulfilment of the settlement agreement by bioenergy GmbH. It cannot be guaranteed that the settlement agreement will be fulfilled and all actions and lawsuits against bioenergy GmbH be withdrawn. Therefore it cannot be guaranteed that the abovementioned lawsuit with Hügelland KG has finally been brought to an end and that the court of jurisdiction will not sentence bioenergy GmbH to the asserted and future compensation payments. The amount of future compensation can neither be put into figures at present, nor limited in terms of amount. However, the amount asserted so far of around EUR 500,000 less the already paid amount of EUR 220,000 would already lead to a substantial impairment of the liquidity of the Group, which worst case could be followed by the Company becoming insolvent, and have essential negative implications on the business position and net assets of bioenergy GmbH and thus also the bioenergy Group. Higher compensation payments would threaten the existence of bioenergy GmbH and therefore of the Group, which could result in the total loss of the investment for the shareholders.

2.2.2 Risk from the purchase contract with T&M Engineering GmbH

Bioenergy GmbH acquired the business operation of T&M Engineering GmbH and the sole proprietorship Dr. Harald Martin T&M Consulting ("T&M Consulting") through take-over of the essential assets (including liabilities) with the purchase contract of December 8/10, 2006. As a result of the take-over bioenergy GmbH may be liable for taxes of T&M Engineering GmbH and T&M Consulting accrued for the time period prior to the acquisition.

Furthermore it cannot be completely excluded that the purchase contract will be contested by a creditor of T&M Engineering GmbH or Dr. Harald Martin T&M Consulting owing to creditor discrimination. In the event of insolvency of T&M Engineering GmbH there is moreover the possibility that the liquidator will contest the purchase contract. A reverse transaction of the contract would remove the business basis for the bioenergy Group and accordingly have essential negative implications on the business activity and on the net assets of bioenergy and could possibly lead to the fact that bioenergy has to restrict or suspend its business activity. In this case a risk to the existence of the bioenergy Group cannot be excluded which would mean a total loss of the investments for the investors.

2.2.3 Risks from letter of support and loan agreements

Bioenergy N.V. submitted a letter of support (*Patronatserklärung*) in the amount of up to EUR 250,000 for its subsidiary bioenergy GmbH. In addition, bioenergy N.V. granted bioenergy GmbH loan promises in the amount of up to EUR 7,176,000. So far (as at October 31, 2007) an amount of EUR 0.990 million was paid out. The amount paid out may be (partly) regarded as a substitute for equity under German law and therefore – in case of an insolvency of bioenergy GmbH – will only be paid back after all other creditors of bioenergy GmbH have been satisfied. As at September 30, 2007 bioenergy N.V. itself merely had liquid assets in the amount of EUR 181,000. It cannot be guaranteed that bioenergy N.V. will have sufficient liquid assets in the event that the letter of comfort is asserted in full, in order to be able to satisfy the corresponding claim. Further, it is not ensured that the loans promised to bioenergy GmbH are always only called to an extent which corresponds with the liquidity available at bioenergy N.V. In particular it is not excluded that a liquidator will assert claims for payment of further loan amounts in the event of an insolvency of bioenergy GmbH. A risk to the existence of the Company, which would mean the total loss of the investments for the investors, cannot be excluded in any of the cases mentioned.

2.2.4 Risk of the lapse or withdrawal of official permits

In the opinion of the Company the plants erected by bioenergy currently hold the necessary permits for operating the bioampere® plants. However, it cannot be excluded that requirements for additional permits are created through changes in legal regulations or that existing permits are withdrawn from the Company. This could substantially delay, increase the cost of or even prevent the production and thus the sales and distribution of the products of bioenergy Group.

The Company is planning to also sell and distribute its products outside of the German core market and introduce these into other countries. Owing to the diversity and complexity of national regulations the Company cannot be sure that it has also permits, which are required in these countries. Should a violation of national law be determined in a country, into which products of the Company were introduced, this could result in sanctions against the Company. These factors could have substantial negative implications on the net assets, financial position and results of operations of the Company.

2.2.5 Warranty risks

With regard to the production and functioning of its products the bioenergy Group is exposed to a significant warranty and product liability risk. Moreover, the contracts concluded with the customers as a rule envisage conventional penalties with delayed delivery. The occurrence of warranty or product liability cases and/or delays in the production and delivery of the plants can therefore lead to claims of third parties and accordingly have negative implications on the net assets, financial position and results of operations of the Group which may result in the Company becoming insolvent and therefore a total loss for the investors of their investment.

2.2.6 Risk of the lapse of the use of the “bioampere” trademark and/or the domains

The holder of the EU-Community trademark “bioampere” used by the bioenergy Group is actually Mr Hannes Hofer. Mr. Hannes Hofer respectively his wholly-owned company Fontis Capital GmbH also own the internet domain ‘www.be-sys.com’ used by the Company as well as ‘www.bioampere.com’ and ‘www.be-sys.eu’.

At present there is no contractual agreement with regard to the use of the trademark and/or the domains. It cannot be excluded that the use of the trademark and/or the domains, in particular the domain ‘www.be-sys.com’, is no longer possible or only possible against payment of a fee in future. Insofar as it is no longer possible to use the trademark or the domains this could have a negative influence on the recognition factor of the products of bioenergy or the availability of bioenergy via the internet and thus have negative implications on the sales and distribution. Both cases would involve negative implications on the net assets, financial position and results of operations of the Group.

2.2.7 Risks owing to the employees’ invention act

The law governing employees’ inventions shall principally apply insofar as employees are and/or were involved in patentable inventions of the bioenergy Group. The employees are as a rule to be paid remuneration in the event of a recourse and exploitation of the invention by the Company.

2.2.8 Risks owing to the commercial agent law

Within the framework of the sales and distribution the bioenergy Group assigns freelancers. It cannot be excluded that these are classified as commercial agents within the meaning of sections 84 ff HGB (*German Commercial Code*) so that on the one hand extended periods of notice shall apply and on the other hand the freelancer may have a compensation entitlement according to section 89b HGB in the event of the termination by bioenergy, which could encumber the net assets, financial position and results of operations of the bioenergy Group.

2.2.9 General fiscal risks and risks under social insurance law

So far neither bioenergy N.V. in the Netherlands, nor bioenergy GmbH nor bioenergy project GmbH in Germany were the object of an external tax audit or external audit under social insurance law. It cannot be excluded that there may be subsequent tax payments or subsequent claims for social insurance contributions on the occasion of future external audits, which will have negative implications on the net assets, financial position and results of operations of the Group.

2.2.10 Risk of the failure to deduct input tax

Bioenergy N.V. merely exercises a holding function and no operational activity in the Netherlands. In this respect it is not ensured whether bioenergy N.V. is fully entitled to deduct input taxes. Reclamations of possibly already asserted input tax amounts or other disadvantages occurring due to an absence of the entitlement to deduct input tax, which will have negative implications on the net assets, financial position and results of operations of the Company, cannot be excluded

2.2.11 Risk of taxation of foreign sourced income

Insofar as bioenergy N.V. which is subject to lower taxation, generates passive income within the meaning of the German Foreign Transaction Tax Act (*Außensteuergesetz*), this can under certain pre-requisites – irrespective of the distribution of a dividend – lead to a taxation of this income (taxation of foreign sourced income) on the level of the shareholders who are liable to tax in Germany to an unlimited extent, if (i) the shareholder who is liable to tax in Germany to an unlimited extent holds at least 1 % of the stock capital of bioenergy N.V. or (ii) in total more than 50 % of the shares or voting rights are held by shareholders who are liable to tax in Germany to an unlimited extent.

2.2.12 Risk of an increase in financing costs

Because of the German corporate tax reform becoming effective January 1, 2008, only a lesser amount of interest paid by bioenergy GmbH and bioenergy project GmbH may be tax-deductible which may result in higher taxes and therefore have negative implications on the net assets, financial position and results of operations of the two subsidiaries and therefore of the Group.

2.3 Risks related to the Securities

2.3.1 Concentration of the share property and future sales of shares

Before the increase in capital approx. 79 % of the shares and voting rights are in the possession of two major shareholders, who at the same time are members of the Management Board, Mr. Brendler, or Supervisory Board, Mr. Hofer. These shall continue to hold a share of 67.5 % of the stock capital of bioenergy N.V. even after and in the event the capital increase of up to EUR 17,500 has been fully

consummated. Through the concentration of the share property these major shareholders shall be in the position to exercise significant influence on all essential decisions of the annual general meeting and thus on the Company and indirectly on the whole bioenergy Group irrespective of the voting behaviour of the other shareholders. The potential possibility to exercise influence already, in particular however the concrete exercising of voting rights or any other influence, which collides with the interests of the Company, could have substantial negative implications on the net assets, financial position and results of operations of the Company. The interests of these major shareholders could also be different from the interests of the remaining shareholders.

The two major shareholders of bioenergy N.V. are not subject to any restrictions regarding the sale of their shares. Extensive sales of shares of the two major shareholders could have a negative effect on the share price or mean for the other shareholders that it is only possible for shares to be sold at times at more difficult conditions and a substantial unfavourable price. This way the disinvestment for individual shareholders could be more difficult at a time selected by them, through which these shareholders could de facto temporarily be bound to the fact of the bioenergy Group in economic terms. On the other hand it could in certain phases be more difficult for the Company to raise capital again at financially reasonable conditions through the issue of further shares.

2.3.2 Risk of the offer price

The offer price, which is to be paid by the investors, who acquire shares of the Company within the framework of the offer, is expected to exceed the nominal amount relating to a share as well as the share of the net book value of bioenergy N.V. There is no warranty that a price with a corresponding amount can be generated in the event of a sale. In particular future capital measures can lead to the deterioration in the price to be generated with the sale or to a dilution of the participation circumstances.

2.3.3 Risk of the revocation of the public offer

The Company reserves the right to revoke or suspend the public offer with regard to the New Shares in consultation with ACON Actienbank AG, to interrupt the execution of the offer or to cancel the corresponding purchase contracts under certain circumstances up to the end (12.00 p.m.) of the day preceding the delivery of the New Shares. In the event of cancellation of the purchase contract allocations to investors which were already made shall be invalid. Should short sales already have been carried out with a possible reverse transaction, the investor selling the shares shall bear the risk not to be able to satisfy this obligation through delivery. In addition, in case the offer is revoked investors, who have acquired subscription rights against payment, would suffer a loss, as there will be no reverse transaction of subscription right sales.

2.3.4 Risk of a future dilution of the shareholdings or the voting and dividend rights

The Management Board is entitled to increase the Company's issued capital up to EUR 500,000 maximum, divided into 50 Million shares, and to restrict or exclude the pre-emptive right of the shareholders with

regard to new shares for a period of 5 years as of July 20, 2006. The exploitation of the authorised capital under the exclusion of the pre-emptive right of the shareholders can lead to a substantial dilution of the shares of the shareholders in future.

2.3.5 Volatility of the share price / ability to trade the shares

Changes in the operating results of the Company and the competitors as well as changes in the general situation of the industry, the macroeconomic situation and the finance markets can lead to substantial fluctuations in the price with the listed shares. The interaction of all influential factors can however hardly be influenced by the Company itself. In the past securities markets generally experienced substantial fluctuations in prices and revenue. In future such fluctuations can have positive or negative implications on the price of the listed shares irrespective of the operating results or the financial situation of the Company.

In the past the trading volume in shares of bioenergy N.V. was – measured based on the total number of shares – comparably low. Therefore, it cannot be fully excluded that the ability to trade the share is restricted at times, in particular that the sale of shares of bioenergy N.V. is not possible or not within a certain period of time.

3 General Information

3.1 Responsibility for the Contents of the Prospectus

Bioenergy systems N.V. (hereinafter also referred to as “bioenergy N.V.” or the “Company”), whose registered office address is Aalsterweg 181a, 5644 RA Eindhoven, The Netherlands, is responsible for the information given in this prospectus („Prospectus”) and hereby declares that it has exercised all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

3.2 Forward-Looking Statements

This Prospectus contains forward-looking statements, i.e. statements which do not refer to historical facts and occurrences. This applies in particular to statements in this Prospectus about the Group’s future financial earnings capacity, plans and expectations related to the Group’s business, growth, and profitability, and about the business environment that the Group faces. Statements incorporating the words “should”, “may”, “will”, “believes”, “presumes”, “expects”, “assumes”, “estimates”, “plans”, “is of the opinion”, “to the knowledge of”, “according to estimates” and similar wording are indicators of such forward-looking statements.

Forward-looking statements are based on current assessments made by the Company using the best information known to it. Forward-looking statements such as these are based on assumptions and present-day factors, and are subject to risks and uncertainties whose occurrence or non-occurrence can result in the actual earnings, financial condition and profitability of the Group differing materially or turning out worse than what is expressed or implied in these statements. The sections entitled “Risk Factors”, “Management’s Discussions and Analysis of Financial Conditions and Results of Operations”, “Business of the Company” and “Recent Development and Outlook” should be read, therefore, as they contain a more extensive discussion of the factors which could affect the Group’s business performance and the sector in which the Group operates. The same applies to the forward-looking statements and projections from third-party studies reproduced in this Prospectus.

It is noted that the Company does not assume any obligation of updating such forward-looking statements or adjusting them to account for future occurrence or developments. The obligation of the Company to provide updates by supplement in certain circumstances remains unchanged. The prohibition under Article 5:2 of the Act on Financial Supervision (*Wet op het financieel toezicht*) shall apply mutatis mutandis, to an offer of transferable securities the prospectus for which has been approved if, prior to the closing of the offer of transferable securities, a significant new development or inaccuracy arises relating to the information in the prospectus which may affect an informed assessment of the transferable securities offered, unless a document supplementing the prospectus has been approved by the AFM and is made generally available.

3.3 Third Party Sources and Information

All references to market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, organizations, analysts, publicly available information or the Group’s own knowledge of its sales and the market. Industry publications generally state that their

information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Company believes these sources are reliable, as bioenergy does not have access to the information, methodology and other bases for such information it has not independently verified the information and therefore cannot guarantee its accuracy and completeness.

In this Prospectus, bioenergy makes certain statements regarding the Group's competitive and market position. Bioenergy believes these statements to be true based on market data and industry statistics regarding the competitive position of other companies.

3.4 Inspection of Documents

The following documents referred to in this Prospectus and relating to the Company may be inspected during regular business hours at the premises of the Company at Aalsterweg 181a, 5644 RA Eindhoven, The Netherlands, for the period of the validity of this Prospectus:

- the Articles of Association of the Company,
- the consolidated interim financial statements (IFRS) of the Company for the time period of January 1 until June 30, 2007 including the interim financial statements (IFRS) of the Company for the time period January 1 until June 30, 2007 (unaudited),
- the consolidated financial statements (IFRS) of the Company as of December 31, 2006 including the financial statements (IFRS) of the Company as of December 31, 2006 (audited).

4 Public Offer

4.1 Object of the Prospectus

Object of the Prospectus is the Public Offer

- of up to 1,750,000 bearer shares with a nominal value of EUR 0.01 per share from a capital increase against cash from authorised capital ("New Shares"), and
- of 10,500,000 already existing bearer shares with a nominal value of EUR 0.01 per share, that are offered publicly at the Open Market of the Frankfurt Stock Exchange, in the unofficial market ("*Freiverkehr*") of the Stuttgart Stock Exchange and of the Berlin Stock Exchange and in the trading system XETRA ("Existing Shares"; together with the "New Shares" also "Offer Shares")

The issue of the New Shares will be made on the basis of the capital increase against cash resolved by the Managing Board on November 20, 2007 with consent of the Supervisory Board dated November 20, 2007 from the authorised capital. Accordingly, (i) the Company shall issue up to 1,750,000 ordinary bearer shares in the capital of the Company, (ii) the shareholders will be entitled to exercise their pre-emptive rights within a period of at least two weeks commencing the day after the date a notice of this issue is published in the State Gazette ("*Staatscourant*") and in a daily newspaper with national circulation in the Netherlands as well as in the *Börsen-Zeitung* in Germany. The shareholders may make subscription offers going beyond their legal subscription right (oversubscription). However, the Company may limit the oversubscription; (iii) the pre-emptive right for fractional amounts is excluded, (iv) the price of issue per share shall be EUR 1.10 per share so that the total amount to be paid up will be up to EUR 1,925,000, (v) all of the New Shares to be issued to the subscribers will be allotted and distributed by ACON Actienbank AG, a company organized under the laws of the German Federal Republic, having its offices and registered address at Promenadeplatz 12, D-80333 Munich/Germany, in her capacity as representative of the Company, (vi) if not all shareholders exercise their pre-emptive rights as specified above, the New Shares may be placed at the issue price of EUR 1.10 per share with specific strategic or institutional investors ("Private Placement"), (vii) the New Shares will be issued effective on the date of the deposition of the global certificate with Clearstream Banking AG, Frankfurt am Main/Germany, (viii) the New Shares will be entitled to dividend over the fiscal year 2007, if and to the extent such dividend shall be distributed, (ix) no trade with the shareholders' pre-emptive rights shall take place, (x) no individual share certificates will be issued to the subscribers, and that all New Shares will be embodied in one global share certificate, which will be deposited in custody with Clearstream Banking AG, Frankfurt am Main/Germany, and (xi) if only a lesser amount can be placed than the amount mentioned above, the lesser amount shall be placed.

The already issued 10,500,000 Existing Shares are also object of the Public Offer. Even if the Company has no influence on the disposal processes concerning the Existing Shares, and no concrete intentions of the current shareholders for the disposal of Existing Shares of the Company are known to it, (nevertheless) it is a Public Offer in the legal sense (Article 5:1 of the Act on Financial Supervision - *Wet op het financieel toezicht*). Because with the offer of the New Shares news shall also be communicated to the public that contain sufficient information about the offer terms and conditions and about the securities to be offered, to enable the investors to decide on the purchase or the subscription of these securities. The marketing measures of the Company for its shares apply in this sense to both New Shares and already Existing Shares.

All Offer Shares participate in the profits from January 1, 2007.

The Shares of the Company are freely transferable in accordance with the legal requirements for the transfer of bearer shares.

The Shares of the Company are represented by one or more global certificates deposited with Clearstream Banking AG, Neue Börsenstrasse 1, D-60487 Frankfurt/Main, Germany.

4.2 Conditions and Timetable of the Public Offer

4.2.1 Terms and Conditions of the Offer

Via its representative ACON Actienbank AG, Munich, Germany, the Company intends to publicly offer a total of up to 1,750,000 New Shares to the shareholders of the Company for subscription in the context of their statutory right of pre-emption ("subscription right") in the ratio 6:1, i.e. six Existing Shares entitle to the purchase of one New Share.

The subscription period for the New Shares, in which the existing shareholders of the bioenergy N.V. may exercise their statutory subscription right and can make a subscription request going beyond their legal subscription right (oversubscription), runs probably from November 27, 2007 (beginning of subscription period) to December 11, 2007 (end of subscription period). An extension of the subscription period is possible.

As part of the application process the exercise of subscription rights, as well as the making of subscription requests going beyond the exercise of the right (notification of oversubscription) occur by issuing a corresponding instruction by the shareholders to their depositary bank using the subscription form provided by the depositary bank. The depositary banks will send the collected certificates of subscription as well as the collected oversubscription requests of the shareholders until the end of the subscription period to the subscription agent.

As subscription agent serves Bankhaus Gebr. Martin AG, Kirchstraße 35, 73033 Göppingen/Germany. The offer and subscription price is to be paid at the latest by the end of the subscription period by the depositary banks and therewith also by the shareholders.

For the subscription the usual bank commissions are charged. Decisive for the adherence to the subscription period is the receipt of the notification of subscription as well as the subscription price with the subscription agent. However, internal terms of handling, to be observed by the shareholders, are usually set by the depositary banks for completion confirmation of exercising subscription rights.

Decisive for calculating the number of subscription rights, to which the shareholders are entitled, is their respective shareholding by the end of November 26, 2007. At that time the subscription rights (ISIN NL0006103194) will be separated from the shares at the volume of existing subscription rights. The subscription rights are generally transferable, however, purchase or sale of the subscription rights on a regulated market or open market (unofficial market) of a stock exchange is not possible, i.e. a trading in subscription rights at a stock exchange does not take place.

Subscription rights, that have not been exercised, lapse and will be cancelled from the books valueless. There is no compensation for subscription rights that have not been exercised. From the beginning of the subscription period the current Existing Shares will be listed "ex subscription rights". The subscription rights are considered as a proof of the subscription rights for the New Shares. At the latest with the expiring of the subscription period on December 11, 2007 these are to be transferred to the account of the subscription

agent Bankhaus Gebr. Martin AG, which is at the Clearstream Banking AG, Frankfurt/Main, Germany. Subscription notifications can only be considered, if the subscription price is credited to the special account for the capital increase.

A notice announcing the subscription offer will probably be published on November 24, 2007 in the *Börsen-Zeitung* in Germany and on November 26, 2007 in the *Staatscourant* and a daily newspaper with a wide distribution in the Netherlands.

Shares that were not subscribed within the subscription offer and the oversubscription of original shareholders will be offered in private placements to selected investors in and outside of Germany. Shares are not offered in the USA, Canada, Japan, Great Britain and Northern Ireland as well as to persons in the sense of the Regulation S of United States Securities Act of 1933 as amended from time to time ("Securities Act").

Furthermore the already existing 10,500,000 shares of the Company are offered publicly on the Open Market (unofficial market, "*Freiverkehr*") of the Frankfurt Stock Exchange, in the unofficial market of the Stuttgart Stock Exchange and of the Berlin Stock Exchange and in the trading system XETRA.

The Public Offering of the Offer Shares will commence probably on November 27, 2007 with the beginning of the subscription period for the New Shares. From this point of time the Company will also make advertising efforts for all Offer Shares. The Public Offer ends with the termination of the advertising efforts regarding the Offer Shares, probably on December 17, 2007.

Offeror, and therewith responsible for the Public Offer is bioenergy N.V. In this context, the ACON Actienbank AG, Munich, undertakes the technical bank transactions.

4.2.2 Timetable

For the performance of the Public Offer by bioenergy N.V. the following schedule is intended:

November 21, 2007	Approval of the Prospectus by the Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i> , "AFM")
November 21, 2007	Notification to the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> ; "BaFin")
November 22, 2007	Publication of the Prospectus and the German summary on the homepage of the Company
November 23, 2007	Announcement of an indication regarding the publication of the Prospectus in the German <i>Börsen-Zeitung</i>
November 24, 2007	Publication of a notice announcing the subscription offer in the German <i>Börsen Zeitung</i>
November 26, 2007	Publication of a notice announcing the subscription offer in the <i>Staatscourant</i> and in a daily newspaper with a wide distribution in The Netherlands
November 27, 2007	Beginning of the subscription period for the shareholders / Beginning of the Public Offer
December 11, 2007	End of the subscription period for the shareholders

until December 17, 2007 Private placement of the New Shares that were not subscribed

December 17, 2007	End of the Public Offer
December 18, 2007	Publication of the volume of the capital increase on the homepage of the Company as well as in the German <i>Börsen-Zeitung</i>
December 20, 2007	Beginning of the delivery of the New Shares

It is pointed out that the timetable is temporary and subject to changes. Modifications concerning the offer period will be published within a supplement to this Prospectus.

The Prospectus is available as from November 22, 2007 at bioenergy N.V., Aalsterweg 181a, 5644 RA Eindhoven, The Netherlands. Besides it will be published on the homepage of the Company (www.be-sys.com).

4.2.3 Revocation / Suspension of the Offer

The Company reserves the right to revoke or suspend under certain circumstances the Public Offer concerning the New Shares in consultation with the ACON Actienbank AG up to the end of the day (12:00 pm) preceding the delivery of the New Shares, respectively to withdraw from the corresponding contracts of sale. Therefore, a revocation or suspension of the Public Offer after the trading of the New Shares has begun cannot occur. The circumstances, under which the Public Offer of the New Shares may be revoked or suspended, are the substantial worsening of the economical situation of the Company as well as the radical change of the situation on the capital market because of extraordinary, inevitable events of economical and/or political nature or as a result of public measures.

In the case of withdrawal from the contract of sale the allocations already made to the investors become invalid. If short sellings were already made with any reversed transaction the investor selling the shares bears the risk to be unable to fulfil these obligations by delivery.

Furthermore the investors acquiring subscription rights against payment would sustain a loss by revocation of the offer, because there is no reversed transaction of sales of subscription rights.

4.2.4 Closing of the Offer

The Public Offer may be closed prematurely if all New Shares have been subscribed for by shareholders and/or investors before the scheduled end of the offer period. However, the Public Offer will not be closed before the end of the subscription period for the existing shareholders on December 11, 2007.

4.2.5 Reduction / Withdrawal of Subscription

As the statutory subscription rights of the shareholders are exercised at the respective depositary bank of the shareholder, modifications or a withdrawal of subscription orders depend on the terms set by the respective depositary bank. Generally subscription orders can be reduced or withdrawn by the shareholders until the last day of the subscription period. Overpaid amounts will be immediately repaid to the subscribers.

4.2.6 Minimum and/or Maximum Amount of the Subscription

Basically there are no maximum or minimum amounts of application for the subscription within the Public Offer. Restrictions concerning the subscription amount possibly arise from the fixed subscription ratio. However, the shareholders can place a subscription order being beyond the scope of their legal subscription right (oversubscription) with their depositary bank.

4.2.7 Delivery of the Securities

The delivery of the offered New Shares begins after payment of the purchase price and the usual securities commission – subject to a prolongation of the Public Offer – probably as from December 20, 2007.

The New Shares are placed at the shareholders' disposal as co-ownership shares of the respective Global Certificate.

4.2.8 Publication of the Results of the Offer

The results of the subscription offer as well as of the private placement will be published on December 18, 2007 on the homepage of the Company as well as in the German *Börsen-Zeitung*.

4.2.9 Selling Securities Holders

Within the Public Offer of New Shares only the Company – bioenergy N.V., Aalsterweg 181a, 5644 RA Eindhoven, The Netherlands - has a position to offer the up to 1,750,000 New Shares.

Concerning the Public Offer of Existing Shares principally every shareholder of the Company has a selling position, which he can realize with a respective security order on the stock exchange.

4.2.10 Categories of Potential Investors

The New Shares can be acquired by current shareholders of bioenergy N.V. – respectively, when transferring subscription rights by the new owners of these subscription rights – in the ratio 6:1 by exercising the subscription rights entitled to them or within the oversubscription.

Any New Shares that were not subscribed will be offered for sale to selected, primarily institutional investors following the subscription offer within a private placement.

Besides, the New Shares will not be offered in different tranches, so that an indication of target groups and different categories of potential investors as well as a connected splitting of the offer is not needed.

An acquisition of shares of the Company on the stock exchange is open to every shareholder who has an appropriate depositary banking account, respectively has access to the stock exchange.

4.2.11 Subscription by Existing Shareholders, Members of the Management or Supervisory Board or in the amount of more than 5 %

Members of the Management and Supervisory Board respectively the major shareholders Brendler Beteiligungs GmbH and Fontis Capital GmbH presently do not intend to subscribe for New Shares within the Public Offer.

Whether and to which extent other main shareholders will subscribe shares from the capital increase or whether any person intends to subscribe for more than 5% of the offer is currently not known to the Company.

4.2.12 Basics of Allotment / Notification concerning the Allotment of Shares

Concerning the allotment of the New Shares subscriptions of shareholders within their exercise of subscription rights are considered first.

For those New Shares that were not subscribed within the subscription rights no agreements on the allotment procedure were made between the Company and the ACON Actienbank AG before the beginning of the offer period. However, the Company may limit the oversubscription.

Subscribers are informed in writing about the allotment of New Shares within the Public Offer. The notification and the settlement are realised by the bank that accepted the subscription application. Within the technical handling it may occur that the entry of the New Shares is made before the receipt of the notification about the allocation is conveyed.

4.3 Offer Price

The offer price of the New Shares corresponds to the fixed subscription price and amounts to EUR 1.10 per share. The New Shares, for which the subscription right has not been exercised, are offered at this price within the oversubscription and the private placement.

Therefore, the total amount of the offer of the up to 1,750,000 New Shares amounts to up to EUR 1,925,000.

The offer price of the Existing Shares corresponds to the respective exchange quotation and is based on offer and demand of the purchase and sales orders transacted at the respective stock exchange. It is determined by the stock record leader being in charge of the price determination according to the regulations of the stock exchange with the objective of best possible balance between purchase and sales orders. The offer prices are published in daily newspapers, via news services (like Reuters, Bloomberg) or on the internet and can usually be found respectively be inquired with the ISIN NL0000686582 of the shares.

4.4 Restrictions of Sale

The Public Offer of the Company is restricted to the Netherlands and Germany. Outside Germany and the Netherlands the Offer Shares are not offered publicly, but only to few institutional investors within a private placement, except for the United States of America, Japan, Canada, Great Britain and Northern Ireland and U.S. people in the sense of the Regulation S of the Securities Act.

The Offer Shares are not and will not be listed neither according to the regulations of the Securities Act nor by the securities supervisory authorities of individual states of the United States of America. They are neither publicly offered nor sold, nor directly or indirectly delivered there, except in application of an exception of requirements of registration of the Securities Act.

In particular the Prospectus does neither constitute a Public Offer nor a request for making an offer for the purchase of Offer Shares in the United States of America and thus it must not be distributed there. Investors, who intend to subscribe for Offer Shares outside the Netherlands or Germany should ask for information regarding restrictions of sale in force outside the Netherlands or Germany.

4.5 Letter of Engagement

The ACON Actienbank AG, Promenadeplatz 12, D-80333 Munich, Germany, has signed a letter of engagement regarding the capital increase on August 27, 2007 ("Letter of Engagement"). With the Letter of Engagement ACON Actienbank AG undertakes the technical bank transactions regarding the capital increase. Firm commitments with respect to the placing and underwriting of New Shares were not agreed between the Company and ACON Actienbank AG. The ACON Actienbank AG has not guaranteed to underwrite or place the issue, nor is ACON Actienbank AG obliged to place New Shares of the Company. Therefore, no quotas were agreed upon.

According to the Letter of Engagement ACON Actienbank AG is in particular obligated to coordinate the execution of the subscription offer with the subscription agent, the communication with the stock exchange, the publication of the subscription offer and the allotment of shares subscribed for within the private placement. The ACON Actienbank AG is entitled to withdraw from the agreement in particular when the economical situation of the Company worsens significantly respectively a significant worsening is immediately to be feared or other circumstances become known, that a continuation of the agreement seems unreasonable from the ACON Actienbank AG's point of view; also when in the opinion of the ACON Actienbank AG a radical change of the situation on the capital market by extraordinary events of economical and/or political nature or as a result of public measures is noticed, whereby the performance of the transaction is threatened and seems to be not reasonable any more.

4.6 Interests from Natural and Legal Persons

The ACON Actienbank AG has a contractual relationship with bioenergy N.V. in connection with the capital increase and the Public Offer and advises the Company on the structuring and implementation of this measure.

Both ACON Actienbank AG and other institutions charged with the distribution receive for their activities a remuneration respectively commission that is usual in the market. There are no conflicts of interests insofar.

4.7 Purchase of Shares by Members of the Management or Supervisory Board

The members of the Management or Supervisory Board, or affiliated persons, have not acquired shares of the Company outside the stock exchange during the last twelve months.

4.8 Lock-up und Agreements on Market Protection

Concerning the shares of the Company no lock-up periods were agreed. Agreements on Market Protection have also not been agreed upon.

4.9 Dilution

Assuming that in the framework of the capital increase dated November 20, 2007 the shareholders do not or not fully exercise their statutory subscription right respectively apply for New Shares, the actual dilution in consequence of the entire consummation of the capital increase in the amount of up to EUR 17,500.00 will amount to 16.67%, based on the present issued share capital of the Company in the amount of EUR 105,000.00.

4.10 Admission to the Open Market of the Frankfurt Stock Exchange

4.10.1 Admission to Trading at the Open Market

All shares of the Company are admitted to the trade of the unofficial market (Open Market) at the Frankfurt Stock Exchange. The New Shares of bioenergy N.V. will be traded under the same ISIN in the unofficial market ('Open Market') at the Frankfurt Stock Exchange and also at the other German stock exchanges, on which the shares of the Company are presently traded. The stock market tier "unofficial market" respectively "Open Market" is not a regulated market pursuant to the Directive 2004/39/EC of April 21, 2004, on markets in financial instruments.

The trade of the shares of bioenergy N.V. is subject to the regulations enacted through the respective stock exchange.

4.10.2 Designated Sponsor

Die Company has appointed VEM Aktienbank AG, Munich, as Designated Sponsor of the Company.

4.10.3 Stabilisation Activities

Stabilisation activities of the market price of the Offer Shares in the sense of the ordinance (EC) No. 2273/2003 of December 22, 2003 are at present not scheduled.

4.11 Reasons for the Public Offer and Use of Proceeds

4.11.1 Reasons for the Public Offer

The Public Offer of the New Shares takes place prior-ranking to reinforce the equity capital base of the Company in order to finance the planned investments into the site Artern / Germany.

The Public Offer of all Offer Shares including the Existing Shares shall raise the degree of popularity of the Company, expand the investor-basis as well as reinforce the liquidity of the share.

4.11.2 Costs of the Public Offer and Use of Proceeds

The total costs of the Public Offer including bank commission may amount up to EUR 200,000 depending on the number of placed shares. The net proceeds of the issue of up to 1,750,000 New Shares will therefore add up to EUR 1,725,000, which shall accrue to the Company. The Company intends to use the net proceeds from this offering in the following ways:

- Expansion of the production facility Artern/Germany
- Expansion of the Research & Development Division
- Expansion of the Sales Division.

The Company does not accrue any revenues from the possible sale of Existing Shares since the Company does not hold own shares.

4.12 Earnings per Share and Dividend Policy

4.12.1 Earnings per Share

In the short business year 2006 as well as in the first half of 2007 the following profit per share has been achieved by the bioenergy Group on the basis of the consolidated financial statements according to IFRS for the short business year 2006 and for the period from January 1 to June 30, 2007:

period	July 18 to December 31, 2006 (audited) (in EUR)	January 1 to June 30, 2007 (unaudited) (in EUR)
Profit per share	0.001	0.03

4.12.2 Dividend Policy

In the past, no dividends were distributed. The Company intends for future profits to accumulate the proceeds at first and to use it then for financing the growth and the further business organisation and incidentally to distribute a dividend to the stockholders. Decisive factors will especially be the financial state, the capital-demand, the business-outlooks as well as the general economic basic conditions of the Company.

5 Selected Financial Data

5.1 General Information concerning the Financial Data and Financial Situation

5.1.1 Financial Data

Bioenergy N.V. has prepared annual financial statements for its business year ending on December 31, 2006 according to IFRS which have been audited by the auditor of the Company. Furthermore the Company has prepared consolidated annual financial statements for the business year ending on December 31, 2006 according to IFRS. The consolidated annual financial statements for 2006 including the cash flow statement and the statement on changes in equity have been audited by the auditor of the Company.

For the period January 1 to June 30, 2007 the Company has prepared interim consolidated financial statements including cash flow statement and the statement on changes in equity according to IFRS. The interim consolidated financial statements for the first six months of the business year 2007 have not been audited.

The aforementioned historical financial information are included in the Financial Section of this Prospectus.

5.1.2 Further Audited Data

Only financial data derived from the audited historical financial information of the Company have been audited by an auditor.

Unaudited financial data contained in this Prospectus have been prepared by the Company and are explicitly marked as unaudited.

5.1.3 Significant Changes regarding the Financial or Trading Position of the Group

Since June 30, 2007, the date to which the last unaudited interim results of the Group set out in the Financial Section of this Prospectus have been published, the following significant changes regarding the financial and trading position of bioenergy Group have occurred:

- settlement agreement with respect to the lawsuit filed by Hügelland KG, Querfurt/Germany against bioenergy GmbH according to which bioenergy GmbH is obligated to pay an amount of EUR 320,000 in total to Hügelland KG (see section 7.14 "Legal Disputes").

5.2 Selected Financial and Operational Information

The following tables summarize the historical financial data of bioenergy N.V. and the historical consolidated financial and operational data of the bioenergy Group according to IFRS for the periods presented. The financial and operational data have been derived from the audited consolidated financial statements for the year ended December 31, 2006 and from the unaudited interim consolidated financial statements for the period ended June 30, 2007, both included in the Financial Section of this Prospectus.

Selected Balance Sheet Data

bioenergy N.V.

	December 31, 2006	June 30, 2007
	audited	unaudited
	(in thousands of EUR)	(in thousands of EUR)
Total Non-Current Assets (Investment in group companies)	59	262
Total Current Assets	50	995
Total Assets	109	1,257
Shareholders' Equity	106	1,251
Total Current Liabilities	3	6
Total Liabilities and Equity	109	1,257

bioenergy Group

	December 31, 2006	June 30, 2007
	audited	unaudited
	(in thousands of EUR)	(in thousands of EUR)
Total Financial Assets	565	568
Total Fixed Assets	211	298
Total Current Assets	538	1,747
Total Assets	1,314	2,613
Shareholders' Equity	106	1,251
Total Non-Current Liabilities	50	71
Total Current Liabilities	1,158	1,291
Total Liabilities and Shareholders' Equity	1,314	2,613

Selected Profit and Loss Data

bioenergy N.V.

Period	July 18 – December 31, 2006 audited (in thousands of EUR)	January 1 – June 30, 2007 unaudited (in thousands of EUR)
Profit after taxes	- 3	5
Profit from Subsidiaries	9	153
Net Profit	6	158

bioenergy Group

Period	July 18 - December 31, 2006 audited (in thousands of EUR)	January 1 - June 30, 2007 unaudited (in thousands of EUR)
Net turnover	457	2,922
Cost of Sales	318	1,947
Gross Profit	139	975
Total Operating Expenses	128	744
Profit from Operations	11	231
Profit before tax	9	222
Profit after Tax	6	158
Weighted Average Number of Shares Outstanding	5,000,000	5,250,000
Earnings per Share	EUR 0.001	EUR 0.03

Selected Cash Flow Data

bioenergy Group

Period	December 31, 2006 audited (in thousands of EUR)	June 30, 2007 unaudited (in thousands of EUR)
Cash flow from operating activities	428	- 823
Cash flow from investing activities	- 782	- 129
Cash flow from financing activities	462	1,008
Net increase in cash and cash equivalents	108	56

5.3 Working Capital, Capitalization and Indebtedness

5.3.1 Working Capital Statement

The bioenergy Group has been able to generate sufficient funds from operations and finance activities during the past period to meet its working capital requirements. The bioenergy Group has sufficient working capital to meet its present requirements for at least the next 12 months. Nevertheless there will be a cash flow deficit from time to time due to the gap between the pre-financing of projects and the delayed invoicing. The bioenergy Group expects to rely on a combination of cash provided by operations, cash on its balance sheet and external funds from related parties and banks to fund these temporarily deficits in the next 12 months. In addition the bioenergy Group also intends to use the proceeds from the Public Offer described in this Prospectus to finance its intended growth and investments (see Section 4.11.2 “Costs of the Public Offer and Use of Proceeds”).

5.3.2 Capitalization and Indebtedness

The table below sets forth the Group’s capitalization and indebtedness as of September 30, 2007. The information are derived from the Company’s unaudited consolidated interim financial information as at September 30, 2007.

Capitalization

	September 30, 2007
	In € 1,000
	unaudited
Total Current Debt	590
- secured	0
- of which guaranteed by third parties	0
- unsecured/unguaranteed	590
Total Non-Current Debt	92
(excluding current portion of long-term debt)	
- secured	92
- of which guaranteed by third parties	0
- unsecured/unguaranteed	0
Shareholder’s Equity	1,087
- Share capital	105
- Legal reserve	0
- Other reserves	982

Indebtedness**September 30, 2007**

In € 1,000

unaudited

Cash	181
Cash equivalent	0
Trading securities	0
Liquidity	181
 Current Financial Receivable	 0
 Current bank debt	 0
Current portion of non current debt	0
Other current financial debt	0
Current Financial Debt	0
 Net Current Financial Indebtedness	 (181)
 Non current bank loans	 92
Bonds issued	0
Other non current loans	0
 Non Current Financial Indebtedness	 92
 NET FINANCIAL INDEBTEDNESS	 (89)
 INDIRECT INDEBTEDNESS	 0
 CONTINGENT INDEBTEDNESS	 0

6 Management's Discussions and Analysis of the Financial Conditions and Results of Operations

6.1 Analysis of Financial Conditions and Results of Operations

You should read the following discussion in conjunction with the rest of this Prospectus including the "Selected Financial Data" section (see Section 5 "Selected Financial Data"), the (interim) consolidated financial statements (see Section 17 "Financial Information"), and related notes and information included elsewhere in this Prospectus. The following discussion is based on the unaudited consolidated financial statements for the six months ended June 30, 2007 and the audited consolidated financial statements for the year ended December 31, 2006 prepared in accordance with IFRS.

The results discussed below are not necessarily indicative of the results you should expect in any future periods. The statements in this discussion regarding industry outlook and our expectations regarding the Group's future performance, liquidity and capital resources and other non historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" (see Section 2 "Risk Factors") and "Forward-Looking Statements" (see Section 3.2 "Forward-Looking Statements") sections of this Prospectus. Actual results may differ materially from those contained in or implied by any forward-looking statements.

6.2 Selected Consolidated Financial and Operating Data

The following tables summarize the historical consolidated financial and operational data of bioenergy N.V. for the periods presented. The Company has derived the summary consolidated financial and operational data for the period ended June 30, 2007 from unaudited consolidated financial statements (IFRS) and the year ended December 31, 2006 from audited consolidated financial statements (IFRS).

The tables below set forth certain statements of operations data expressed as a percentage of revenues for the periods indicated. The Company's historical results are not necessarily indicative of the operating results that may be expected in the future.

Consolidated balance sheet data

	Audited Year ended December 31, 2006 In € 1,000	Unaudited Period ended June 30, 2007 In € 1,000
Total financial assets	565	568
Total fixed assets	211	298
Total current assets	538	1,747
Total assets	1,314	2,613
Shareholders' equity	106	1,251
Total liabilities	1,208	1,362
Total liabilities and shareholders' equity	1,314	2,613

The Group already has a satisfying equity ratio of approx. 48% of the balance total. The Company believes that after broad acceptance of the bioenergy techniques also thirds capital financing (e.g. bank loans) will be an acceptable alternative for cash flow financing. In general the Company will then again aim for long term third capital financing sources.

The liabilities of the Company are mainly influenced by trade payables regarding the work in progress: EUR 0.759 million in 2006 and EUR 0.627 million in 2007. In 2007 also a short term loan of EUR 0.379 million from a related party is part of the total amount of liabilities as was EUR 0.312 million bank loan in 2006.

Consolidated results of operations

	Audited Year ended December 31, 2006 In € 1,000	Unaudited Period ended June 30, 2007 In € 1,000
Net revenues	457	2,922
Cost of sales	318	1,947
Gross margin	139	975
Operating expenses		
Employee costs	31	454
Depreciation	6	39
Marketing and sales expenses	38	35
General and administrative expenses	53	216
Total operating expenses	128	744
Operational result	11	231
Interest income (expense),	(2)	(9)
Result before income taxes	9	222
Taxation	(3)	(64)
Net profit {loss} after taxation	6	158
Weighted average number of shares outstanding	5,000,000	5,250,000

Revenues analysis by geographic market

	Audited Year end December 31, 2006 In € 1,000	Unaudited Period end June 30, 2007 In € 1,000
Germany	457	2,922
Other	-	-
Total	457	2,922

Year / Period	Net income per share in €
18-7/31-12-2006	0.001
1-1/30-6-2007	0.03

The balance sheet and result of the Company are mainly influenced by the developments in the work in progress. The work in progress (projects under construction) is valued at net sales value. The revenues and costs are recognised by reference to the stage of completion of the contract (percentage of completion method of accounting). Contract costs comprise costs that relate directly to the specific contract (including costs that are attributable to general contract activity but that can be reasonably allocated to the contract). If it is probable that the total costs will exceed the total contract revenue, the expected loss is recognised immediately. The nature of the Company's business is project-based and therefore, it is possible that revenues can fluctuate by considerable amounts from year to year depending on the number of transactions the Company undertakes.

With effect from December 11, 2006 bioenergy Group purchased four projects already in progress (including assets and liabilities), know how and several license agreements from T&M Engineering GmbH. In this acquisition a goodwill was recognised of EUR 0.565 million. In 2006 the Company started with 2 own projects. In the first half year of 2007 the Company is undertaking 10 projects and 1 advisory project has been completely finalised. The recognised profit in 2006 work in progress was EUR 0.172 million and during the first half year of 2007 EUR 1.388 million. In 2006 the Company only operated for one month in the segment of building bioenergy installations and in 2007 for the complete half year. That explains a turnover in 2006 of EUR 0.457 million, compared with EUR 2.922 million during the first half year of 2007. The Company expects that the number of projects will increase in the near future with a similar effect on the turnover and gross margin. The gross margin will fluctuate with the developments in revenues over the years.

The operating expenses are mainly effected by the fact that the Company only operated for one month in 2006 regarding its production activities and in 2007 during the complete first half year. The operating expenses in 2006 and the first half year of 2007 are completely in line with earlier projections.

The Company expects that the German government will support developments in the bioenergy sector which could improve the number of successful projects. The Company is also orientated to set up similar projects in other countries in Europe.

6.3 Consolidated Cash Flow Statement

	Consolidated June 30, 2007 In € 1,000	Consolidated December 31, 2006 In € 1,000
Net cash used in operating activities	(823)	428
Net cash used in investing activities	(129)	(782)
Net cash (used in)/ provided by financing activities	1,008	462
Net increase/(decrease) in cash and cash equivalents	56	108
Cash and cash equivalents at beginning of year	108	0
Cash and cash equivalents at end of year	164	108

The Company aims to minimise the gap between the costs involved in the work in progress and the corresponding invoices to clients, but this gap is the main finance factor of the Company. The Company also tries to be self supporting in providing enough cash flow to finance the work in progress. With the increase of the number of projects this results in a need for more cash flow funds.

In the first half year of 2007 the Company succeeded to be self supporting due to a capital issuance of EUR 1 million in March. The development in cash flow was therefore more or less neutral – an increase of EUR 0.056 million – in the first half year of 2007. Due to the expected growth of the Company in the near future and the resulting cash flow forecasts another capital issuance is in line with the strategy of the Company.

6.4 Capital Resources

The Shareholders' Equity of bioenery Group amounted to:

	In € 1,000	% of the balance total
as at December 31, 2006 (audited)	106	8
as at June 30, 2007 (unaudited)	1,251	48

The difference between the shareholders' equity and issued share capital of EUR 100,000 as at December 31, 2006, is the result of the accumulated profit for 2006. The difference between the shareholders' equity and the issued share capital of EUR 105,000 as at June 30, 2007, is based upon a capital reserve in the amount of EUR 0.982 million and the accumulated profit for the first half year 2007 in the amount of EUR 0.164 million.

The liabilities as at December 31, 2006, and as at June 30, 2007, are broken down as follows:

In € 1,000	As at December 31, 2006 (audited)	As at June 30, 2007 unaudited)
Non-current liabilities	50	71
Current liabilities	1,158	1,291

The liabilities may be further broken down as follows:

In € 1,000	As at December 31, 2006 (audited)	As at June 30, 2007 unaudited)
Non-current liabilities		
Lease facilities	50	71
Current liabilities		
Bank loans	312	0
Trade and other payables	810	1,220
Taxes and social securities	36	71
Total liabilities	1,208	1,362

7 Business of the Company

7.1 Overview

The bioenergy Group develops, produces and markets bioenergy plants with emphasis on solid particle gasifier. Bioenergy thereby focuses on marketing of full realized energy projects equipped with technology of bioenergy, instead of direct distribution of bioenergy plants. The fields of activity are accordingly reflected in organisation and structure of the Group that consist of the following four business fields:

- **Research & Development**

In the field Research & Development above all the technological development of the plant systems in the market segment "Solid Particle Gasifier" is sped up.

- **Plant Engineering & Construction**

The business field plant engineering & construction comprises the technical development and in-house construction of plants as well as the development of the technology for opening new fields of application.

- **Project Planning**

The field system engineering comprises above all the search of suitable locations, the development of the basics as well as the adaptation of the technology to the respective location.

- **Heat-Contracting**

In the field heat-contracting projects are planned and realised exclusively in accordance with the heat requirement of the respective location.

These four business fields that are completed by a corresponding offer of service usually interlock, so that arising synergy effects can be used. The widespread business activities of the Company are aimed at a stabilisation of the market position of the bioenergy Group and to position itself against other market participants with an advantage in competence and technology.

7.2 Core Data of the Company History and Current development

Both founders of the Company, Hannes F. Hofer and Ralph Brendler, have been active in the sector of the renewable energies for ten years and in their judgement, they have good market-knowledge and the know-how necessary for the bioenergy sector. In the framework of the predecessor company BioHara GmbH & Co. KG - Hannes Hofer and Ralph Brendler participating as sole shareholders - first bioenergy projects were already initiated in 2005 and in the course of these projects the procedure of the solid particle gasification, in their judgement, emerged as the procedure with an extra high economical potential.

The bioenergy N.V. itself was established in July 2006. Within the framework of an asset deal at the end of 2006 the wholly owned subsidiary bioenergy GmbH acquired assets that are necessary for merchandising and development of the technology. In August 2006 the shares of bioenergy N.V. became introduced on the Open Market of the Frankfurt Stock Exchange. Beforehand the shareholder Navigator Equity Solutions N.V. has poured out essential parts of his investment onto its own shareholders in the form of a dividend payable in kind. Today the management (Management Board and Supervisory Board) holds approx. 80% of the shares; the remaining approx. 20% are in Free Float.

The bioenergy Group was operative in the sectors system engineering and project development of bioenergy plants by its subsidiary bioenergy systems GmbH that was founded in August 2006. In October 2006 the bioenergy sold its first bioampere® complete installation to an Investor KG. It operates at the location of a composting firm in Thuringia and is used for electricity and heat production from regenerative biomass, in this case loopings (green-cut) from the surrounding communities.

In November 2006 the bioenergy Group began with the realisation of a first heat-contracting project and concluded a general agreement based on the use of renewable energy on the heat supply for 100 residential units with a building and housing company from Brandenburg. In this context the WNA Wärmenetz Angermünde GmbH, Angermünde, Germany, was established. Objective of the project is the changeover of the heat supply of a plant serving several hundred apartments onto regenerative energies.

T&M Engineering GmbH was actively involved in the development of thermal installations for the production of bioenergy since the mid-nineties and worked closely together with different scientific institutions. In the context of the take-over in December 2006 the whole staff was transferred and the bioenergy GmbH realised thereby the planned extension of the business activities of the bioenergy Group by the fields Plant Engineering & Construction and Research & Development. In March 2007 another subsidiary, the bioenergy project GmbH was established, that took over the field Project Planning. Since then the Group has existed in its present structure.

In February 2007 bioenergy N.V. could increase its equity by EUR 1 million by a capital increase. The proceeds were used to expand the operative business and acquit the liabilities related to the take-over of the T&M Engineering GmbH.

7.3 Business Activity

The bioenergy N.V. is a pure holding company and as such it does no own operative business activity. The operative business activity of the bioenergy Group is done by both wholly owned subsidiaries bioenergy systems GmbH (in the following also "bioenergy GmbH") and bioenergy systems project GmbH (in the following also "bioenergy project GmbH").

7.3.1 Business Fields

Research & Development

With the business field Research & Development bioenergy pursues an active strategy of increasing the know-how. In the Company's judgement the improvement of the current state of research and the technological development of the plant systems in accordance with scientific research work and its results are required. By additionally acquired and increasing technological knowledge the Company intends to capture durably a share of the young bioenergy market and to take a leading role in the market segment "Solid Particle Gasification". Besides the scaling of the efficiency of its plants the Company concentrates primarily within the framework of its research activities on the study of qualitative efficiency differences, which emerge when using different energetically usable raw materials. With a view to increase the power output of the plants organic material is tested concerning its applicability as energy source. The results serve the increase of the power efficiency and thereby the efficiency of the plants. Against this background bioenergy has the objective to realise an integrated energy concept, in which every stage of the energy

generation is optimised from the cultivation of the agricultural crop up to the marketing of the heat and the electricity.

Plant Engineering & Construction

The business field “Plant Engineering & Construction”, operated since the end of 2006, comprises the construction of the bioampere® solid particle gasifier and the bioampere® combined heat and power plant. A small batch production is established at the current location for plant construction in Artern (Thuringia), Germany. Within the framework of a planned extension of the location in the future bioenergy intends to enlarge the plant construction. Until today one gasifier could be delivered and commissioned. Another gasifier is still in test operation and will be delivered to the operator after the successful start-up phase; the corresponding combined heat and power plant is already transferred and will probably be taken into operation by the end of September 2007. The combined heat and power plant of another installation is already delivered and commissioned, too; the corresponding gasifier is still under construction. Further projects are in the implementation phase.

Project Planning

In the business field „Project Planning“ bioenergy acts as a project development respectively planning company. In this capacity bioenergy project GmbH supports or realises the construction of a bioenergy plant at a designated location. The offered services in this context range from the support of the public licensing procedure, the protection of the project rights to the turnkey construction of the plant.

Heat-Contracting

The field „Heat-Contracting“ can be regarded as a special form of project planning. As a heat-contractor bioenergy realises bioenergy projects, whose emphasis lies on the generation of useful heat throughout the year and its marketing. In the field of heat-contracting the power generation plays only a secondary role. The focus is here only on the generation of heat. Target groups are especially institutions that require the majority of their energy needs in the form of heat, as for example communal institutions, clinics or large industrial plants or housing estates.

Services

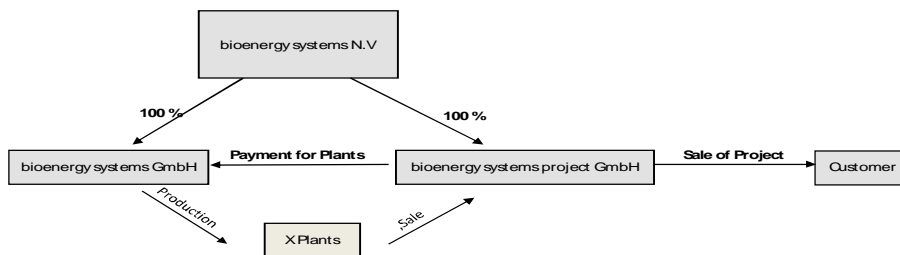
Besides the development and the construction of bioenergy plants bioenergy offers additional services that complete the projecting of bioenergy projects and require functional competence to a certain degree.

In this context the Company especially fulfils the following tasks:

- Site selection and site development
- Analysis of general conditions
- Efficiency audit
- Safeguarding of project rights
- Organising the approval process
- Development of a business model (e.g.: heat contracting)
- Production and construction of the plants
- Operation management and business management
- Management of feedstock.

7.3.2 Business Model

Bioenergy is involved in every phase of the entire net value creation chain, from the manufacturing up to the commissioning and management of the plant. As a plant manufacturer, bioenergy systems GmbH delivers the hardware for the projects, which they initiate, plan and realise as planning company. At the end of the project planning phase, each individual bioenergy project is sold to our customers, e.g. an operating company or financial investor. Normally, bioenergy takes over also the technical management of the plant after delivery. The business model of the Company is represented in the following graphic.



(source: own graphic)

7.3.3 Products

With the bioenergy plants produced by the bioenergy Group a synthesis gas is won on basis of a thermochemical process from various biomass products which can be used for the generation of heat and electricity. The plants of the bioenergy Group consist of two autonomous systems units and if combined they form a complete bioenergy plant. But those single units can also be operated as stand-alones. The one component, the bioampere® solid particle gasifier, produces a synthesis gas. The other, the bioampere® combined heat and power plant, generates electricity and heat.

The generated electricity is fed into an electricity network according to the regulations of the EEG and the reimbursement rates stipulated. The originated heat can be used through the plant operator itself, fed into a district heating network or marketed otherwise.

The Process of thermochemical gasification

Generation of fuel gas

At the thermochemical gasification biogenous solid fuels are changed preferably completely at high temperatures into a gaseous energy source. Under the influence of heat, an oxygenous gasifying medium is fed understoichiometric to the biomass. By this procedure the organic materials are split into gaseous

compounds and the carbon being left is partly burned to carbon monoxide. The cycle heat, necessary for that, is provided through a partial combustion of the set in biomass. During the thermochemical gas generation of biomass, with reference to the provided electric power, a high process-related efficacy can be achieved. The gasifying medium has a great influence on the gas quality, particularly onto the calorific value of the generated fuel gas. The gasification with air is the simplest type of gasification but it has the disadvantage of a low calorific value due to the nitrogen within the air.

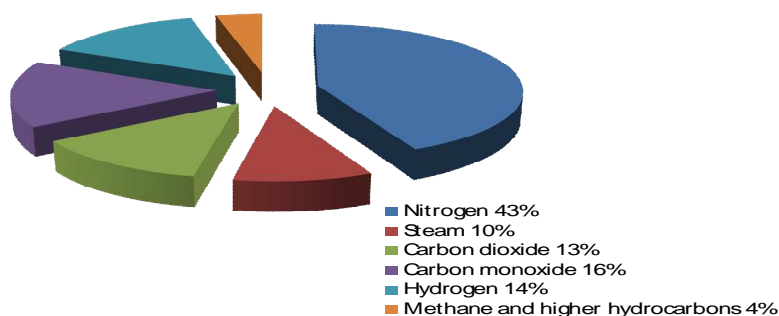


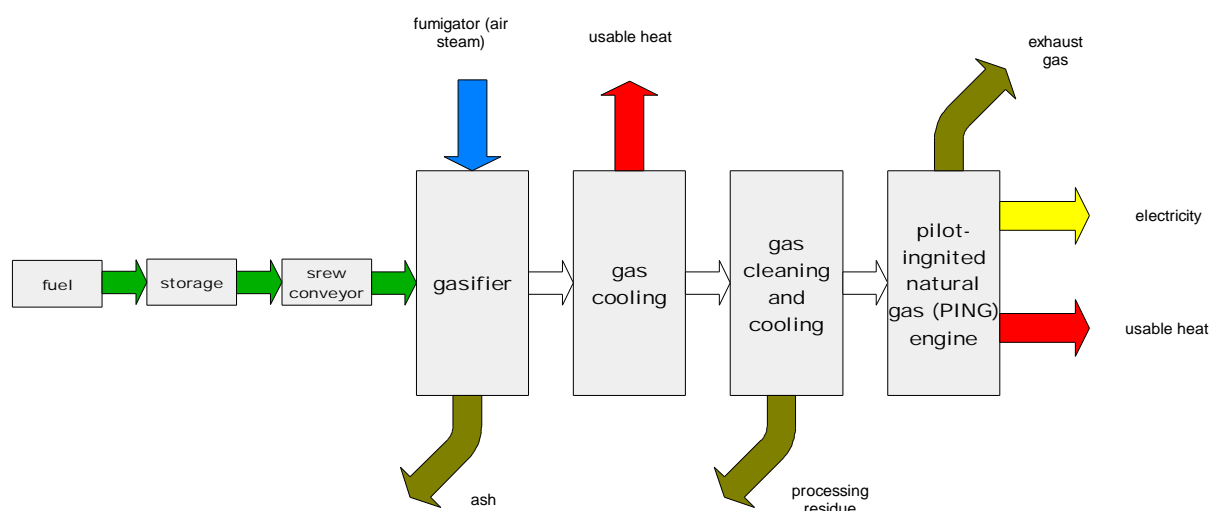
fig. 1: Composition of fuel gas from wood gasification with air (source: Fachagentur Regenerativer Energien e.V.: *Energetische Nutzung von Biomasse durch Kraft-Wärme-Koppelung*. Gülzow 2000, p.114.)

If air instead of oxygen is used as fumigator a nitrogen-poor generator gas with a high calorific value is generated.

Fundamental structure of a gasification plant

The fuel will be brought into the gasification reactor by an airless sealing. In the gasification reactor the conversion of the inserted fuel into a product gas occurs corresponding to the different gasification technologies. With most procedures for biomass gasification air is used as gasifying medium and a low calorific lean gas (3-5 MJ/m³) is generated. For gas turbines with a downstream steam turbine medium calorific gases (12-15 MJ/m³) are more favourable than lean gases. The plants of the bioenergy use air as gasifying medium.

Abb. 2 Structure of a gasification plant



The product gas leaves the gasification reactor with defined quality that is described by the gas composition, the calorific value as well as the contaminant loads. So that the product gas made from the gasification process can be used in an engine, a cleaning and cooling of the gas is necessary. A thorough gas cleaning and an optimal adaptation of the gas to the respective requirements of the plants utilising gas are the prerequisites for using the fuel gas in gas engines, gas turbines or pilot-ignited natural gas engines.

bioampere® Solid particle gasifier

The bioampere® solid particle gasifier converts at temperatures of up to 1,200 ° centigrade and under the supply of an oxygenous gasifying medium biogenous solids into an inflammable synthesis gas which can be used after its cleaning and cooling for the generation of electricity and heat in a block heat and power plant.

Rang of Application and Performance Specifications

The application of bioampere® solid particle gasifier for decentralized power supply is possible at almost every site due to the small floor space required. Thus the bioampere solid particle gasifier can not only be used as a complement in existing electricity networks, it allows also the power supply at hitherto uneconomical sites. The solid particle gasifier is suitable in particular for sites with heat or cold demand and/or a surplus of relevant residual material. However, the plant can be also used for utilisation of waste material.

Charge	Heating value Hu MJ/kg TS	Humidity ratio %	Ash content Ma %
wood chips (pine, cottonwood, willow)	18,4 - 18,8	10 - 53	0,3 - 1,0
miscanthus	17,6	20	2,8 - 3,9
crop (rye, wheat, oat, corn)	17 - 18,9	10 - 12	2 - 2,6
rape	26,5	10	3,3
straw (wheat, rape)	17,1 - 17,4	17,4 - 18	4 - 6
horse dung	ca. 20	52	ca. 2
hay pellets	17,3 - 17,9	10 - 12	5,4 - 6,3
clearing sludge – structural material (pellets, not squeezed)	17,6	30	23

Performance characteristics	
Thermal power input	from 600 kW
Useful thermal power output	Up to 300 kW
Electrical basic power as feed-in	Up to 240 kW
Pilot injection output of CHP	from 10,6 l/h
Floor space required for one facility	approx. 400 m ²
Overall efficiency	Up to 90 %
Charge demand	
Straw	approx. 1.000 t/Jahr
Wood	approx. 1.200 t/Jahr

fig. 3: performance data of bioampere® solid particle gasifier

bioampere® Combined Heat and Power Plant

The bioampere® combined heat and power plant was purpose-built for the operation with different gases. Its technical heart is an PING-engine (Pilot Ignited Natural Gas engine) which can be operated both with gas and with conventional combustibles and vegetable oils. This special feature makes it possible to compensate variations in the gas quality efficiently by controlled additional combustion of vegetable oils and to keep the power output of the plant stable. A CHP which can be operated also only with vegetable oil offers an additional advantage with regard to the efficiency. It corresponds to the conditions of the German Renewable Energy Sources Act and the regulations in most other European countries.

Pilot-ignited natural gas engine

The pilot-ignited natural gas engine is based on the principle of the diesel engine. The lean gas (synthesis gas) is added to the ingested combustion air. The injection of a small amount of igniting-oil induces the ignition of the lean gas-air-mixture. Most of the time the settings are made in such a way that the proportion of igniting-oil is approx. ten percent of the added fuel power. Vegetable oil, diesel oil or fuel oil is applied as igniting-oil. However, it is prescribed through article 8 para. 6 EEG that biogas plants which are commissioned after December 31, 2006 may use exclusively bio diesels or vegetable oils as igniting-oil.

Field of Application and Performance Data

The bioampere® combined heat and power plant is a power station functioning after the principle combined heat and power. The simultaneous generation of electricity and heat allows an efficient energy use and with that a small output of the greenhouse gas carbon dioxide. The specifically configured pilot-ignited natural gas engine powers a generator for electricity generation. This generator converts the mechanical energy of the engine into electric energy. The exhaust heat of the engine stored in the cooling water is transferred to the heating water cycle with a heat exchanger. In the same way also the exhaust fumes are cooled down with a heat transformer and the released thermal energy is used heating energy.

Properties	Unit	Rape oil	Soya oil	Palm oil
Density (15°C)	kg/m ³	915	920	910 - 940
Caloric value	MJ/kg	37	36	36
Flash point	°C	> 220	> 250	> 250
Kinematic viscosity (40°C)	mm ² /s	36	33	max. 39
Coke residua	Mass - %	0,33	max. 0,40	max. 0,40
Iodine content	g Iodine /100 g	110 - 126	120 - 140	48 - 56
Sulphur content	mg/kg	1,7	max. 5	max. 5
Overall pollution	mg/kg	max. 10	max. 5	max. 25

fig. 4: performance data of the bioampere® combined heat and power plant

7.3.4 Customers

The clientele of the bioenergy Group consists mainly of finance-investors organized in the form of an investment limited partnership. At present those investors are primarily private-investors. However, also institutional investors expressed interest in the plants of the bioenergy Group.

7.3.5 Marketing

The Company places emphasis on a conservative and defensive marketing strategy that is tailored precisely to the clientele. The main objective of bioenergy is to convince potential plant operators of the technology of the gasification of solid matter and its economic benefit, so the boundaries between distribution and marketing are flowing. Classical motives of marketing like the broad effect of advertising and emotional branding of the products play no role for the Company. Instead of this, it is attempted to use the public opinion and the political mood and within the framework of the present media coverage of topics like climatic disasters and environmental control to lead the interest to the Company and the possibilities of its products. The Company is in touch with different media representatives and attempts in this way to attain resonance in the bioenergy market with press releases.

Within the framework of the marketing activities the Company practises a very open information politics and is represented regularly on trade shows that cover topics which refer directly to the business activities of the bioenergy Group.

An essential objective of the Company is the lasting implementation of the bioampere® gasification technology in the growing bioenergy market and to position itself permanently as one of the leading plant manufacturers with a reliable technology. Against this background the enterprise canalises a huge part of its efforts into the field of Research and Development in order to examine the energetic quality of different biomass products next to the technological development of the plants.

Due to the objective to implement an integrated energy concept, in which every stage of the energy generation from growing the plants to marketing of heat and electricity is optimised, the results of the latest research serve in particular for the development of strategy concepts for the cultivation of energy and agricultural crops.

In addition to that the bioenergy Group plans to expand the application spectrum of the plants and to open up the business segment "Waste To Energy". Here the Company presumes an above-average market potential because two objectives can be pursued on the one hand a non-polluting waste disposal in environment-political respect and on the other hand a contribution to the climate protection.

7.4 Research and Development

The development of technology in the renewable energy sector appertains not only after the evaluation of the Company to one of the most important tasks of the sector (*cf. BMU field report on the Renewable Energy Sources Act, 2007, BMU-Erfahrungsbericht zum Erneuerbare Energien Gesetz, 2007*). So that regenerative energy sources can be established as an alternative to mineral oil, natural gas and coal, it is unavoidable to optimise the efficiency and the service efficiency of all power generation facilities. Against this background the Federal Government intends to create additional stimuli in order to support the development of innovative and especially effective technology forms.

Part of the corporate concept and research and development policy of the bioenergy Group is the specific technological development of plants from the viewpoint of energy efficiency and market suitability. So since December 2006 the Company maintains an own research and development site in Artern (Thuringia) at which currently 8 employees are working. Their research and development work is both product- as also application-oriented. Among other things, the increase of the service efficiency of existing plant models and the upgrading of those models by further power classes appertain to the field of the product specific development.

In the division of the application-oriented research the Company is mainly occupied with the investigation of the energetic quality of different biomass products. The results are used for the development of strategy concepts for the cultivation of energy and agricultural crops. The objective is to develop an integrated energy concept in which every stage of the energy generation from growing the plants to the marketing of heat and electricity is optimised. To that the Company maintains close contacts to co-operation partners and analyses regularly their requisitions and the requisitions of the market, in order to adapt the products correspondingly. The identifying of specific market segments and the developing of products with regard to specific and individual areas of application belongs also to this division. In the division of heat contracting it was for example necessary to adapt the bioampere® plants to the specific requirements which need to be considered during the establishment of such installations in residential areas with so that the operation will be approved under public law.

In 2006 the bioenergy Group spent approximately EUR 30,000 and in the first six months of 2007 approximately EUR 250,000 for own research & development. There was no sponsorship of research & development activities of third parties.

7.5 Investments

7.5.1 Material Investments of the Past

The following table gives an overview of the most important investments of the Company and the bioenergy Group in the past by means of the assets analysis:

bioenergy N.V.	July 18, 2006 - December 31, 2006 audited in thousands of EUR	January 1, 2007 – June 30, 2007 unaudited in thousands of EUR
Investments in subsidiaries	50	53

bioenergy Group	July 18, 2006 – December 31, 2006 audited in thousands of EUR	January 1, 2007 – June 30, 2007 unaudited in thousands of EUR
Furniture and office equipment (including tangible assets of T&M Engineering GmbH and T&M Consulting)	207	66
Software	10	5
Goodwill of the company (out of the take-over of T&M Engineering GmbH and T&M Consulting)	565	0
Factory premises Artern (deposit)	0	55

7.5.2 The most important current investments

On the level of the bioenergy N.V. itself no investments are currently made.

The current investments of the bioenergy Group concern the production site Artern/Germany as well as - in small extent - the company and business equipment of the subsidiaries. Accordingly, all investments are made in Germany. At the production site Artern the factory premises was acquired for EUR 120,000 from which EUR 50,000 come from capital resources and EUR 70,000 are bank-financed.

7.5.3 The most important future investments

On bioenergy N.V. level no investments are currently planned.

Within the bioenergy Group the enlargement of the production site in Artern/Germany is planned among other things through the acquisition of further plots. The investments in the production site amount to about EUR 3,500,000 in total and are supposed to be financed partial through own resources from the planned capital increase and through public funding (up to 50 %). The investments are to be implemented within the framework of two stages of expansion of EUR 1,200,000 respectively EUR 2,300,000. The implementation of the first stage is planned by the end of 2007. Provided that no public funding is granted, the entire investment sum would have to be self-financed.

7.6 Sales proceeds

7.6.1 Breakdown of the total turnovers

For lack of own operational business activity the bioenergy N.V. has not achieved sales proceeds either in the short business year 2006 or in the first six months of 2007. The following lists reflect the sales proceeds of the bioenergy Group for the short business year 2006 and the first six months of 2007, in each case broken down to business segment and geographical markets:

Business segment	July 18 – December 31, 2006 (IFRS) audited in thousands of EUR	January 1 – June 30, 2007 (IFRS) unaudited in thousands of EUR
Turnover from sale activities	29	67
Turnover from work in progress	428	2,855
Sum total	457	2,922

	July 18 – December 31, 2006 (IFRS) audited in thousands of EUR	January 1, – June 30, 2007 (IFRS) unaudited in thousands of EUR
Home country (Germany)	457	2,922
Foreign country	0	0
Sum total	457	2,922

7.6.2 Extraordinary influences

The sales trend of the bioenergy Group of the first six months of 2007 compared to the business year 2006 can be traced back to the fact that the Company started its work in the field plant engineering and construction not until December 2006. Otherwise, the sales trend of the bioenergy Group was not influenced by extraordinary circumstances.

7.7 Personnel

Next to the executive board no further personnel is working within bioenergy N.V. The bioenergy Group employs currently in total 41 employees at two sites in Merseburg (7) and Artern (34) in Germany. The site Bad Frankenhausen in Germany has been closed in August 2007 and the division Research & Development moved to the production site in Artern/Germany. The employees who were working at the Bad Frankenhausen site are now working at Artern site. Next to that currently two freelancer as well as three employees of BioHara GmbH & Co. KG are working for the bioenergy Group. Temporary workers are currently not deployed within bioenergy Group.

The surveys below display the development of the employee number (excluding the managing director) of the bioenergy Group for the short business year 2006 and the first six months of 2007, itemised into fields of action and sites:

Business segment	Reference date December 31, 2006	Reference date June 30, 2007
Administration	2	3
Production	12	13
Research and Development	4	6
Service	4	5
Procurement	1	2
Sum total	23	29

Geographical distribution		Reference date December 31, 2006	Reference date June 30, 2007
<i>bioenergy GmbH</i>	Merseburg/Germany	0	2
	Artern/Germany	16	18
	Bad Frankenhausen/ Germany*	7	9
<i>bioenergy project GmbH</i>	Merseburg/Germany	0	0
Sum total		23	29

* The site Bad Frankenhausen/Germany has been closed in the interim. The personnel who worked there are now working at Artern site.

7.8 Industrial property rights, copyrights and licences

7.8.1 Patents

Within the scope of the acquisition of the property of the T&M Engineering GmbH the bioenergy Group has taken over patent applications from the field 'energy generation' with regard to the invention "DEVICE AND METHOD FOR OBTAINING ENERGY FROM BIOENERGY SOURCES AND OTHER ORGANIC MATERIALS" of the co-inventor and (initial) applicant Dr. Harald Martin (see section 7.9 "Material Contracts/Contract regarding the Acquisition of the Businesses of T&M Engineering GmbH and T&M Consulting"). In detail it is a matter of the applications of following patents:

- Patent application DE-102 24 018.3 of May 28, 2002 (two further inventors exist)
- Patent application DE-10 2005 046 347.9 of September 16, 2005
- European patent application PCT/EP2006/066027 of September 5, 2006.

7.8.2 Trademark

Holder of the EU-Community trademark (*Gemeinschaftsmarke*) „bioampere“ used by the bioenergy Group for its distributed solid particle gasifier is the Chairman of the Supervisory Board Hannes Hofer (registration number: 005267802). It is intended to transfer the trademark to bioenergy without consideration.

7.8.3 Domains

The bioenergy Group is holder of the domain www.bioampere.de. The domains www.be-sys.com, www.bioampere.com and www.be-sys.eu are held by Mr. Hannes Hofer respectively Fontis Capital GmbH, Munich. The domain www.bioenergysystems.com is held already by another company.

7.8.4 Dependence

The business operations of the bioenergy Group are based on the technology described in the patent applications taken over by Dr. Martin (see section 7.8.1 "Patents"). Provided that these patents are registered on bioenergy N.V. and the underlying technologies are not already protected by industrial property rights, the business operations of the bioenergy Group are currently not dependent on industrial property rights or licences of third parties according to the knowledge of the Management.

By the way, those products offered by the bioenergy Group are based on usual technological processes that are not protected and according to the opinion of the bioenergy N.V. can not be protected.

7.9 Material Contracts

In the following a summary of the material contracts of the bioenergy Group, other than contracts entered into the ordinary course of business, is provided:

Contract regarding the Acquisition of the Businesses of T&M Engineering GmbH and T&M Consulting

On December 8/10, 2006 bioenergy GmbH concluded a purchase agreement with T&M Engineering GmbH ("TME"), Bad Frankenhausen/Germany, and Dr. Harald Martin T&M Consulting ("TMC"), Bad

Frankenhausen, regarding the acquisition of the businesses of TME and TMC to the fixed date December 11, 2006. The Supervisory Board of bioenergy N.V. had already agreed to the acquisition with decision of the November 20, 2006.

TME pursued up to the date of contract conclusion an engineering office with emphasis on plant development in Bad Frankenhausen and TMC a corresponding production facility in Artern. The subject of the purchase agreement was the acquisition of all material assets belonging to the businesses of TME and TMC at the sites Bad Frankenhausen and Artern, in particular the fixed assets, inventory, receivables, know-how, trademark rights and other industrial property rights including the relevant documentation, software, internet domains used for the businesses, rights of user for industrial and intellectual property rights and licensing law appertaining to the businesses as well as other immaterial assets (planning documents, design and engineering construction drawings etc.). Also all other business documents including customer files were transferred.

Furthermore, bioenergy GmbH took over liabilities and entered (so far legally possible) into existing contractual relationships. In the course of the take-over of the businesses of TME and TMC all 23 employees were transferred also to bioenergy GmbH.

TME and TMC as sellers as well as Dr. Martin as respective manager executed warranties usual for enterprise purchases towards bioenergy GmbH. The warranty claims become time-barred 5 years after conclusion of the contract.

With regard to the transmitted businesses the sellers and Dr. Martin subjected to a Europe-wide competition prohibition in the field plant engineering and construction for the duration of 5 years. For the case of violation a contractual penalty was agreed upon.

In connection with the acquisition of the businesses of T&M Engineering GmbH and T&M Consulting bioenergy N.V. undertook with agreement dated November 28, 2006, to secure the liquidity of TME to avoid any insolvency proceedings.

Furthermore Dr. Martin personally transferred three patent applications owned by him to bioenergy N.V. (see section 7.8.1 "Patents"). As consideration bioenergy N.V. is obligated to pay a fixed amount in either case a respective bioenergy plant is sold to a customer.

Consultancy contract with Dr. Harald Martin

bioenergy GmbH has concluded a consultancy contract with Dr. Harald Martin, the managing partner of T&M Engineering GmbH and owner of T&M Consulting. Subject of the contract is the professional support and technical counselling of bioenergy GmbH. This contains in particular the areas development of bioampere® technology to market maturity, further development of technology, in particular considering the use of further raw materials and concerning further fields of application, establishing of a large-scale production and a maintenance area of the product line of bioenergy including the professional management, counselling on the introduction of the product line in foreign markets, technical counselling on cooperatively activities with universities and research facilities and support with personnel acquisition and training of the employees. The contract has been concluded up to November 30, 2010. Dr. Martin underlies in the business field of bioenergy GmbH a competition prohibition. Dr. Martin receives for his counselling activities a fixed monthly remuneration as well as reimbursement of his expenditures.

Purchase agreement regarding the acquisition of the company premises in Artern

With notarial deed of April 23, 2007 bioenergy GmbH has acquired the company premises including buildings, on which the production facilities of bioenergy GmbH are situated, free from encumbrances from the insolvency administrator of the Metallbau GmbH in Artern, Am Kalkfeld 6, for the purchase price of EUR 120,000. The tenancy existing with bioenergy GmbH ended with the transfer of property on the date of the complete purchase price payment. Claims and rights of bioenergy GmbH concerning defects of or in quality were excluded. The seller affirmed only that hidden defects and soil pollutions are not known to him. The transfer of property was registered with the land register on August 15, 2007.

Loan agreement between bioenergy GmbH and Nordthueringer Volksbank eG and Creation of a charge on land

With loan agreement from April 16, 2007, the Nordthueringer Volksbank eG, Nordhausen, grants bioenergy GmbH an interest-bearing loan in the amount of EUR 70,000. The loan is used for the proportionate financing of the premises Am Kalkfeld 6 in Artern (see Section 7.9 "Material Contracts/Purchase Agreement regarding the acquisition of the company premises in Artern"). The present interest rate of 6 % p.a. is stipulated up to January 30, 2012. The loan is repaid in monthly instalments; the monthly instalments for interests and annulment amount to EUR 1,360.00.

For securing the loan a first-class land charge on the premises in Artern has been created with notarial deed on June 26, 2007 to the amount of EUR 70,000 with 18 % interests as well as a single ancillary obligation of 5 % of the land charge amount (see Section 7.11.1 "Property and Operational Facilities"). The land charge was registered with the land register on July 13, 2007.

7.10 Insurances

The bioenergy GmbH possesses insurance cover from a company and product liability insurance (including insurance of operating a power industry; *Versicherung des Betriebs der Energiewirtschaft*), an environmental liability insurance as well as a property insurance and a loss of profit insurance among other things. The amount insured is subsumed in the table below:

Insurance	Loss or damage	Amount insured
Company and Product Liability insurance	personal injury	EUR 3m. any one insured event EUR 6m. annual maximum benefit
	property damage	EUR 1.5m. any one insured event* EUR 3m. annual maximum benefit*
	pecuniary loss	EUR 0.15m. any one insured event EUR 0.3m. annual maximum benefit
Environmental Liability insurance	personal injury and property damage	EUR 3m. any one insured event (=annual maximum benefit)
Property insurance		
o fire, storm, hail		EUR 3.12m. any one insured event
o Tap water, flood, earthquake		EUR 2.1m. any one insured event (=annual maximum benefit for flood and earthquake)

○ <i>Miscellaneous</i>	between EUR 0.025m. and 0.552m. any one insured event
Loss of profit insurance**	
○ <i>fire, tap water, storm, hail, earthquake and flood</i>	EUR 1.2m. any one insured event (=annual maximum benefit for flood and earthquake)
○ <i>Miscellaneous</i>	EUR 0.5m. any one insured event (=annual maximum benefit)

* For specific insured events individual maximum limits of indemnity are agreed upon.

** For the loss of profit insurance a limitation of liability of 12 months is agreed upon.

The BioHara GmbH & Co. KG and some operating companies are included to some degree in the insurance cover of the liability insurances, property insurance and loss of profit insurance. The insurance cover concerning the operating companies is supposed to end in each case with delivery and approval of the respective energy plant.

The insurance cover does not cover all risks, however the bioenergy Group thinks that regarding the current development stage of the Group it represents an appropriate insurance cover customary within an industry and in assessing the costs of an extensive protection against potential risks. The bioenergy Group cannot guarantee that no claims are raised against them that exceed in kind or extent the available insurance cover.

7.11 Property, Plants and further Fixed Assets

7.11.1 Property and Operational Facilities

The bioenergy Group has currently operational facilities in Merseburg and Artern.

With notarial sales contract of April 23, 2007 bioenergy GmbH acquired the company premises with 4,910 sqm. in Artern that was used already before within the framework of a tenancy. The transfer of property was registered with the land register on August 15, 2007. The purchase price of the premises became financed by a loan of the Nordthueringer Volksbank eG. Correspondingly the registration of a land charge to the amount of EUR 70,000 has been requested for the benefit of the Nordthueringer Volksbank eG. The land charge was registered on July 13, 2007.

The offices in Merseburg at Hallesche Str. 36 with a square footage of approximately 330 sqm. are rented on local customary terms.

The tenancy concerning the business rooms in Bad Frankenhausen has been cancelled to November 11, 2007. The site has been closed.

7.11.2 Further Material Fixed Assets

Further material fixed assets of the bioenergy Group are the technical plants and machinery that are used for manufacturing of power plants and gasifiers for the generation of synthesis gas from biomass. The technical plants and machinery are predominantly owned by the bioenergy GmbH. The bioenergy GmbH acquired particularly from the T&M Engineering GmbH and the T&M Consulting (Dr. Harald Martin) with

sales contract of December 8/10, 2006 considerable parts of their car pool, office furnishings, a complete office equipment and the whole infrastructure equipment of an operational facility for the manufacturing of power plants and gasifiers. The balance sheet of the Group (IFRS) as at June 30, 2007, shows the other assets, plant and equipment with a book value amounting to about EUR 298,000.

7.12 Environment

In the Company's judgment the bioenergy Group operates no business premises with plants that are operated with a special risk of environmental pollution.

Because of the prior use by a metal construction company a contamination of the premises in Artern that was acquired only in April 2007 cannot be excluded. Apparently no past pollution was discovered until now.

7.13 Regulatory Environment

The operative business of the bioenergy Group lies in the field of development, installation and marketing of bioenergy plants. Their business activity is influenced indirectly by those legal regulations to which the operators of such plants have to comply. Next to the regulations of building laws, planning laws, Immission Control Act and environmental laws, prescriptions which address the respective governmental promotion of renewable energy sources are also counted among them since the costs for generating electricity by means of biomass is by far higher than the generation by fossil combustibles.

The seat of the bioenergy systems N.V. is in the Netherlands. At present the bioenergy Group, however, is through its subsidiaries predominately operating in Germany. In so far the regulatory environment in Europe and the national regulations in Germany in particular are important for bioenergy.

Europe

In the so-called Kyoto-Protocol of 1997, one add-on protocol to the UN climate frame convention UNFCCC coming into force in 2005 and running out in 2012, numerous states, a great number of industrial countries among them (except for the USA who did not ratify the protocol), committed themselves to reduce their CO₂ emissions by 5.2 %, compared to the value of 1990. The European Union obliged for a reduction by 8 %.

In order to reduce the dependence on fossil energy sources the European Union set itself the target with the Directive 2001/77/EC of September 27, 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market to obtain by the year 2010 in the Member States 12 % of the gross domestic energy consumption and approximately 22 % of the electricity from renewable energy sources.

Further the Council of the European Union agreed in March 2007 on reducing the greenhouse gas emissions by at least 30 % over the obligations resulting from the Kyoto-Protocol compared to the value of 1990 if other industrial countries oblige to comparable objectives and the economically further advanced developing countries oblige to a contribution appropriate to their responsibility and respective capabilities. The share of renewable energies in total electricity consumption should increase to at least 20% by the year 2020. (*source: German Federal Environment Ministry; Klimaagenda 2020: Der Umbau der Industriegesellschaft; April 2007*) The implementing of these decisions is not foreseeable yet.

However, on the basis of the Directive 2001/77/EC numerous Member States have already taken measures to increase the share of renewable energy sources in order to reach their Europe-legal obligations and those resulting from the Kyoto Protocol. Depending on the country different steering instruments exist like investment aids, tax benefits, remunerations rate or quota agreements for the share of electricity produced from renewable energy sources.

Germany

The objective of the Federal Republic of Germany is a reduction of the annual CO₂-emissions in Germany by 2012 of 21 % and by 2020 of in total 40 % compared to 1990. Against the background of this, the share of renewable energy sources on the primary energy consumption should be increased up to 16 % by 2020. According to the current memorandums of understanding and in order to reach these objectives the percentage of renewable energy sources in power production ought to be increased to at least 27 %, the use of combined heat and power and the share of renewable energy sources in the heat sector should double and the percentage of biofuels reach 17 % in the transport sector (*source: German Federal Environment Ministry; Klimaagenda 2020: Der Umbau der Industriegesellschaft; April 2007*).

Act on Granting Priority to the Renewable Energy Sources

(Gesetz für den Vorrang Erneuerbarer Energien)

The most important instrument for the implementation of the set objectives in Germany is the Act on Granting Priority to the Renewable Energy Sources (Renewable Energy Sources Act, hereinafter EEG) entered into force on July 21, 2004 that controls the promotion of the generation of electricity and heat from renewable energy sources. The purpose of this act is to contribute to the increase in the percentage of renewable energy sources in power supply to at least 12.5 % by 2010 and to at least 20 % by 2020. Renewable energy sources shall mean hydropower, wind energy, solar radiation, geothermal energy and energy from biomass. The purpose of this act is to facilitate a sustainable development of energy supply for the sake of protecting our climate, nature and the environment. Next to that, the EEG is supposed to promote the further development of technologies.

The EEG contains in particular an obligation of the grid system operator to purchase and transmit electricity from renewable energy sources. The obligation is linked with a by law determined feed-in tariff which is stipulated for specific periods of time. For electricity of biomass this means 20 years plus the year of the initiation, provided that the plant does not exceed a power input of 20 MW(el). The EEG promotes only plant operators, not however plant manufacturer. The regulations are not only valid, however, for the operators of newly constructed plants, but also for a retrofit of existing plants under specific conditions, so that an indirect stimuli exists both for the installation of new plants and also for the retrofit of existing power stations.

In order to make a secure calculation for the plant operators possible providing a cost recovery for the operation of the plant is a basic element of the remuneration controlled in the EEG. The level of remuneration depends on the amount of power fed into the grid and for the bioenergy sector the EEG provides in addition to the minimum compensation rate some additional fees (bonuses). In the minimum remuneration rates the level of remuneration depends on the type and size of the plants, the utilised biomass resource and the date of initiation. Bonuses arise, if the electricity is exclusively generated from self-generating raw materials (the so-called NaWaRo bonus), combined heat and power (the so-called

KWK bonus) or if the biomass was converted using innovative technologies (the so-called Technologie bonus).

According to the current legal situation we have minimum remuneration rates in Germany, declining 1.5 % per year:

Year of initiation	Power input up to and including 150 kilowatt in ct/kWh	Power input up to and including 500 kilowatt in ct/kWh	Power input up to and including 5 MW in ct/kWh	Power input up to and including 20 MW in ct/kWh
2004	11.50	9.90	8.90	8.40
2005	11.33	9.75	8.77	8.27
2006	11.16	9.60	8.64	8.15
2007	10.99	9.46	8.51	8.03
2008	10.83	9.32	8.38	7.91
2009	10.67	9.18	8.25	7.79
2010	10.51	9.04	8.13	7.67
2011	10.35	8.90	8.01	7.55
2012	10.19	8.77	7.89	7.44
2013	10.04	8.64	7.77	7.33

If self-generating raw materials are used the minimum fees shall be increased by 6.0 cents per kilowatt-hour for a power input up to and including 500 kilowatt and by 4.0 cents per kilowatt-hour for a power input up to and including 5 MW (the so-called NaWaRo bonus). The minimum fees shall be increased by 2.5 cents per kilowatt-hour if the electricity is produced by burning wood (the so-called NaWaRo bonus). The minimum fees shall be increased by 2.0 cents per kilowatt-hour independently of the power rating if the electricity was produced in plants using combined heat and power generation (the so-called KWK bonus). The minimum fees shall be increased by another 2.0 cents per kilowatt-hour if the plants are equipped with an innovative technology and have a power input up to and including 5 MW (the so-called Technologie bonus).

By the end of the year 2007 a rotational revision of the remunerations rates of the EEG is planned. A possible adjustment of the amount of the fees to be paid, the annual degressive rates and the supporting-periods will occur probably with the amendment of the EEG planned for the year 2008. Whether and how the feed-in tariffs of the EEG are adapted can not be anticipated. Bioenergy assumes however with look onto the obligations of the Federal Republic of Germany to the europe-legal requirements and to the Kyoto-Protocol that the feed-in tariffs are also valid in the future and allow an economical operation of bioenergy plants. Furthermore bioenergy assumes that for already constructed plants a right of continuance is granted.

Biomass Regulation **(Biomasseverordnung)**

On the basis of the EEG the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety issued the Regulation on the Generation of Electricity from Biomass (Biomass Regulation).

The Biomass Regulation controls for the field of application of the remuneration arrangement of the Renewable Energy Sources Act, which matters are recognised as biomass, which technical processes may be applied for the electric power production and which environmental requirements are to be observed by generating electricity from biomass.

According to section 2 of this Regulation biomass means energy sources from phytomass and zoomass. These also include by-products and decay products resulting from phytomass and zoomass, residues and waste whose energy content derives from phytomass and zoomass.

According to section 4 of this Regulation the following technical processes for the generation of electricity from bioenergy will be promoted by the EEG: Firing plants in combination with steam turbine, steam engine, Sterling engine and gas turbine processes, including organic rankine cycle processes; Combustion engine installations; Gas turbine installations; Fuel cell installations or other installations which are also operated with regard to protecting the climate and the environment.

Combined Heat and Power Generation Act

(Kraft-Wärme-Kopplungsgesetz)

The Act for the Retention, Modernisation and Expansion of Combined Heat and Power (Combined Heat and Power Generation Act; hereinafter KWKG) of February 19, 2002 is used for the promotion of the simultaneous and directly coupled generation of electricity and usable heat. It contains all combined heat and power plants (hereinafter CHP plants) on basis of fossil combustibles including waste and biomass.

The KWKG governs the purchase of and the payment for combined heat and power electricity from power stations with CHP plants. The KWKG does not cover CHP plants which are subsidised under the EEG. This means in particular that a promotion can be used according to the KWKG when the plant is not using exclusively biomass in terms of the Biomass Regulation.

With the KWKG, electricity from CHP plants which is fed into the grid for the general supply of electricity is promoted with the payment of a premium regulated by law. According to the KWKG grid operator are obliged to connect CHP plants to their grid and to purchase the electricity made in these plants. The remuneration consists of a price agreed between the CHP plant operator and the grid operator and the by law controlled premium. In the absence of any alternative agreement, the usual price will be deemed to have been agreed (since August 1, 2004: the average price for Baseload electricity at the European Energy Exchange in Leipzig in the respectively preceding quarter), plus the proportion of the charges for use of the grid calculated in accordance with acknowledged industrial practise, which can be avoided by decentralised supply by said CHP plant. The purpose of the KWKG is among other things the reduction of the annual carbon dioxide emissions in the Federal Republic of Germany by a total of around 23 million tons by 2010.

This version of the KWKG will expire on December 31, 2010. For specific plants which are put into operation until December 31, 2008, this act will continue to apply. To what extent the KWKG is extended beyond December 31, 2010 is currently not foreseeable.

German Energy Industry Act

(Energiewirtschaftsgesetz)

The second law for the readjustment of the energy industry law (Energy Industry Act; hereinafter EnWG) in the version of July 7, 2005 contains as a key element guidelines for the regulation of power supply grids, the decentralization of utility companies and third party access points. With this second amendment of the Energy Industry Act the Federal Government implemented the Community Law for the conduction-bound

power supply into national right, in particular the Directive 2003/54/EC of the European Parliament and the Council of the European Union of June 26, 2003 concerning common rules for the internal market in electricity. Objectives of the EnWG are the safe, economical, consumer-friendly, efficient and ecological supply of electricity and gas to the public as well as the enhancement of effective competition and a long-term, strong and reliable operation of the public mains supply.

The EnWG is the basis for numerous regulations which regulate among other things grid access and grid fees in the electricity and gas markets, and grants extensive competences to the regulation authorities for securing a non-discriminatory and transparent grid access in the electricity and gas markets. With it the EnWG also supplies the legal basis for the access to the power supply system outside the Renewable Energy Sources Act, which is in particular important, when the gas obtained of biomass is processed in a manner which excludes a promotion by the EEG. The network access regulations for electricity and gas plan in each case a network access model tailored according to sectoral special features.

Supporting Programmes

The construction of plants producing electric power of biomass is promoted in Germany by the Reconstruction Loan Corporation (*Kreditanstalt für Wiederaufbau*) with the provision of cut-rate credits.

Federal Immission Control Act

(Bundes-Immissionsschutzgesetz, BImSchG)

Fourth Ordinance for the Implementation of the Federal Immission Control Act

(Verordnung über genehmigungsbedürftige Anlagen, hereinafter "4th BImSchV")

The construction and the installation of a bioampere® plant can be subject to the Federal Immission Control Act (BImSchG) as well as the 4th BImSchV (Ordinance on Installations Requiring a Permit).

However, up to now it was unclear, whether the bioampere® plant can be considered as homogeneous unit and then due to its capacity as permission-free unit for the generation of electricity from gaseous combustibles. The experience showed that at regional level different legal interpretations concerning the classification of the firing thermal capacity according to the 4th BImSchV exist. Due to the previous legal uncertainty, it therefore was recommendable according to the opinion of the Company to get a permit for the construction and the installation of a bioampere® plant in accordance with the Federal Immission Control Act.

In the meantime the Lower House of the Federal Parliament (*Bundestag*) and the Federal Council (*Bundesrat*) recognised the classification difficulty and approved the "Act on the Reduction and Acceleration of Immission Control Legal Licensing Procedures" (*„Gesetz zur Reduzierung und Beschleunigung von immissionsschutzrechtlichen Genehmigungsverfahren“*) by passing the resolutions of June 21, 2007 and July 6, 2007. According to its article 3 no. 2 lit. b, 1.13. column 2 of the 4th BImSchV becomes reformulated as follows: Installations for the generation of generator gas or water gas from solid fuels, "which are able to produce an amount of gas with an energy equivalent of 1 MW or more". With this it is clarified that the construction and the installation of **one** bioampere® plant does not need any immission control legal permission in future. It is, however, possible that a permission according to the Federal Immission Control Act becomes necessary if **several** plants are constructed and operated at one site and if they produce in their sum a gas amount with an energy equivalent of 1 MW or more.

Building Code

(Baugesetzbuch)

Though the plants of the Company are constructed in container-design, however the containers are not set up in an only temporary way. Concerning this matter the building code, as well as the respective regional building code are valid. Whether a building permit is necessary or not, must be verified through the respectively responsible building authority.

Technical Instruction in the Purification of the Air

(Technische Anleitung zur Reinhaltung der Luft, hereinafter "TI-Air")

The Technical instruction in the purification of the air is a general administrative regulation of the German Federal Government to the Federal Immission Control Act. It contains prescriptive limits for noxious emissions as well as immissions and specifies the corresponding measuring methods. The TI-air addresses the licensing authorities for industrial and commercial plants subject to approval. By means of the general requirements of the TI-Air the respective authorities compile adapted obligations to be met by the plant operator.

Technical instruction in the protection against noise

(Technische Anleitung zum Schutz gegen Lärm, hereinafter „TI-Noise“)

The Technical instruction in the protection against noise is a general administrative regulation that serves the protection of the community and the neighbourhood from noxious environmental influences through noises. The TI-Noise has importance for licensing procedures of commercial and industrial plants as well as for the subsequent ruling of guideline values for already existing plants requiring authorisation.

The Netherlands

The Netherlands possesses comparable legal requirements for the promotion of renewable energy sources like the EEG and EnWG. In the Netherlands attention should be paid to the high percentage of industrialised livestock husbandry which produces usable biomass in great quantities for plants generating electric power from biomass.

7.14 Legal Disputes

With the exception of the legal dispute described below, over the past year neither the Company nor its subsidiaries have been involved in administrative proceedings, court proceedings or arbitration proceedings, nor are they currently involved in such proceedings having the capacity to exert a significant impact upon the financial situation or the profitability of the bioenergy Group. Such proceedings are not impending, nor are they expected, as far as the Company is aware.

Hügelland KG versus bioenergy systems GmbH

On the June 15, 2007 Hügelland KG of Querfurt/Germany filed an action for compensation for damages at the regional court in Halle for EUR 500,000 plus interest on this sum from September 16, 2006 onwards against bioenergy GmbH. In these proceedings Hügelland KG is asserting claims based on a contract initially entered into with T&M Engineering GmbH of Bad Frankenhausen, and which passed over to bioenergy GmbH at the end of 2006 as a result of the contract being taken over. The contract concerned the production and supply of a wood gasification system. In the opinion of Hügelland KG the alleged

compensation claim for damages is the result of the system not being completed by the agreed time of June 30, 2006 and not being free of defects. Consequently, Hügelland KG is also making an additional application that bioenergy GmbH be subjected to an obligation to also make good to Hügelland KG all other damages which have yet to be incurred as a result of the system not being completed on time.

In connection with the compensation claims for damages asserted, Hügelland KG had already made an application at the regional court in Halle on the April 24, 2007 for an attachment order (*dinglicher Arrest*) impounding all the assets of bioenergy GmbH. The order of seizure (*Arrestbefehl*) thereupon decreed against bioenergy GmbH on May 2, 2007 was confirmed by the ruling passed by the regional court of Halle on July 12, 2007. bioenergy GmbH has blocked the seizure from being executed by depositing the sum of EUR 150,000 and has submitted an appeal against the seizure judgement.

On October 19/November 2, 2007, Hügelland KG and bioenergy GmbH entered into a settlement agreement. Pursuant to this agreement bioenergy GmbH is obligated to pay to Hügelland KG the amount of EUR 320,000 in two instalments. The first instalment amounting to EUR 220,000 was paid on November 9, 2007. The second instalment in the amount of EUR 100,000 has to be paid on December 31, 2007, the latest, and is secured by a written guarantee of bioenergy N.V. After payment of the first instalment both parties filed motions to put the legal proceedings described above on hold until the complete fulfilment of the settlement agreement. Court fees occurred by the appeal have to be borne by bioenergy GmbH, court fees occurred because of the lawsuits and motions filed by Hügelland KG have to be borne by Hügelland KG. Furthermore each party bears its own expenses.

7.15 Business Plan

7.15.1 Set objective

The aim of bioenergy Group's strategy is to implement its bioampere® gasification technology on a sustained basis in the constantly growing bioenergy market and, in doing so, position itself permanently as a leading system supplier with superior technology. Consequently research and development plays a key role in its strategic aim, the objective being not only to investigate the technological enhancement of the system, but also the quality of the energy from different biomass products. In addition to this, a significant increase in the production volume and turnover is to be instigated through business expansion and maintaining a presence in important markets and distribution channels and by developing and honing management and organisational structures at the same time.

In addition to this, bioenergy is planning to expand the range of applications of the systems and to become involved in the 'Waste To Energy' sector. What is meant by Waste To Energy is the treatment of domestic refuse or other waste of biological origin to generate power. This would have a twofold ecological benefit, since waste incineration would be combined with power generation. The bioampere® system satisfies all the technical requirements for this and the Company is convinced that it is therefore capable of becoming one of the few all-purpose bioenergy systems on the market.

The mid-term objective set by the Company as, in the Management's opinion, one of the leading suppliers of gasification technology is

- To begin serial production,
- The systematic expansion of production capacity,
- To tap the full market potential for its products, as well as

- To increase Company value continually by expanding business operations.

In the long term the Company has set itself the objective of expanding the range of its systems applications in such a way that, in the final analysis, the entire range of potential offered by the use of bioenergy can be exploited to the full. By putting the principle of “One system, many options” into practice, the bioenergy Group trusts that it will be able to distinguish itself from the other suppliers in the market, while in the long term it will strive to achieve technological leadership in the gasification of solids by building upon its present level of technical progress.

7.15.2 Strategic measures

With regard to achieving the above-named strategic objectives it is planned to implement the following measures.

- ***Expanding the sales organisation***

Further expansion of sales structures constitutes an important basis for planned Company growth. As part of this, the Company will build on existing arrangements with other companies and set up new project-based partnerships with potential suppliers of raw materials. In doing so, bioenergy will focus primarily upon raw material producers from agriculture and forestry, which in most cases also have suitable sites. Against this background, the bioenergy Group will also continue to be represented at the relevant trade fairs and canvass suitable projects.

In the heat-contracting sector the Company intends to announce its current power-project, which has been implemented since December 2006 in collaboration with a housing company in Brandenburg, via the umbrella organisations of the German housing industry and plans to access new sales channels by these means.

- ***Making the Company and its products and brands better known***

bioenergy intends to raise awareness of the Company and its products by means of selective marketing activities as well as establishing the bioampere® brand as a synonym for high-performance bioenergy gasification systems. The Company believes that raising the degree of awareness, not only of the Company but also of the brand and its products, is a crucial factor in triggering an increase in the demand for the Company's products and is a basic prerequisite for achieving the growth targets. For this reason bioenergy will continue the course it has taken hitherto and expand its marketing activities as required.

- ***Extending production capacity***

At present the bioenergy Group produces its systems in small batches. As a result of this there are limits for the Company with regard to the number of projects it can carry out. These limits are not set by the market itself but only in the current Company structures. To prevent the Company from relinquishing its position in the market to a competitor with high production volumes, the bioenergy Group intends to expand its production site in order to be able to commence the serial production of equipment and also to satisfy increasing demand in the future.

- ***Increasing the product range***

To date the bioenergy Group has manufactured a bioenergy plant with an output of approx 240 kWel. This has, in part, resulted in it not being possible to get every project, which could in principle be considered for gasification plant, up and running efficiently from economic considerations. Depending upon project requirements, it may be appropriate to use systems which are either low-efficiency or high-efficiency. That is why the Company is reviewing its existing range of standard products in order

to add new product variations if necessary, enabling it to realise projects with different specification profiles and in various dimensions so that they are economically efficient. With regard to the options for the decentralised use of bioenergy systems, bioenergy expects this to increase the number of projects it is able to realise. In addition to this, the Company assumes that having a wider product range available will have a beneficial impact upon turnover and earnings.

- ***Opening up new target markets***

The Company analyses the markets both in Germany and in other countries on a regular basis in order to be able to access new market sectors and applications continuously. In the renewable energy sector, in particular, this includes compliance with country specific statutory regulations and their amendments, as these can be of crucial importance to the profitable operation of a bioenergy plant. At present the business of the bioenergy Group concentrates on Germany and the EU, the bulk of which already has regulatory mechanisms, comparable with the German regulations of the EEC.

7.15.3 Internationalisation

Moreover, countries which have large connected areas of agricultural land under cultivation, such as for example in the USA or many states in Eastern Europe, are lucrative markets leading us to believe that they have plenty of growth potential for the bioenergy sector. Even if state subsidy schemes have still not developed to achieve the level of efficiency of central European standards, these countries nevertheless offer large economic potential for companies in the bioenergy sector, albeit subject to different conditions and assumptions.

8 Market and Competition

8.1 Positioning of the Company

From the Management's point of view, bioenergy belongs to the leading technology providers on the German bioenergy market in the segment of solid particle gasification. Regarding the technological maturity and marketability of the products the Company competes according to own evaluations only with few other enterprises.

No further enterprise is currently known to the Company which offers a comparable product with similar service specifications in a standardised version which is suitable for assembly line production. The few other manufacturers of biomass gasification plants are in the Company's view currently hardly or still not able to compete with the technology of bioenergy. Numerous small enterprise are indeed specialised onto sections of the market segment of solid particle gasification such as "Development" or "Manufacturing of plant components". From the Company's point of view no German competitor is known to the Company's Management who, however, covers the entire service spectrum along the value creation chain during the electric power production from biogenous solids in comparable extent as the Company.

8.2 Market Environment

8.2.1 Energy Market

Increase of the worldwide energy demand

According to the recent outlook of the International Energy Agency (IEA) the worldwide primary energy consumption will increase around 53 % between today and in 2030 (*source: International Energy Agency: World Energy Outlook 2006. Paris 2006*). About 70 % of this rise falls upon the less developed countries, first and foremost on China and India whose national economies are in a worldwide unique growth stage. In addition to this comes the rise of the world population which will enlarge the primary energy demand irrespective of ecological factors. On the one hand, if this development continuous and the energy supply basically still relies on fossil energy sources, all damaging side-effects of this energy politics like for example the climate change will persist in future. On the other hand, the forthcoming shortage of petroleum, natural gas and coal will lead to political and economic crisis that have its causes in the dependence on few raw material exporting countries. For the ultimate consumer the effects of this development will be perceptible in the form of energy price increases and supply gaps which result from delivery bottlenecks at importing fossil energy sources (*source: International Energy Agency: World Energy Outlook 2006. Paris 2006*).

Renewable energies

According to the German Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU) renewable energies might achieve an essential contribution to the easing of the future energy market. Waterpower, wind power, solar energy, geothermal heat, biomass and others are among the renewable energies. The BMU expects that the share of regenerative energies on the entire energy provision in

Germany will double from present 8.0 % up to 15 - 20 % in the year 2020 (source: BMU, *Erneuerbare Energien in Zahlen. Berlin 2007, p. 8*).

The commercial use of renewable energies started already in the seventies as a consequence from the two oil crisis of 1973 and 1979. Trigger for that was not an actual raw material shortcoming as rather the attempt of the oil exporting countries to bull the market and raise the crude oil price artificially with purposeful limiting of the oil delivery volume. With the cognisance of the political and economic dependence on the OPEC-countries which caused in the West-European industrialised countries great concern, one began, first of all, with the search for alternative energy forms and their utilisation.

Finally, in the nineties, environmental aspects resulted in putting the reduction of the greenhouse gas CO₂ onto the agenda. Due to that, steering instruments arose worldwide with the objective to push the use of renewable energies.

Power made from renewable energies is funded in Germany according to the Renewable Energy Sources Act (EEG). The act controls that for a specific period after initiation a bioenergy plant, falling under the coverage of the EEG, a safeguarded remuneration rate is guaranteed and at the same time an acceptance duty exists for the respective grid operator. This means for the operation of a bioenergy plant a guaranteed remuneration rate for a period of 20 years. The amount of the remuneration rate depends on the one hand on the type of renewable energy used and on the other hand on the applied technology.

With the biomass regulation which became effective in June 2001 and the resultant improvements made to the remuneration rate within the framework of the amendment of the EEG in the year 2004 the remuneration models were adjusted for bioenergy, wind power and solar energy for the benefit of the biomass, what led to additional impulses for the bioenergy market.

Growth factors of renewable energies

Shortage of energy sources

Although the global fossil energy reserves will be available in sufficient form beyond the year 2030, their shortage will be perceptible as per study not before 50 to 90 years, the mining demands increasingly greater investments. The increasing extraction costs which could affect the efficiency of fossil energy sources much faster and the poor sustainability of limited resources place the development of renewable energies into the centre of interest. Because of the increasing costs during the extraction of fossil combustibles the prices for energy produced from fossil combustibles will also rise long-term and thereby the renewable energies which are currently still more expensive will become more capable of competing.

In addition, the environmental dangers that have come into the public consciousness in the recent past can not be eliminated with the previous energy politics and prevented only with the intensified use of regenerative energy sources.

Deregulation and privatisation in the energy sector

Former monopoly enterprises begin with the worldwide privatisation of the supply and energy sector, to come in competition under each other through differentiated product offers and the concentration on specific market segments. The deregulation and privatisation encouraged big supply and energy enterprises to commit itself more strongly to the field of renewable energies.

Changed customer behaviour

In the course of thematisation the topic through the media many energy consumers developed an increased consciousness for environmental issues and announced great interest in the so-called "green" power. The here arisen volition to achieve a contribution to the environmental protection and to refuse both nuclear power and fossil energy sources could be an occasion to enlarge the present capacities of regenerative energies with the aid of the positive image.

Increasing political support

Governments all over the world took a row of measures in order to speed up the growth of regenerative energies and to support technological developments in this field.

The "Kyoto-Protocol to the United Nations Framework Convention on Climate Change" (in the following: "Kyoto-Protocol"), that was arranged in December 1997 contains emission boundaries binding for industrialised countries and for the first time and explicitly designates the use of renewable energies as an appropriate instrument to counter the output of the greenhouse gas CO₂ and to induce a reduction of the CO₂ -emission on a long-term basis. The regulations of the "Kyoto-Protocol" came into force in 2005 and run out in 2012. The agreement plans to lower the emission of greenhouse gases by 5 % compared to 1990. At present time the future of the Kyoto-Protocol is negotiated. In the centre stand the quarrels about a succession protocol which combines further reduction obligations with a greater number of countries participating obligingly.

The EU-Guidelines about renewable energies which have come into force in 2001 reach even further. They aim at increasing the share of electric power production from renewable energy sources in the European Union up to 22.1 % in total by the year 2010. This is supposed to help the European Union to reach its aim to cover 12 % of the entire energy consumption with clean energy by 2010. Meanwhile, voices become loud in the European Union which demand that the industrial countries should commit themselves in the framework of the further development of the "Kyoto-Protocol" to reduce their greenhouse gas emissions by 30 percent until 2020 compared to 1990 (*source: BMU, Erneuerbare Energien in Zahlen. Berlin 2007, p. 37 - 42*).

Improved efficiency

Recent energy supply scenarios assume that already in 2050 approximately a third of the future world energy demand could be covered by renewable energies. As reasons for that particularly two factors are named, the costs of renewable energies which are expected to sink in comparison with the costs of fossil combustibles and the technological developments that will lead to an increase of the capability and the energy efficiency of the until then available plant systems.

8.2.2 Bioenergy Market

Term of biomass

Biomass designates the entirety of organic material in a defined ecological system which was biochemically synthesised. It contains therefore all living beings, died organisms and organic metabolism products. About 60 % of biomass available on the earth is represented through microorganisms. With biomass primaries solar radiation is converted into organic particles with the aid of plants and their process of the photosynthesis. The primary reaction is the transformation of carbon dioxide and water into carbohydrates

and oxygen. Biomass represents thus stored solar energy. Bioenergy sources are existent in solid, fluid or gaseous forms. Examples of solid energy sources of biomass are wood as well as wood residues, energy wood (tree species that are especially grown; rapidly growing tree species as poplars and willows), agricultural residue (straw) or especially grown energy crops on agricultural land that has been set-aside. Fluid bioenergy sources are ethanol that is produced by fermenting sugars with yeast, and vegetable oils from oleaginous plants as for example rape. An example of a gaseous energy source of biomass is biogas.

Biomass can be employed with the aid of a great number of most different procedures to cover the energy demand. The different techniques vary considerable with the input of biomass (for example wood, rape crop, corn or liquid manure) and the desired energy source (for example heat, electricity or ethanol).

In the course of a preparation-chain that describes the "way" from the accruing place up to the desired end respectively effective energy, biomass can be reprocessed in very different ways and ultimately converted into the desired energy form. In the simplest case for example lignocellulosic biomass like wood is burned after a simple mechanical preparation (for example comminution) directly in a combustion plant. In this case the combustion represents the "classical" procedure for the use of solids of organic origin. The provision or supply chain of energy produced of biomass contains all processes beginning with the production of the energy plants and/or the sourcing of residues or waste of organic origin up to the provision of the final energy (for example heat, electricity). The chain describes the "life" of the organic matter from the production to the provision of end or effective energy. Every such provision chain can be divided into different sections. These subdivide themselves into biomass production, provision, use and utilisation and/or disposal of the pending residues and / or waste (*source: BMU: Leitfaden Bioenergie (2005). Berlin 2005*).

Development of the bioenergy market

According to the statement of the German Renewable Energy Federation (BEE) the year 2006 was a record year for the use of renewable energies. In Germany alone the share of wind, water, sun, biomass and geothermal heat at the energy supply increased by 1.2 % from 6.8 % to 8.0 % (*source: BMU: Erneuerbare Energien in Zahlen. Berlin 2007, p. 8*). The complete energy provision of regenerative energy sources grew up above 200 billion kWh. Only heat and power count among that, not the energy that was made of biofuels. In the year before that were 175.7 billion kWh generated. Main carriers of the growth are bioenergy, wind power and solar energy. The bioenergy is of an exceptional importance during the heat generation. 70 % of the heat that is produced from regenerative energy comes from bioenergy.

The present market situation of bioenergy is comparable with the position of wind power at the beginning of the nineties. So bioenergy is just at the beginning of its upswing and according to the statement of the Company a big global growth potential can be recognised for the next years. As wind power or solar energy can only be produced and used site-dependently, however, bioenergy offers as single regenerative energy source the versatility of fossil combustibles and is therefore a genuine substitute. Biomass exists, different than wind and sun, also in stored form. Just in countries, in which productive rural economics, at least, however, large agricultural areas are resident, no market limits are recognisable from present viewpoint. According to a statement of bioenergy there are only some few bioenergy plant manufacturers who have the ability to make a technology available that exhausts the possibilities of biomass. The Company expects for the future a safeguarded fixed position on the European bioenergy market.

8.3 Competition

8.3.1 Competitive position of the Company

From the Company's point of view, the Company is characterised by following features, which not only considerably contribute to the business success of the Company and are a respectable starting basis for the growth target of the Company, but, according to the administration's point of view, are also contributing to the fact that the bioenergy Group distinguishes from other competitors:

- ***Quality of technology***

The Company believes the - according to its own assessment - existing technological quality of the bioampere® solid particle gasifier and the bioampere® block heat and power plant, as well as its know-how in developing technology of solid particle gasifier systems and the components they require to be suitable to ensure the bioenergy Group a strong position on the bioenergy market in the long-term.

- ***Quality of the management***

The Company is characterised by an experienced and qualified management and slim management structure. The Member of the Management Board, Dipl.-Ing. Ralph Brendler has long-standing experiences both with the renewable energy market and with fast-growing enterprises in the field of energy technology, particularly energy supply. The focus of the engineer of processing technology is on the implementation of new technologies in the market of renewable energies, in particular in the segment bioenergy. Besides the divisions Sales and Marketing he has focused the structure of the bioenergy Group on the division Research and Development, what distinguishes the Company from other market participants. For the future Mr. Brendler intends to expand the Company by the division of industrial series production of the bioampere® solid particle gasifier and the bioampere® block heat and power plant.

- ***Range of Services***

Self-described, the Company distinguishes from other competitors by the fact, that it is one of few plant manufacturer which operate as complete provider with appropriate know-how on the market. This means that the bioenergy Group is in a position to cover the whole process of construction and marketing of a bioenergy plant. So the Company accompanies and masterminds all phases that must be run through essentially for the construction of a bioenergy plant as a consulting, planning and development company. Accordingly, the business activities of the Company go from searching for an appropriate site, over protection of the project rights, termination of the public-legal licensing procedure and the financing organisation up to the operation of the plant, including maintenance. At the end of the project planning stands a bioenergy plant, tailored specifically to the area of application that can be delivered key-ready to the future operator.

Furthermore bioenergy makes out strategies concepts for the selection of utilisable bioenergy carriers and supports the plant operator in the planning of cultivation of efficient and energetically valuable biomass products. Moreover the Company works on the development of new technologies, which allow access to a new field of application for existing plants. In other words, the bioenergy Group supports not only in the optimisation of the processing of different raw materials, but also in the development of

additional business fields, that arise from operating the plant or cultivating energy and agricultural crops.

- **Research and Development**

The Research and Development department has its office in Artern (Thuringia, Germany). At this site 8 employees are occupied with the technological enhancements of the plants, improvement of the energy efficiency of relevant raw materials and in the enlargement of the raw material spectrum.

8.3.2 Competitors of the Company

Direct competitors of the Company are in particular middle-class manufacturers of block heat and power plant and wood gas gasification plants:

Energietechnik Kuntschar + Schlüter GmbH

The Energietechnik Kuntschar + Schlüter GmbH, based in Wolfhagen-Ippinghausen, was set up in 1978 as a heating engineering company. Today it provides, as a heating engineering and electrical installation company, products and services around the CHP-technologies up to the establishment of complete heating systems. Currently it operates several hundred CHP generation plants worldwide in the most different possible applications.

Pyroforce Energietechnologie AG

The Pyroforce Energietechnologie AG, set up in 1973 and based in Emmenbrücke (Switzerland), operates today exclusively on the field of high temperature gasification of biogenous substances. Main item of the plant developed by the Pyroforce Energietechnologie AG is the Dc-packed bed-gasification unit. In the high-temperature gasification reactors the used biomass is converted into a flammable generator gas that is suitable for driving turbo-loaded gas engines of CHP generation plants. Since 2002 the Pyroforce Energietechnologie AG operates its first industrially produced CHP generation plant with an installed power of 200 kW_{el} and 270 kW_{therm}.

NRP Natur-Rohstoff Pyrolyse GmbH

The NRP Natur-Rohstoff Pyrolyse GmbH in Unterthingau manufactures the wood gas producer “Pyrator”. The gasification and filter unit, which is filled with wood waste, supplies gas, that is available for heat, cold and electricity generation. The Pyrator can be used as a complement to wood gas heat and power plants, wood gas turbines, fuel cells or ORC- steam engines.

A.H.T. Pyrogas Vertriebs GmbH

The A.H.T. Pyrogas Vertriebs GmbH, set up in 1997 and based in Bergisch-Gladbach, has developed the patented A.H.T. gasification technology on the basis of the Deut-double fire gasification technology. The A.H.T. Pyrogas Vertriebs GmbH plans and implements wood gas CHP generation plants and carries out the planning of the infrastructure, buildings and periphery, such as wood shredding, wood drying, wood feeding and heat distribution for its customers. The power of the wood gas block heat and power plants ranges from 50 kW up to 500 kW_{el} for single plants/units and up to 5 MW_{el} for series plants. The power of the gasification plants for thermal use ranges from 300 kW up to 2.5 MW for single plants/units.

9 General Information on the Company

9.1 Incorporation, Name, Registered Office, Fiscal Year and Duration of the Company

9.1.1 Name and Commercial Register

The name of the Company is bioenergy systems N.V.

The Company is registered in the trade register of the Chamber of Commerce and Industry for Oost-Brabant under file number 17193326.

9.1.2 Incorporation

The Company was incorporated on July 18, 2006, and registered in the trade register of the Chamber of Commerce for Oost-Brabant under file number 17193326 on July 19, 2007. Founders of the Company were Wild Invest GmbH, having its registered office in Munich (Germany), Brendler Beteiligungs GmbH, having its registered office in Merseburg (Germany) and Navigator Equity Solutions N.V., having its registered office in Amsterdam.

9.1.3 Duration and Fiscal Year

The duration of the Company is unlimited.

The fiscal year of the Company corresponds to the calendar year.

9.1.4 Registered Office, Address, Legal form and Applicable Law

The registered office of the Company is Amsterdam.

The principal place of business is Aalsterweg 181 A, 5644 RA Eindhoven, the Netherlands.

The Company is a public limited liability company organized and existing under the laws of the Netherlands and was incorporated in the Netherlands.

Applicable laws are those of the Netherlands.

9.2 Corporate Object

The object of the Company pursuant to article 2 para. 2 of the Articles is:

- a. to participate in, finance and manage companies and other enterprises, acquire, retain, alienate or in any way manage all types of participations and interests in other companies, associations and enterprises, whatever their names, to act as a holding company, raise loans and lend monies, as well as to issue guarantees and provide securities for third party debts, including those of group entities;
- b. to issue advice regarding management and organization, support and counsel management and management activities (including interim management) of enterprises;

- c. to engage in consultancy activities, to be understood in the broadest sense of the word with everything pertaining to such activities or which can be of service to them;
- d. to manage and invest capital in all asset values, including securities, precious metals and currencies;
- e. to acquire, borrow and lend monies in all currencies, which activities include issuing bonds and depositary receipts, as well as to issue securities for debts and the guarantee of loans;
- f. to acquire, exploit and issue licenses and sub-licenses and similar rights, whatever their names or descriptions, and where necessary to protect rights derived from patents and other rights pertaining to intellectual property, licenses and sub-licenses as well as similar rights protecting against infringement by third parties, and
- g. to acquire, manage, exploit, alienate, encumber and in other ways use goods (including goods subject to public registration) where any such activity is related to or may be beneficial to the foregoing.

9.3 Notices, Depositary and Paying Agent

The Company will publish public notices concerning its shares in at least one nationally distributed newspaper in the Netherlands. Announcements convening a general meeting of the Company will be placed in a daily newspaper with a nation wide distribution both in the Netherlands and in countries where the Company is listed.

The Depositary and Paying Agent is Bankhaus Gebr. Martin AG, Kirchstraße 35, D-73033 Göppingen.

9.4 Corporate Governance

The Code Tabaksblad for Corporate Governance represents substantial laws for the guidance and monitoring of Dutch listed enterprises and contains international and national recognized standards of good and responsible corporate management.

Management and Supervisory Board of the Company declare that the Company did not follow the recommendations of the Code Tabaksblad for Corporate Governance during the fiscal year 2006. Furthermore the Company will not necessarily correspond to the recommendations in the future as Management and Supervisory Board hold the opinion that the advantages for the shareholders and the Company in observing the Code are not in an appropriate relation to the costs connected with the necessary precautions.

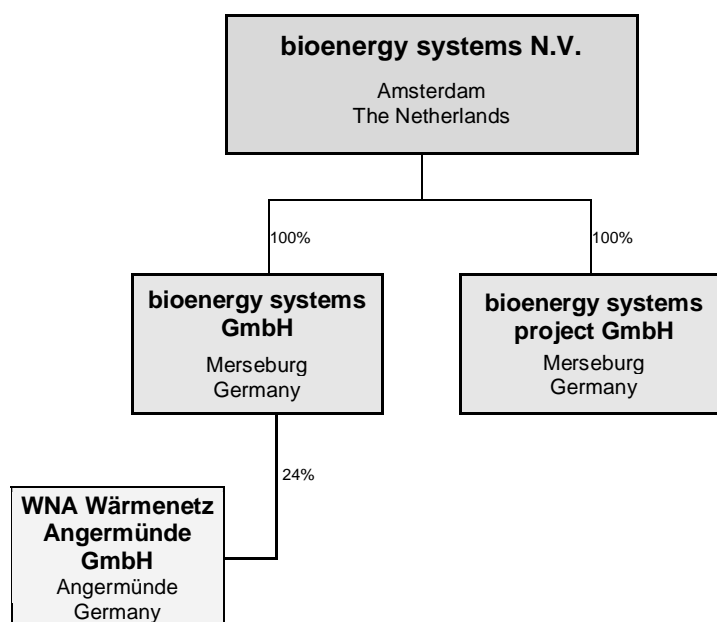
In this connection the ordinary shareholders' meeting of the Company on October 11, 2007, resolved not to apply the Dutch Corporate Governance Code.

9.5 Auditor

The extraordinary meeting of shareholders of the Company, on July 20, 2006 appointed DRV Accountants en Belastingadviseurs – independent member of Moore Stephens International -, Hoofdweg 52, 3067 GH Rotterdam, the Netherlands, as auditors for the fiscal year 2006.

The ordinary shareholders' meeting of the Company, on October 11, 2007, appointed Moore Stephens DRV as auditor for the fiscal year 2007. The acceptance of the mandate, however, is conditional on Moore Stephens DRV receiving the licence under new Dutch laws to audit publicly-quoted companies.

9.6 Group Structure



9.7 Holdings of the Company

9.7.1 Overview

The following table shows the subsidiaries and participations of bioenergy N.V. indicating the proportion of capital respectively the proportion of voting power:

Name	Registered Office	Country of Incorporation	Proportion of Capital (= Proportion of Voting Power)
bioenergy systems GmbH	Merseburg	Germany	100 %
bioenergy systems project GmbH	Merseburg	Germany	100 %
WNA Wärmenetz Angermünde GmbH	Angermünde	Germany	24% (by bioenergy systems GmbH)

9.7.2 bioenergy systems GmbH

(The financial data are extracted from the audited consolidated annual financial statements (IFRS) of the Company for the fiscal year ending December 31, 2006, and the unaudited interim consolidated financial statements (IFRS) for the period January 1 until June 30, 2007.)

bioenergy systems GmbH

Registered Office:	Merseburg/Germany
Incorporation:	August 3, 2006
Commercial Register:	Commercial Register of the local court Stendal Docket number: HRB 5564
Share Capital:	EUR 50,000
Corporate Objective:	Production, planning and distribution of plants for the generation of electrical and thermal energy. Cultivation of biomass for energetic use.
Managing Director:	Ralph Brendler
Holding:	100 %
Book Value as at June 30, 2007:	EUR 50,000
Amount still to be paid up on shares held:	EUR 0
Reserves as of December 31, 2006:	EUR 8,998
Profit/Loss for the fiscal year 2006:	EUR 8,998
Amount of dividends received by the Company in the course of the fiscal year 2006:	EUR 0
Amount of debts owed to bioenergy N.V. as at June 30, 2007:	EUR 1,023,300 (unaudited)
Amounts of debts owed from bioenergy N.V. as at June 30, 2007:	EUR 0 (unaudited)

9.7.3 bioenergy systems project GmbH

(The financial data in the table below are derived from the unaudited interim consolidated financial statement (IFRS) of the Company for the period January 1 until June 30, 2007.)

bioenergy systems project GmbH	
Registered Office:	Merseburg/Germany
Incorporation:	March 20, 2007
Commercial Register:	Commercial Register of the local court Stendal Docket number: HRB 6367
Share Capital:	EUR 50,000
Corporate Objective:	Production, planning and distribution of plants for the generation of electrical and thermal energy. Cultivation of biomass for energetic use.
Managing Director:	Ralph Brendler
Holding:	100 %
Book Value as at June 30, 2007:	EUR 50,000
Amount still to be paid up on shares held:	EUR 0
Amount of debts owed to bioenergy N.V. as at June 30, 2007:	EUR 0 (unaudited)
Amounts of debts owed from bioenergy N.V. as at June 30, 2007:	EUR 45,000 (unaudited)

9.7.4 WNA Wärmenetz Angermünde GmbH

(The financial data in the table below are data according to IFRS)

WNA Wärmenetz Angermünde GmbH	
Registered Office:	Angermünde/Germany
Incorporation:	February 27, 2007
Commercial Register:	Commercial Register of the local court Frankfurt (Oder) Docket number: HRB 11354 FF
Share Capital:	EUR 25,000
Corporate Objective:	Saving, environmentally sound, economical and safe energy supply, preferably heat energy, by generation, extraction, supply and distribution, energy consultancy, trading with raw materials and further services, which support the corporate objective, and construction and operation of adequate heat networks.
Managing Director:	Dr. Reinhard Wilhelm
Holding:	24 % (indirectly via bioenergy GmbH)
Book Value as at June 30, 2007:	EUR 3,000
Amount still to be paid up on shares held:	EUR 3,000
Amount of debts owed to bioenergy N.V. or bioenergy GmbH as at June 30, 2007:	EUR 0 (unaudited)
Amounts of debts owed from bioenergy N.V. or bioenergy GmbH as at June 30, 2007:	EUR 0 (unaudited)

The company was incorporated to implement the heat-contracting project Angermünde.

10 Description of the Capital of the Company

10.1 Issued Share Capital

The issued and paid up share capital of the Company at the date of this Prospectus amounts to EUR 105,000.00 and is divided into 10,500,000 shares, each share having a nominal value of EUR 0.01.

At the end of the year 2006 10,000,000 shares were outstanding.

10.2 Development of the Issued Share Capital

The following table shows the development of the issued share capital of the Company:

Date	Capital Measure	Changes regarding the issued Share Capital		Number of Shares with a nominal value of € 0.01 each
		Amount of Capital Increase	Share Capital after Capital Increase	
July 18, 2006	Incorporation	-	€ 100,000	10,000,000
Resolution of the general meeting of July 20, 2006 Resolution of the Management Board of February 15, 2007	Capital increase against contribution in cash	€ 5,000 divided into 500,000 Shares	€ 105,000	10,500,000
Resolution of the general meeting of July 20, 2006 Resolution of the Management Board of November 20, 2007	Capital increase against contribution in cash	up to € 17,500 divided into up to 1,750,000 Shares	up to € 122,500	up to 12,250,000

10.2.1 Incorporation

The Company was incorporated with an issued capital in the amount of EUR 100,000.00, divided into 10 Million shares, each having a nominal value of EUR 0.01.

10.2.2 Capital Increase of February 15, 2007

Pursuant to Article 2 of the Articles of Association the Company's authorised capital was EUR 500,000.00, divided into 50 Million Shares, each having a nominal value of EUR 0.01. The Management Board has been authorised by the extraordinary general meeting of shareholders of July 20, 2006 to issue shares or rights to shares in the Company for a period of five years as of July 20, 2006 under restriction or exclusion of pre-emptive rights, not exceeding the total number of 50 Million shares (see section 10.3 "Authorised Capital").

On February 15, 2007 the Management Board of the Company with the approval of the Supervisory Board resolved to issue up to 500,000 new bearer shares at an issue price of EUR 2.00 per share. The

shareholders were granted pre-emptive rights in accordance with article 4, subparagraph 1 and 2 of the Articles of Association. As far as shareholders did not exercise their pre-emption right, shares were placed at the price of EUR 2.00 with specific private investors. The shares were issued effective March 15, 2007 and entitled to dividend rights for the fiscal year 2006,

10.2.3 Capital Increase of November 20, 2007

On the basis of the above mentioned authorisation the Management Board on November 20, 2007 with the approval of the Supervisory Board dated November 20, 2007 resolved to issue up to 1,750,000 New Shares, which are subject of this Prospectus, in the capital of the Company with dividend entitlement from January 1, 2007, and to grant its shareholders a pre-emptive right. The issue price per share shall be EUR 1.10 per share. All of the shares to be issued to the subscribers will be allotted and distributed by ACON Actienbank AG, Munich, Germany, in her capacity as representative of the Company. If not all shareholders exercise their pre-emptive rights, the remaining New Shares may be placed at the issue price of EUR 1.10 per share with specific strategic and institutional investors (Private Placement).

10.3 Authorised Capital

Pursuant to Article 2 of the Articles of Association of the Company the authorised capital amounts to EUR 500,000.00, divided into 50 Million shares, each having a nominal value of EUR 0.01.

On July 20, 2006 the extraordinary general meeting of shareholders of the Company appointed the Management Board as the authorised corporate body to issue shares or rights to shares in the Company for a period of five years as of July 20, 2006. The amount of shares to be issued is at the Management Board's discretion provided the total number of shares to be issued will not exceed 50 Million. Further more the Management Board is appointed to restrict or to exclude the pre-emption right accruing to shareholders for a period of five years, as of July 20, 2006 in case of the issue of shares or rights to shares.

As an amount of EUR 105,000.00 has already been issued, the remaining authorised capital amounts to EUR 395,000.00, divided into 39.5 Million shares with a nominal value of EUR 0.01 each.

According to the resolution of the Management Board of November 20, 2007 up to 1,750,000 further shares in the capital of the Company will be issued from the authorised capital.

10.4 Debentures or Options

The Company has not issued debentures or options which grant a right to subscribe for shares in the Company.

10.5 Contingent Capital

The Company has no contingent capital.

10.6 Own Shares

Without prejudice to any statutory provisions, the Management Board may, provided it has the authorisation of the general meeting, have the Company purchase fully paid-up shares in its own capital for valuable consideration.

Such purchase, however, is only permitted if:

- a. the Company's equity capital, less the acquisition price, is not less than the paid and called-up portion of the capital plus the reserves that must be retained by law; and
- b. the nominal amount of the shares in its capital that the Company acquires, holds or holds in pledge or which a subsidiary holds does not amount to more than one tenth of the issued capital.

Regarding the requirement under lit. a, the Company's equity capital according to the most recently adopted balance sheet, less the acquisition price of the shares in the Company's capital and dividend payments to other s from profits or reserves owed by the Company and its subsidiaries subsequent to the date of the balance sheet, shall be decisive.

Such acquisition is not permitted if more than six months of a fiscal year have elapsed without the annual accounts having been adopted and approved.

For the authorisation of the acquisition, which authorisation may be applicable for a maximum of eighteen months, the general meeting must determine how many shares may be acquired, the manner in which they may be acquired, and the limits between which the price must lie.

The extraordinary general meeting of shareholders of the Company on July 20, 2006 authorised the Management Board to acquire for valuable consideration shares in the Company for a period of 18 months as of July 20, 2006. The number of shares to be acquired shall be limited by the maximum percentages of shares the company may – by law or its Articles of Association – hold in its own capital at any moment. This acquisition may take place by all kinds of agreements, including transactions on a stock exchange. The price per share may not be less than the par value of the shares and not more than 110% of the Stock Exchange price. For purpose of the foregoing the Stock Exchange price will be the average of the closing price on the Frankfurt Stock Exchange of the last five days on which business was done, preceding the date of acquisition.

Up to the date of this Prospectus the Company has not acquired own shares.

10.7 Provisions regarding the Issuance of new Shares

According to Article 3 of the Articles of Association shares are issued in accordance with a resolution of the general meeting of shareholders or by order of the managing directors nominated for that purpose by resolution of the general meeting for a fixed period of no more than five years, without prejudice to the provisions of article 2:96 paragraphs 2, 3 and 4 of the Netherlands Civil Code. The nomination must contain the amount of shares, which may be issued. At no time may such nomination be extended for a period exceeding five years, nor may it be revoked unless otherwise determined when making the nomination.

In adopting a resolution to issue shares the time, price and other conditions of the issue are established. Shares are never issued below par.

10.8 Provisions regarding the Amendment of Rights connected with the Shares

Only after having obtained prior permissions from the Supervisory Board may a general meeting resolve, with an absolute majority of votes cast, to change the provisions of the Articles of Association of the Company. A copy of the proposal containing the amendment set forth word-for-word is made available at the Company office for inspection by all shareholders from the date of the announcement convening the meeting until the end of the meeting. A free copy is also available for each of these persons.

10.9 Obligation of Shareholders to Disclose Certain transactions in Securities

As the Company is only listed at an unofficial market and not admitted to a regulated market, as defined in the Act on Financial Supervision, the shareholders of the Company are not obliged to give notice to the Dutch Authority for the Financial Markets, the *Stichting Autoriteit Financiële Markten* (AFM), in case their percentage of capital interest and/or voting rights reaches or passes certain thresholds due to an acquisition or disposal of shares.

11 Management, Supervisory Board and General Meeting

11.1 Management Board

With respect to the Management Board the Articles of Association of the Company contain the following provisions:

The Company is managed by a Management Board consisting of one or more managing directors. The general meeting establishes the number of managing directors.

Managing directors are appointed by the general meeting. The managing directors can at any time be suspended or dismissed by the general meeting. An absolute majority of votes cast is required to pass a resolution regarding the suspension or dismissal. A managing director may never be suspended for more than three months.

In the event of absence or inability to act on the part of any managing director, the other managing directors or directors shall be charged with the management. In the event of the absence or inability to act on the part of all the managing directors or of the one and only managing director, the Supervisory Board shall be charged with the management; the Supervisory Board shall then be authorised to appoint one or more persons – who may or may not be members of the Supervisory Board – to manage the Company.

The Management Board is charged with managing the company. The Management Board is authorised to perform juristic acts regarding assets brought into shares other than money. The Management Board represents the Company to the extent that the law does not provide otherwise. Each managing director has the authority to represent the Company individually. In all cases involving conflicting interests between the Company and a managing director, the Company shall be represented by one of the other managing directors.

With due observance of these Articles of Association, the Management Board may draw up a set of regulations governing its own internal affairs. The managing directors may also divide their activities among each other, whether or not such division is governed by a set of regulations. The Management Board meets as frequently as any managing director requires. It takes decisions with an absolute majority of votes. The proposal is rejected if the votes are evenly cast. Resolutions of the Management Board with respect to a material change of the identity or the character of the Company or its enterprise as referred to in Section 2:107a of the Dutch Civil Code, are subject to the approval of the shareholders' meeting.

Without prejudice to any other applicable provisions of these Articles of Association, the Supervisory Board shall be entitled to require resolutions of the Management Board to be subject to their prior approval. Such resolutions shall be clearly specified and notified to the Management Board in writing.

The provisions of Section 2:135 of the Dutch Civil Code shall apply to the adoption of the remuneration policy in respect of the remuneration of the Management Board of the Company. The remuneration of the Management Board will be adopted by the Supervisory Board, with due observance of the provisions of Section 2:135 paragraph 4 of the Dutch Civil Code, regarding arrangements in the form of shares or rights to subscribe for shares, which are subject to the approval of the shareholders' meeting.

The Management Board actually consists of only one member:

Ralph Brendler

Ralph Brendler studied processing technology at the Martin-Luther-University Halle-Wittenberg. Following he acquired the degree *Master of Business and Engineering* at the Steinbeis Hochschule Berlin. Part of this education took place at the Kelley School of Business, Indiana University (USA). In the course of his professional activity he worked as a M&A manager in several well-known German enterprises like Thomson Financial in Frankfurt/Main and Stadtwerke Leipzig. From January 2004 until June 2006 Ralph Brendler worked as a manager of a German issuing house for renewable energies in Dresden before in July 2006 he established bioenergy systems N.V. by means of his financial holding company together with further partners.

At the foundation of bioenergy systems N.V. on July 18, 2006 Ralph Brendler was appointed as member of the Management Board of the Company. There were no arrangements with major shareholders, customers, suppliers or others, pursuant to which Mr. Brendler was selected as a member of the Management Board.

Furthermore Mr. Brendler is managing director of the subsidiaries bioenergy systems GmbH and bioenergy systems project GmbH.

During the last 5 years Mr. Brendler has also been a member of the administrative, management or supervisory bodies respectively partner of the following companies and enterprises:

June 2006 - to date	Managing director of Brendler Beteiligungs GmbH, Merseburg
December 2005 - to date	Managing director of BioHara Verwaltung GmbH, Munich
January 2004 - June 2006	Managing director of WSB Beteiligungs GmbH, Dresden.

The Managing Director Ralph Brendler did not get a remuneration in the short fiscal year 2006. Since January 1, 2007, Brendler Beteiligungs GmbH, a company wholly-owned and managed by the Managing Director Ralph Brendler, receives a monthly remuneration of EUR 3,000.- for consultancy services from bioenergy GmbH (see section 13.3 "Related Parties Transactions/Other Agreements/Consultancy Agreement between bioenergy GmbH and Brendler Beteiligungs GmbH"). Besides, there is no additional remuneration for the managing activity for the subsidiaries bioenergy systems GmbH and bioenergy systems project GmbH. Mr. Brendler is only eligible for reimbursement of his expenses incurred and proved in connection with his respective activity.

The employment contract of the Managing Director does not contain clauses that provide peculiar favours like remunerations etc. in the case of termination of employment.

Neither bioenergy N.V. nor the subsidiary bioenergy GmbH reserve for pensions for the Managing Director. Corresponding promises do also not exist at present.

The Managing Director Ralph Brendler is sole shareholder and managing director of Brendler Beteiligungs GmbH that holds 4,188,000 shares of the Company in total (as at November 15, 2007). The shares are no subject of lock-up.

The Company neither granted loans or letter of credits to the Managing Director nor stood surety or accepted other warranties for him.

The Managing Director is available at the business address of the Company Aalsterweg 181 A, 5644 RA Eindhoven, The Netherlands, and at the business address of bioenergy GmbH, Hallesche Str. 36b, 06217 Merseburg, Germany.

11.2 Supervisory Board

With respect to the Supervisory Board the Articles of Association of the Company contain the following provisions:

The Company has a supervisory board consisting of at least three members. The number of members of the Supervisory Board is determined by the general meeting. The members of the Supervisory Board are appointed and can be suspended or dismissed by the general meeting. The general meeting may grant the members of the Supervisory Board a fee, a fixed salary, an expense allowance or an attendance fee.

The Supervisory Board is charged with supervising the policy of the Management Board and general course of events of the Company and the enterprise affiliated to it. The Supervisory Board assists the Management Board by giving advice. In performing their duties, the members of the Supervisory Board concentrate on the interests of the Company and the enterprise affiliated to it.

At all times the members of the Supervisory Board have joint access – but individual access only by virtue of delegation – to the buildings and sites of the Company and the right to inspect the Company's records. The Supervisory Board is authorised to appoint an expert (and, in the event that the law prescribes the appointment of a chartered accountant and the general meeting has failed to make the appointment, is obliged to appoint a chartered accountant as an expert in conducting the activities prescribed by law) to exercise regular supervision of the records and to issue reports to the Management Board and Supervisory Board on the subject of the annual accounts. If in accordance with the forgoing the Supervisory Board is obliged to appoint a chartered accountant as an expert but has nevertheless failed to do so, the Management Board is obliged to appoint one.

The Management Board informs the Supervisory Board at least once a year in writing about the strategic policy, the general and financial risks and the management and control system of the Company.

The Supervisory Board may also appoint other experts in order to advise it in any area for which the Supervisory Board bears responsibility. The costs incurred by such experts shall be borne by the Company.

The Management Board is obliged to provide all information required to the Supervisory Board and the experts.

The Supervisory Board has the right to suspend managing directors. The Supervisory Board is then obliged to convene a general meeting, to be held within four weeks after the suspension, which meeting shall decide whether to terminate or extend the suspension or dismiss the suspended director. The suspended director has the right to answer for himself during the meeting. If the meeting is not held within four weeks after the suspension, or if no decision is taken at the meeting, the suspension lapses. No managing director may be suspended for more than three months.

The Supervisory Board may divide its activities internally by mutual consultation. The Supervisory Board may nominate a member of the Supervisory Board as a delegated member of the Supervisory Board who is then charged in particular with exercising supervision over the day-to-day management of the Company,

without prejudice to anything agreed by the Supervisory Board regarding the division of tasks among themselves.

The Supervisory Board elects a chairman from among its members as well as a secretary, who may or may not be a member of the Supervisory Board. In the event of the absence of the chairman from a Supervisory Board meeting, the meeting shall appoint its own chairman.

The Supervisory Board meets at least once every three months and also whenever a member of the Supervisory Board considers a meeting necessary, with due observance of a set of regulations to be drawn up by the Supervisory Board about convening, venue and rules of meeting. As and when required to do so, the managing directors are obliged to attend Supervisory Board meetings, providing any information required.

Minutes of the proceedings of Supervisory Board meetings are held by the secretary or, in the event he/she is unable to attend, by one of the other persons present, appointed by the chairman. The minutes are signed by the chairman and secretary of that meeting or an ensuing meeting.

All decisions by the Supervisory Board are taken by an absolute majority of votes cast. The general rule of article 2:13 of the Netherlands Civil Code regarding the decisive meaning or the opinion of the chairman in certain cases is applicable to the Supervisory Board meeting.

The Supervisory Board can then only take valid decisions if a majority of the members of the Supervisory Board are present or represented at the meeting. A member of the Supervisory Board can also have himself/herself represented by means of a letter of authorisation. Such authorisation may also be received by fax.

Members of the Supervisory Board may also take decisions without holding a meeting, provided that all members of the Supervisory Board are given the opportunity to express their opinion under submission in writing, by fax or by e-mail of the proposal in question and none of them opposes this manner of decision-making. A report of a decision reached in this way is drawn up by the secretary and appended to the minutes after both, secretary and chairman have affixed their signatures to it.

The Supervisory Board actually consists of four members:

Hannes F. Hofer
- Chairman -

After the study of business management and law at the Ludwig-Maximilian-University in Munich and a study visit at the Babson College (USA) Mr Hofer worked at the audit firm Deloitte in Munich. In 2001, he set up the limited company EnerVest, an investment company with main focus on renewable energies. Within the framework of this activity, investments in a great number of enterprises occurred, especially in the field of renewable energies. In July 2006, he – via his investment company Fontis Capital GmbH (former: Wild Invest GmbH) - established together with further partners bioenergy systems N.V.

During the last 5 years Mr. Hofer has also been a member of the administrative, management or supervisory bodies respectively partner of the following companies and enterprises:

To date:

Managing director of
Fontis Capital GmbH (former Wild Invest GmbH), Munich/Germany
Fontis Verwaltung GmbH, Munich/Germany
Bartelt Energy GmbH, Munich/Germany

Bartelt Energy II GmbH, Munich/Germany
 Prettin GmbH, Munich/Germany
 HASP Energy GmbH, Munich/Germany
 Vent Energy GmbH, Munich/Germany
 Willmer Energy GmbH, Munich/Germany
 BioHara Verwaltung GmbH, Munich/Germany
 Orbis Immobilien 1 GmbH, Munich/Germany
 Orbis Agrar 1 GmbH, Munich/Germany.
 Most Wanted Holding AG, Zug/Switzerland (Chairman)
 EnerVest AG, Zug/Switzerland (Chairman).

Until September 2007: Managing director of
 EnerVest AG, Munich/Germany
 Orbis Real Estate N.V., Eindhoven/The Netherlands
 Orbis Real Estate GmbH, Munich/Germany.

Until August 2007: Chairman of the Supervisory Board of AsiaVest AG, Munich/Germany.

Robert Käß

Robert Käß studied business management at the Ludwig-Maximilian-University in Munich and after that he started his occupational career as management consultant at KPMG. In the year 1998 Mr. Käß founded the AdVal Capital Management AG, a specialized finance consulting firm in Munich. Within the framework of his activity as a managing partner of AdVal Capital Management AG he invested in a great number of enterprises and accompanied several IPOs (initial public offerings). Furthermore he is accountable for numerous M&A-transactions and turnaround-projects.

During the last 5 years Mr. Käß has also been a member of the administrative, management or supervisory bodies respectively partner of the following companies and enterprises:

To date:

Managing director of
 Robert Käß Beratungs GmbH, Munich/Germany
 Alpha Beratungs GmbH (former Ascendo Associates GmbH), Munich/Germany
 Ascendo Management GmbH, Munich/Germany
 Robert Käß Energy GmbH, Munich/Germany
 AdVal Capital Management AG, Munich/Germany
 Catalis N.V. Eindhoven/The Netherlands
 The Ascendo Group N.V., Eindhoven/The Netherlands.

To date:

Member of the Supervisory Board of
 Data Design AG, Munich/Germany
 ACON Actienbank AG, Munich/Germany (Chairman)
 Nanoventure N.V., Eindhoven/The Netherlands (Chairman)
 IT Competence Group N.V., Eindhoven/The Netherlands (Chairman)
 Human Internet CONSULT AG, Murr/Germany (Chairman)
 Investment Holding 2 N.V., Eindhoven/The Netherlands

Investment Holding 3 N.V., Eindhoven/The Netherlands
Investment Holding 4 N.V., Eindhoven/The Netherlands
Capella Capital N.V., Eindhoven/The Netherlands
Vincitag AG, Munich/Germany
yello! Digital production tools AG, Wiesbaden/Germany
Squeezy Sports Nutritium N.V., Maastricht/The Netherlands
Kaldron N.V., Maastricht/The Netherlands
EconInvest Holding N.V., Maastricht/The Netherlands.

Until August 2007: Member of the Supervisory Board of Navigator Equity Solutions N.V., Eindhoven/The Netherlands.

Prof. Dr. Lutz Brendler

Lutz Brendler studied mechanical engineering at the Technical University Dresden, department for prime movers and work machines. This study also included a stay abroad at the Mendelejew - Institute in Moscow. Lutz Brendler graduated in 1977 and in 1990 Habilitation in the field of thermal process engineering followed. Mr Brendler is now professor for mechanical and thermal process engineering at the University of Applied Science Merseburg. Within the framework of this activity he accompanied several industry projects from research into practice.

During the last 5 years Prof. Brendler has not been a member of administrative, management or supervisory bodies respectively partner of any other companies and enterprises.

Eberhard Mayer

In 1990 Eberhard Mayer founded b.i.s.börsen-informations-systeme GmbH, a company developing software to use realtime stock prices and economic datas and acted as its managing director. Later on b.i.s.börsen-informations-systeme GmbH was transformed to a stock corporation and went public. After the takeover of the company by Fininfo S.A. in 2001 Mr. Mayer became a member of the supervisory board. Since 2002 he is working as a corporate consultant.

During the last 5 years Mr. Mayer has also been a member of administrative, management or supervisory bodies respectively partner of the following companies and enterprises:

To date: Managing director of Mayer&Mayer Capital Management & Research GmbH.

Mr. Hofer, Mr. Käß and Prof. Brendler were appointed to be a member of the Supervisory Board of the Company within the foundation of the Company on July 18, 2006. By resolution of the Supervisory Board of July 18, 2006, Mr. Hofer was appointed as chairman of the Supervisory Board. Mr. Mayer was appointed as member of the Supervisory Board by the general meeting on October 11, 2007. He has not yet been registered as a member of the Supervisory Board in the commercial register of the Company. There were no arrangements with major shareholders, customers, suppliers or others, pursuant to which Mr. Hofer, Mr. Käß, Prof. Brendler or Mr. Mayer were selected as members of the Supervisory Board.

Committees, in particular an audit committee or a remuneration committee were not yet appointed.

The remuneration of the members of the Supervisory Board will be adopted by the general meeting with the observance of the Articles of Association. For the short business year 2006 the members of the Supervisory Board did not get any remuneration. With the exception of an expense allowance of expenditures accruing within the Supervisory Board activities no remuneration for the members of the Supervisory Board was resolved upon by the general meeting on October 11, 2007 for the fiscal year 2007.

There are no contracts of employment or similar contracts with the members of the Supervisory Board containing clauses, which provide peculiar favours like remuneration etc. in the case of termination of the mandate.

Neither bioenergy N.V. nor the subsidiary bioenergy GmbH reserve for pensions for the members of the Supervisory Board. Corresponding promises also do not exist at present.

The members of the Supervisory Board (as at November 15, 2007) hold shares in bioenergy N.V. as follows

Hannes Hofer	4,081,167 shares
(by Fontis Capital GmbH, Munich, as its owner-manager)	

The shares are no subject of lock-up.

The Company neither granted loans or letter of credits to the members of the Supervisory Board, nor it stood surety or accepted other warranties for them.

The members of the Supervisory Board are available at the business address of the Company Aalsterweg 181 A, 5644 RA Eindhoven, The Netherlands.

11.3 Additional Information regarding Members of the Management and the Supervisory Board

11.3.1 Conflict of Interest

The major shareholders of the Company are indirectly the current sole member of the Management Board Ralph Brendler and the chairman of the Supervisory Board Hannes Hofer.

Furthermore Mr. Brendler and/or Mr. Hofer participate each as limited partners in the investment limited partnerships that up to now acquire the plants from bioenergy and afterwards operate these plants. The managing directors of the investment limited partnerships are at the moment members of the Supervisory Board of bioenergy N.V. (see Section 13.2 "Contracts on Construction of Bioenergy Plants").

Because of these constellations conflicts of interest of the aforementioned persons between their obligations as members of the administrative bodies of bioenergy N.V. and their private interests as shareholders of the Company respectively as partners and/or managing directors of the investment limited partnerships are possible.

11.3.2 Further Information

The member of the Supervisory Board Prof. Dr. Lutz Brendler is the father of the Managing Director Ralph Brendler. There are no further kinships between the other mentioned persons under sections 11.1 and 11.2.

Up to now respectively during the last 5 years no convictions in relation to fraudulent offences were rendered upon the aforementioned persons.

During the last 5 years no official public incrimination were made and no sanctions were imposed against the aforementioned by statutory or regulatory authorities (including designated professional bodies). During the last 5 years no aforementioned was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

No one mentioned under sections 11.1 and 11.2 was involved in an insolvency, receivership or liquidation acting in the capacity of a member of an administrative, management or supervisory body or senior management.

11.4 General Meeting

The general meetings of the Company may be held in Amsterdam, Utrecht, Schiphol Airport, Eindhoven or Venlo whenever a managing director or a member of the Supervisory Board considers a meeting necessary or one or more shareholders, representing in total at least ten percent of the issued capital, address a written request to the Management Board or Supervisory Board containing a complete and accurate statement of the subjects to be dealt with. If the Management Board or the Supervisory Board does not comply with such a request in such a manner that the meeting can be held within four weeks after the request is received, the persons making the request are authorised to convene a general meeting with due observance of the relevant regulations.

According to the Articles of Association of the Company the meeting shall be held in English.

A general meeting is held every year, within six months after the end of the previous financial year. The agenda includes at least the following subjects:

- Management Board report on company affairs and management during the previous year;
- adoption of annual accounts;
- the granting or withholding of a discharge to the Management Board from liabilities for acts performed by it during the previous financial year;
- appropriation of profits;
- provisions for vacancies.

Statements that by law or in accordance with the Articles of Association must be addressed to the general meeting may be communicated to it by inclusion either in the announcement convening the meeting or in a document deposited at the Company office for the notice of shareholders.

Announcements convening general meetings must be made by the Management Board or Supervisory Board. Announcements convening a general meeting must be made at least fifteen days before the meeting (not including the date the announcement is made or the date of the meeting).

General meetings of shareholders are convened by means of an announcement placed in a daily newspaper with a wide distribution both in the Netherlands and in countries where the Company is listed. Proposals by shareholders can only be dealt with at a meeting if submitted in due time to the Management Board at the Company office, with due observance of the period prior to the meeting that is required for convening it, thus allowing time for the announcement of such proposals.

Announcements convening general meetings contain the subjects to be dealt with and may state that persons entitled to attend the meeting may examine them and obtain free copies of them from the Company as well as from addresses listed in the announcement, which addresses include a foreign bank that is under government supervision.

Announcements must also contain the address(es) where and the final date upon which those who derive their rights to attend meetings from bearer shares must deposit the documents demonstrating their rights in return for proof of receipt which may then serve as an attendance card for the meeting. The date meant in the forgoing sentence may not fall any earlier than the seventh day prior to the meeting.

A statement by an organisation as meant in the Securities Transaction (Supervision) Act or a foreign bank which is under government supervision may also serve as an attendance card as meant in the previous sentence but one, as a result of which the number of shares listed by it in its (collective) stock deposit remains registered in the name of the person referred to in the statement and remains in deposit until and including the day of the meeting.

Each shareholder is authorised to attend the general meeting of shareholders and to address the meeting. They may have themselves represented in writing.

12 Shareholder Structure

12.1 Major Shareholders

The following table shows the major shareholders of the Company and their proportion in the shares of the Company as known to the Management Board of the Company:

Shareholder	Distribution of shares before the capital increase of November 19, 2007 (as at November 15, 2007)		Distribution of shares after full consummation of the capital increase of November 20, 2007	
	Shares	%	Shares	%
Brendler Beteiligungs GmbH, Merseburg ¹⁾	4,188,000	39.88	4,188,000	34.19
Fontis Capital GmbH, Munich ²⁾	4,081,167	38.87	4,081,167	33.31
Free Float	2,230,833	21.25	3,980,833	32.50
Total	10,500,000	100.00	12,250,000	100.00

- 1) Sole shareholder and managing director of Brendler Beteiligungs GmbH is the Managing Director of the Company Ralph Brendler.
- 2) Sole shareholder and managing director of Fontis Capital GmbH is the Chairman of the Supervisory Board of the Company Hannes F. Hofer.

12.2 Control of the Company

Brendler Beteiligungs GmbH and Fontis Capital GmbH together hold 8,269,167 shares in the Company (as of November 15, 2007), corresponding a voting power of 78.75%. With this majority they are able to adopt resolutions of the shareholders' general meeting, which require an absolute majority or a majority of two thirds of votes cast, and therefore are able to control the Company. Even in the event the capital increase of November 20, 2007, is consummated in the full amount, the two major shareholders together will still hold approximately 67.5 % of the shares and voting rights.

12.3 Future Change of Control

Agreements that may result in a future change of control of the Company are not known to bioenergy.

13 Related Parties Transactions

13.1 Loan Agreements

Loan agreements between bioenergy N.V. (lender) and bioenergy GmbH (borrower)

Bioenergy N.V. granted to bioenergy GmbH a loan of up to EUR 5 millions in total by loan agreement dated November 28, 2006, and amendments dated March 1, 2007, and April 13, 2007, for the financing of the current business. The loan bears interest in the amount of 6% p.a. Interests are charged monthly. The loan has to be paid back at latest on December 31, 2010. Anticipated redemptions are possible at any time. By October 31, 2007, the outstanding loan amounted to EUR 989,486.

With regard to corresponding requests for subsidies bioenergy N.V. granted to bioenergy GmbH two further loans in the amount of EUR 723,000 and EUR 230,000, each by agreement dated June 15, 2007, in connection with the investment project "Set up of a production facility for combined heat and power (CHP) plants at Merseburg site". After paying out the money those loans are interest-bearing with 10% p.a. and are to be paid back at latest on December 31, 2017. So far no loan amount has been paid out.

With agreements from July 25, 2007, bioenergy N.V. granted bioenergy GmbH two further loans of EUR 1,223,000 in total. The loans serve for financing of the investment project "Set up of a limited-lot production facility at Artern site". The disbursed amount is interest-bearing with 10% p.a. and is to be paid back at latest on December 31, 2017. Anticipated redemptions are possible. Concerning the claims of repayment arising from the loan agreements bioenergy N.V. declared subordination for each loan. There was no loan amount paid out so far.

Letter of support of bioenergy N.V. for the benefit of bioenergy GmbH

Bioenergy N.V., sole shareholder of bioenergy GmbH, issued a letter of support (*Patronatserklärung*) dated May 31, 2007, and pledged itself irrevocably to make sure that bioenergy GmbH is able to fulfil its obligations. This commitment is limited to EUR 250,000 maximum.

Guarantee of bioenergy N.V. for bioenergy GmbH

In the course of the settlement agreement regarding the lawsuit between Hügelland KG, Querfurt, Germany, and bioenergy GmbH, bioenergy N.V. has issued to Hügelland KG an absolute, irrevocable, unconditional, and indefinite guarantee (*selbstschuldnerische, unwiderrufliche, unbedingte und unbefristete Bürgschaft*) for the obligation of bioenergy GmbH to pay to Hügelland KG the amount of EUR 100,000 at December 31, 2007, the latest (see section 7.14 "Legal Disputes").

Loan agreements between Fontis Capital GmbH (lender) and bioenergy GmbH (borrower)

Fontis Capital GmbH, Munich, major shareholder of the Company with Mr. Hofer being its managing director and sole shareholder, granted to bioenergy GmbH a loan of up to EUR 500,000 by loan agreement dated April 2, 2007. The loan serves for the current business of bioenergy GmbH and is expiring on December 31, 2010. Early redemptions are possible at any time. The loan is interest-bearing with 12 % p.a. Interests are charged monthly. Fontis Capital GmbH signed a letter of subordination relating to its claims of repayment arising from the loan. By October 31, 2007, the outstanding loan amounted to EUR 175,000.

Loan agreement between Brendler Beteiligungs GmbH (lender) and bioenergy GmbH (borrower)

With loan agreement of July 27, 2007, the major shareholder of the Company, Brendler Beteiligungs GmbH, Merseburg, granted to bioenergy GmbH a loan of up to EUR 100,000. The loan serves for the current business of bioenergy GmbH and is expiring on December 31, 2017. Early redemptions are possible at any time. The loan is interest-bearing with 12 % p.a. Interests are charged monthly. Brendler Beteiligungs GmbH signed a letter of subordination relating to its claims of repayment arising from the loan. By October 31, 2007, the outstanding loan amounted to EUR 99,000.

Loan agreements between Fontis Capital GmbH (lender) and bioenergy project GmbH (borrower)

Fontis Capital GmbH, Munich, major shareholder of the Company, granted to bioenergy project GmbH a loan of up to EUR 500,000 by loan agreement dated May 7, 2007. The loan serves for the current business of bioenergy project GmbH and is expiring on December 31, 2010. Early redemptions are possible at any time. The loan is interest-bearing with 12 % p.a. Interests are charged monthly. By October 31, 2007, the outstanding loan amounted to EUR 0.

13.2 Contracts on Construction of Bioenergy Plants

According to its business model bioenergy GmbH concluded contracts with customers on the turn-key construction of combined heat and power plants respectively bioenergy plants.

The current customers are "GmbH & Co KGs" (limited partnerships with a limited liability company as general partner) with the limited partners acting as financial investors for the acquisition of bioenergy plants manufactured by bioenergy GmbH.

Managing directors of those GmbH & Co KGs are currently members of the Supervisory Board of bioenergy N.V. (see Section 11.3.1 "Conflict of Interest"). Furthermore members of the Management and Supervisory Board of the Company also hold shares of those companies and are therefore limited partners. The total participation of the members of the Management and/or Supervisory Board amounts up to two third in each case.

The subject matter of the contracts is the turn-key construction of the combined heat and power plant or bioenergy plant as agreed against payment of a fixed purchase price. The fixed purchase price is payable in several instalments according to the progress of the construction work. Bioenergy GmbH provides guarantees between 24 months and 5 years. Concerning the initiation of the plants commissioning dates were agreed on. If the date is exceeded bioenergy GmbH has to pay a contractual penalty.

Bioenergy GmbH and therefore bioenergy Group achieved according to IFRS about EUR 0.352 (77% percent) in the fiscal year 2006 and EUR 2.658 millions (91% percent) in the first half-year 2007 of their turnover by the aforementioned companies.

13.3 Other Agreements

Agreement regarding commercial services between Fontis Capital GmbH and bioenergy GmbH

Bioenergy GmbH is entitled to use commercial services and services regarding public and investor relations of Fontis Capital GmbH, Munich, a major shareholder of the Company. Managing director and shareholder of Fontis Capital GmbH is Mr. Hofer, the Chairman of the Supervisory Board of bioenergy N.V.

By agreement dated January 2, 2007, and amendments dated February 1, 2007, and March 1, 2007, the parties agreed that bioenergy GmbH reimburses Fontis Capital GmbH pro rata for the rent expenses of the office rooms in Munich and the personnel costs. The corresponding amount plus VAT is payable monthly.

The agreement came into force on January 1, 2007, and was concluded for an indefinite period of time. It can be cancelled in written form by both parties observing a notice period of 4 weeks to the end of the half-year.

Agreement on the apportionment of current costs between BioHara GmbH & Co. KG and bioenergy GmbH

BioHara GmbH & Co. KG, Merseburg, Germany, in which members of the Management and Supervisory Board of bioenergy N.V. (Mr. Brendler and Mr. Hofer) are partners and managing director, renders services in the fields of administration and financial accounting to bioenergy GmbH. The current costs incurred hereby (personnel costs, stationery, travelling costs, etc.) are reimbursed by bioenergy GmbH. In this context bioenergy GmbH pays a monthly lump sum of EUR 15,000 plus VAT that will be set off against costs actually incurred by the end of the business year. The agreement came into force on January 1, 2007, and it is an agreement for an indefinite period of time. It may be cancelled half-yearly observing a notice period of four weeks.

Consultancy Agreement between bioenergy GmbH and Brendler Beteiligungs GmbH

Brendler Beteiligungs GmbH, which is wholly-owned and managed by the Managing Director of bioenergy N.V. Ralph Brendler, acts as consultant for bioenergy GmbH regarding economical and commercial issues. The monthly remuneration amounts to EUR 3,000 plus VAT. The agreement dated January 1, 2007, was entered into for an indefinite period of time and may be terminated to the end of a half-year observing a notice period of four weeks.

Letter of Engagement between bioenergy N.V. and ACON Actienbank AG

On August 27, 2007, bioenergy N.V. and ACON Actienbank AG, Munich, Germany, signed a "Letter of Engagement" regarding the technical support of the capital increase. The Supervisory Board member Robert Käß is also chairman of the supervisory board of ACON Actienbank AG. For further details regarding the agreement see Section 4.5 "Letter of Engagement".

14 Information about the Shares

14.1 General Information

14.1.1 Kind of Shares / ISIN / Securitization

The shares are made out to bearer and each have a nominal value of EUR 0.01.

The International Securities Identification Number (ISIN) is NL0000686582; the Trading Symbol is B8S.

In accordance with the Articles of Association all shares of the Company are represented by one or more global share certificates deposited with Clearstream Banking AG, Neue Börsenstrasse 1, D-60487 Frankfurt am Main, Germany. No share certificates will be issued for individual shares.

14.1.2 Legal basis for the Issue of the Offer Shares

The New Shares are issued on the basis of the authorisation of the shareholders' meeting of July 20, 2006 and the respective resolution of the Management Board dated November 20, 2007.

14.1.3 Currency of the Issue

The shares are issued in Euro.

14.2 Rights regarding the Shares

14.2.1 Voting Rights

Each Share entitles the owner to one vote in the shareholders' meeting of the Company. There are no limitations to the voting right. The Company's major shareholders do not have different voting rights than other shareholders.

14.2.2 Dividend and Profit Participation Rights

Following the prior approval of the Supervisory Board, the Management Board of the Company is authorised to reserve a portion of the profit as it deems necessary, with due observance of the obligation to retain statutory reserves, or any reserves prescribed by the Articles of Association of the Company. Any profit remaining following retaining of the reserves is placed at the disposal of the general meeting.

Other than by adoption of the annual accounts, the general meeting is authorised to cancel the reserves, either wholly or in part, at the proposal of the Management Board, which proposal is approved by the Supervisory Board. A deficit may only be offset against the reserves prescribed by law to the extent that this is allowed by law.

The Company may only pay out to shareholders and other entitled parties any profit subject to distribution to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or on accordance with the Articles of Association.

In calculating the profit distribution, shares that the Company holds in its own capital do not count and no profit is distributed in respect of them except if and to the extent that the shares in question are encumbered with a right of usufruct established by the Company at the time they were acquired.

Dividends to shareholders are payable within fourteen days after they have been declared by the general meeting of shareholders, unless this meeting decides on another period. A shareholder's claim to a dividend lapses five years after it becomes due.

With the approval of the Supervisory Board, the Management Board is authorised to pay out an interim dividend, to the extent that the Company has made a profit and to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or on accordance with the Articles of Association.

Each Share carries full profit participation rights in respect of the fiscal year ended December 31, 2007.

14.2.3 Pre-emptive Rights

With respect to pre-emptive rights of shareholders the Articles of Association of the Company contain the following provisions:

When shares are issued, each shareholder has a pre-emptive right in proportion to the aggregate nominal amount of his shares. However, no shareholder has a pre-emptive right to shares that are issued against any assets other than money. Nor does any shareholder has a pre-emptive right to shares that are issued to employees of the Company or of a Group entity.

A pre-emptive right may be exercised for a period announced by the Company, which period shall amount to at least two weeks after such announcement.

A pre-emptive right may be limited or withheld by resolution of the general meeting. In its proposal to this end, the reasons for the proposal and the choice of the intended issue price must be explained in writing. A pre-emptive right may also be limited or withheld by the managing directors nominated in accordance with article 3 of the Articles of Association, if by resolution of the general meeting they are for a period not exceeding five years nominated with the authorisation to limit or withhold pre-emptive rights. The nomination to limit or withhold a pre-emptive right may on no occasion be extended for a period exceeding five years.

A majority of at least two thirds of validly cast votes are required to adopt a resolution of the general meeting in favour of limiting or withholding a pre-emptive right, or for the purpose of nomination, if less than half of the issued capital is represented at the general meeting.

These provisions are correspondingly applicable to the granting of rights to subscribe to shares or to allow, limit or withhold a pre-emptive right to them, but are not applicable to the issue of shares to anyone who exercises a previously acquired right to subscribe to shares.

14.2.4 Rights in Case of Liquidation

In the event of the Company's liquidation, after settlement of all debts, any remaining balance shall be paid to the shareholders in proportion of the nominally paid amount of their shares. The Company has not issued preference shares granting liquidation preference rights.

14.3 Transferability of the Shares

The Shares of the Company are freely transferable in accordance with the legal requirements for the transfer of bearer shares.

14.4 Takeover Bids

No public takeover bids by third parties in respect of the Company's equity have occurred during the last or the current fiscal year.

15 Taxation

15.1 Taxation in Germany

15.1.1 General

The following section contains a short summary of certain German tax principles that may be or may become relevant with respect to the acquisition, holding, or transfer of the Company's shares ("Shares"). This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular, it does not comprehensively treat the tax considerations that may apply to a shareholder that resides outside Germany, including foreign residents with a permanent establishment in Germany. The summary is based upon the domestic tax laws of the Federal Republic of Germany in effect as on the date hereof and therefore does not take into account any amendments introduced at a later date and implemented with or without retroactive effect. The relevant rules as well as their interpretation by the German tax courts or tax authorities may change, possibly with retroactive effect.

Shareholders or prospective shareholders are therefore strongly advised to consult their tax advisors regarding the tax consequences of any purchase, ownership or disposal of the Shares. The specific tax situation of each shareholder can only be adequately addressed by individual tax advice.

15.1.2 Taxation of Dividends

Shares forming part of personal (private) assets

If an individual who is a tax resident of Germany (ie, a person whose residence or habitual abode is located in Germany) holds Shares as non-business (private) assets, 50% of all dividends are included in taxable investment income ("half-income method", *Halbeinkünfteverfahren*). These taxable dividends are subject to a progressive income tax rate, plus a 5.5% solidarity surcharge thereon. Only one half of the expenses having an economic nexus with these dividends (*Werbungskosten*) are tax-deductible.

Individuals who hold Shares as non-business (private) assets are entitled to a "savers' exemption" (*Sparerfreibetrag*) in the amount of EUR 750 (or EUR 1,500 for married couples filing jointly) per calendar year with respect to their investment income. In addition, such persons are entitled to a lump-sum deduction in the amount of EUR 51 (or EUR 102 for married couples filing jointly) for expenses (*Werbungskostenpauschale*), unless proof of higher income-producing expenses is furnished. 50% of the shareholder's dividends, plus other investment income, are subject to taxation only if and to the extent they exceed the savors' exemption after the deduction of actual expenses (in the case of dividends, only a 50% deduction applies) or the lump-sum deduction for expenses.

Shares forming part of the business assets

If the Shares form part of a business property, taxation depends upon whether the shareholder is a corporation, sole proprietor or partnership (*Mitunternehmensschaft*).

- Dividend income received by resident corporations (ie, corporations whose registered domicile or effective place of management or control is located in Germany) is generally exempt from corporate income tax and the solidarity surcharge. However, 5% of the dividends are deemed to be non-

deductible business expenses for tax purposes and, as such, are subject to corporate income tax, plus a 5.5% solidarity surcharge thereon. Besides this, actual business expenses directly related to the dividends are deductible.

- If the Shares form part of the business property of a sole proprietor (*Einzelunternehmer*) who is a tax resident of Germany, one half of the dividends is considered income for purposes of calculating the shareholder's income tax liability. Only one half of the business expenses having an economic nexus to the dividends is tax deductible.
- If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. If the partner is a corporation, dividends are generally tax-exempt; however, 5% are considered non-deductible business expenses and, therefore, are subject to corporate income tax (plus solidarity surcharge thereon). If the partner is an individual, one half of the dividends after deduction of one half of the business expenses having an economic nexus to the dividends is subject to personal income tax, plus solidarity surcharge thereon.

If the Shares form part of a business property and the shareholder is considered a business enterprise in accordance with German income tax law dividends will also generally be subject to trade tax. Trade tax is levied on the full amount of the dividends reduced by the amount of business expenses relating to such dividends, unless (i) the resident corporation, sole proprietor or partnership has held at least 10% (from 2008: 15 %) of the Company's registered share capital since the beginning of the relevant tax assessment period, and (ii) the Company derives its gross income almost entirely from specific non-passive activities set forth in the German Foreign Transaction Tax Act (*Außensteuergesetz*) and/or from certain interests in other companies. The latter requirement is met, if (i) the Company holds an interest of at least 25 % in the other companies for an uninterrupted period of at least twelve months preceding the date on which the distributive income is determined, and (ii) the shareholder demonstrates either that the other companies have their seat or place of management in the same country as the Company and derive their gross income almost entirely from specific non-passive activities set forth in the German Foreign Transaction Tax Act or that the Company holds its investments in an economic connection with own specific non-passive activities set forth in the German Foreign Transaction Tax Act, and the other companies in which such interests are held themselves derive their gross income almost entirely from said activities. Due to the complexity of the topic, in case an interest of 10 % (from 2008: 15%) or more in the Company is owned, the investor should consult its tax advisor on whether the afore-mentioned requirements are fulfilled in the case at hand. However, if the shareholder (including a partner of a partnership holding the Shares) is a resident corporation and the afore-mentioned requirements are fulfilled, 5 % of the tax-exempt dividends are treated as non-deductible business expenses, thereby economically leading to a minimum taxation of such 5 %.

If the shareholder to whom the dividends are taxable (including a partner of a partnership holding the Shares) is an individual, trade tax is partly or entirely creditable against the shareholder's personal income tax liability depending on the applicable trade tax rate and the individual circumstances.

Withholding Tax

If the shareholder is an individual, a withholding tax of 15 % may be levied in the Netherlands.

If an individual shareholder is a tax resident of Germany, all or part of the Dutch withholding tax of 15 % which was withheld from the dividends and which is not refundable under the Double Taxation Treaty between Germany and the Netherlands may be credited against the shareholder's personal German

income tax attributable to such dividend income if evidenced by a withholding certificate. If, however, the German income tax attributable to such dividends is lower than the withholding tax, withholding taxes can only be credited up to the amount of German income tax attributable to such dividend income. Alternatively, an individual shareholder may apply for deduction of the withholding tax from his taxable income to the extent such withholding tax is attributable to foreign income which is taxable in Germany

If the shareholder is a German incorporated company which owns less than 25 % of the voting stock in the Dutch corporation, a withholding tax of 15 % may be levied in the Netherlands pursuant to the Double Taxation Treaty. If the shareholder is a German incorporated company which owns at least 25 % of the voting stock in the Dutch corporation, then withholding tax of no more than 10 % may be levied in the Netherlands ("affiliation or inter-corporate privilege"). But no withholding tax in the Netherlands is withheld due to Dutch law if the conditions of the Directive of July 23, 1990 on the Common System of Taxation applicable in the case of Parent companies and Subsidiaries of different Member States (90/435 EEC) are met. Pursuant to sec. 8b German Corporation Tax Act (*Körperschaftsteuergesetz*), economically 95 % of the dividends distributed to a corporation are not subject to corporate income tax. Any Dutch withholding tax cannot be credited against the corporation tax levied on the remaining 5 % of the dividend(s) distributed to the corporation.

Non-resident shareholders

If a shareholder not resident in Germany holds the Shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, rules similar to those described for the taxation of resident shareholders apply.

15.1.3 Taxation Under the German Foreign Transaction Tax Act

If shareholders resident in Germany and certain expatriate German citizens (former residents) in the aggregate, directly or indirectly, should hold more than 50% of the issued share capital or of the voting rights of the issuer, under German controlled foreign corporation legislation, any German resident shareholder's pro rata share in certain passive income (including, for example, but without limitation, certain interest income) earned by the issuer and subject to a low-tax regime (ie, in principle an effective tax burden of less than 25%) may be taxed to such shareholder, irrespective of whether such income is distributed or retained by the issuer. Upon distribution of a dividend, the attribution of non-distributed income may be reversed or the dividend may be exempt from German tax. Moreover, any single shareholder resident in Germany may be taxed on his pro rata share in certain investment type income derived by the issuer or its subsidiaries and subject to a low-tax regime (as defined under German tax law) irrespective of whether this income is distributed by the issuer.

15.1.4 Taxation of Capital Gains

Shares forming part of personal (private) assets

Half of the capital gains realized on the disposition of Shares held as non-business (private) assets by an individual who is a tax resident of Germany are generally subject to income tax plus solidarity surcharge, if the disposition takes place within one year after the acquisition of the Shares. Capital gains are not taxed if, in combination with other profits from personal sales transactions in the same calendar year, they total less

than EUR 512. Any capital loss may be offset only against capital gains from private transactions during the same calendar year or, absent such profits, against positive income from private disposition transactions of the previous year or subsequent years if certain requirements are met.

If the Shares are held as non-business (private) assets by an individual who is a tax resident of Germany, half of the capital gains realized on the disposition of Shares is subject to taxation based upon the applicable individual income tax rate, plus a solidarity surcharge in the amount of 5.5% thereon, even after expiration of the aforementioned one-year period, if the individual or, in the event of a gratuitous transfer, the individual's legal predecessor or, in the event of several successive gratuitous transfers, any lead predecessor of the individual has, at any point during the five years immediately preceding the transfer, held, directly or indirectly, at least 1% of the share capital of the issuer. Generally, only half of the losses from the disposition of Shares and half of the expenses having an economic nexus thereto may be claimed as tax deductions.

Shares forming part of the business assets

If the Shares form part of the business property, the taxation of capital gains realized in the disposition of Shares depends upon whether the shareholder is a corporation, sole proprietor, or partnership:

- Capital gains realized on the disposition of Shares by taxpayers resident in Germany and subject to corporate income tax are generally, irrespective of the amount and holding period of the investment, exempt from corporate income tax (including solidarity surcharge); however, 5% of the capital gains are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge). Losses incurred from dispositions of Shares or any other reductions of profits related to such Shares generally do not qualify as tax-deductible business expenses.
- If the Shares form part of the business property of a sole proprietor (*Einzelunternehmer*) who is a tax resident of Germany, half of the capital gains realized on the disposition of the Shares are subject to income tax and solidarity surcharge. Likewise, only half of the losses from the disposition of the Shares and half of the expenses having an economic nexus thereto may be claimed as tax deductions.
- If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. Taxation depends upon whether the partner is a corporation or an individual: if the partner is a corporation, 95% of capital gains generally are tax-exempt. If the partner is an individual, half of the capital gains are subject to income tax, plus solidarity surcharge.

In addition, if the Shares form part of the business property of a permanent establishment maintained in Germany, capital gains realized on the disposition of the Shares are generally also subject to trade tax. The corporate income tax and the personal income tax exemptions described above (95% exemptions on capital gains for corporations, 50% exemption on capital gains for individuals) apply to trade tax accordingly.

If the Shares form part of the business property of a partnership trade tax is levied at the level of the partnership. The corporate income tax and personal income tax exemptions described above (95% capital gains exemption for corporations, half of the capital gains exemption for individuals) also apply accordingly for purposes of trade tax to the extent that the partnership has corporations or individuals, respectively, as partners. If the partner to whom the capital gains are taxable (including a partner of a partnership holding the Shares) is an individual, the trade tax apportionable to that partner and paid by the partnership is generally credited against the partner's personal income tax liability in accordance with lump-sum tax credit method.

Non-resident shareholders

If the Shares are sold by an individual who resides abroad and is subject to non-resident taxation in Germany and if such individual holds the Shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, rules similar to those described for the taxation of resident shareholders apply.

15.1.5 Special Rules for Banks, Financial Services Institutions, Financial Enterprises, Life Insurance and Health Insurance Companies and Pension Funds

To the extent banks and financial service institutions hold Shares that are, pursuant to Section 1 paragraph 12 of the German Banking Act (*Kreditwesengesetz*), attributable to the trading book (*Handelsbuch*), neither the so called half-income system (*Halbeinkünfteverfahren*) nor the tax exemption usually applicable to corporations applies to dividends received or to capital gains or losses realized on the disposition of Shares; ie, dividend income and capital gains are fully subject to corporate income tax (plus solidarity surcharge) and, if applicable, trade tax. The same applies to Shares that were acquired by financial enterprises (within the meaning of the German Banking Act) in order to realize short-term trading gains (*kurzfristige Eigenhandelserfolge*). This also applies to banks, financial services institutions and financial enterprises with their seat in another member state of the European Union or another member state of the European Economic Area Treaty. In the same way, to the extent life insurance and health insurance companies or pension funds hold Shares that are attributable to their capital investments (*Kapitalanlagen*), neither the so-called half-income system (*Halbeinkünfteverfahren*) nor the tax exemption applies to dividends received or to capital gains realized on the disposition of Shares. Certain exceptions may apply to corporate shareholders incorporated in another EU member state if the EU Parent-Subsidiary Directive (EU Directive 90/435/EEC dated July 23, 1990, as amended) is applicable to such shareholders.

15.1.6 Inheritance and Gift Tax

The transfer of Shares by way of inheritance or gift is subject to German inheritance and gift tax only if one of the following circumstances applies:

- (i) the testator, donor, heir, donee or any other beneficiary has his or her residence or habitual abode in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany; or
- (ii) regardless of these personal circumstances, the testator's or donor's Shares were held as part of a business property for which a permanent establishment is maintained in Germany or for which a representative in Germany was appointed at the time of the transfer.

Special rules apply to certain German expatriates and former German citizens.

15.1.7 Other German Taxes

No German Stock Exchange transfer tax, value added tax, stamp duty or similar tax is levied on the acquisition, the sale or other disposition of Shares. Under certain circumstances an entrepreneur may opt to have value added tax levied on a transaction involving the disposition of Shares, when such transaction

is executed for the enterprise of another entrepreneur. Net wealth tax (*Vermögensteuer*) is at present, not levied in Germany.

15.1.8 Tax Reform

The German legislature has resolved a tax reform providing for a flat rate withholding tax (*Abgeltungssteuer*) of 25% (plus solidarity surcharge thereon) on dividends derived from Shares held as non-business (private) assets by an individual effective from the tax year 2009. Dividends derived from Shares forming part of the business assets (other than of corporations) will then be subject to taxation in the amount of 60% (*Teileinkünfteverfahren*) and 60% of the expenses having an economic nexus thereto may be claimed as tax deductions. The taxation of dividends received by corporations will remain unchanged.

The flat rate withholding tax of 25% will also apply to capital gains derived from the sale of Shares acquired after December 31, 2008 and held as non-business (private) assets by an individual. This applies irrespective of the holding period and also if the individual holds less than 1% of the share capital of the issuer. If the individual has been holding at least 1% of the share capital of the issuer at any time during the five years immediately preceding the transfer or if the Shares are held as part of the business assets (other than of corporations) capital gains derived after December 31, 2008 will be subject to taxation in the amount of 60% (*Teileinkünfteverfahren*) and 60% of the expenses having an economic nexus thereto may be claimed as tax deductions. The taxation of capital gains received by corporations will remain unchanged.

15.2 Taxation in The Netherlands

15.2.1 General

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, ownership and transfer of the Company's shares ("Shares"). The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of the Shares, who may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of the Shares. The summary is based on the tax laws of the Netherlands as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of the Netherlands and its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend investors or shareholders to consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of the Shares, including, in particular, the application to their particular situations of tax considerations discussed below.

The following summary does not address the tax consequences arising under any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of the Shares.

15.2.2 Withholding Tax

Dividends paid on the Shares to a shareholder of such Shares are generally subject to a withholding tax of 15% imposed by the Netherlands. The term "dividends" for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognized for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;
- the par value of shares issued to a shareholder or increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognized for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that they are net profits, within the meaning of the Dividend Withholding Tax Act of 1965, unless the general meeting of shareholders has resolved in advance to make such a repayment and provided that the par value of the shares concerned has been reduced by a corresponding amount by way of an amendment of the Company's articles of association.

A shareholder of the Shares who is, or who is deemed to be, a resident of the Netherlands or, if he is an individual, who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation ("Resident of the Netherlands") and who is not a shareholder of shares which benefit from the Dutch participation exemption, as set out in the Dutch Corporate Income Tax Act 1969, can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of

the dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such Resident of the Netherlands is not considered to be the beneficial owner of the dividends. A holder of the Shares, who is the recipient of dividends will generally not be considered the beneficial owner of the dividends if, as a consequence of a combination of transactions, a person other than the recipient wholly or partly benefits from the dividends, whereby such person retains, directly or indirectly, an interest in the shares on which the dividends were paid and the person who retains, directly or indirectly, an interest in the Shares on which the dividends were paid, is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the recipient ("Dividend Stripping").

With respect to a shareholder of the Shares, who is not treated as a resident or deemed resident of the Netherlands for purposes of Dutch taxation and, in the event such holder is an individual, who has not opted to be a resident for purposes of the Dutch Income Tax Act 2001 ("Non-Resident of the Netherlands") and who is considered to be a resident of the Netherlands Antilles or Aruba under the provisions of the Tax Convention for the Kingdom of the Netherlands, or who is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply:

Such shareholder may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Convention for the Kingdom of the Netherlands or such double taxation convention, be eligible for a full or partial exemption from or reduction or refund of Dutch dividend withholding tax. In addition, subject to certain conditions and based on Dutch legislation implementing the Parent Subsidiary Directive (Directive 90/435/EEC, as amended) an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities that are residents of another EU member state.

The concept of Dividend Stripping, described above, may also be applied to determine whether a Non-Resident of the Netherlands may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax.

Generally the dividend withholding tax will not be for the account of the Company.

15.2.3 Taxes On Income And Capital Gains

General

The description of taxation set out in this section of this Prospectus is not intended for any holder of the Shares, who is:

- an individual and for whom the income or capital gains derived from the Shares are attributable to employment activities the income from which is taxable in the Netherlands;
- an individual and who holds, or is deemed to hold a substantial interest in the Company (as defined below);
- an entity that is a Resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax; or
- an investment institution as defined in the Dutch Corporate Income Tax Act 1969.

Generally a shareholder of the Shares would have a substantial interest in the Company ("Substantial Interest") if he holds, alone or together with his partner, whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5 % or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5 % or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5 % or more of the annual profit and/or to 5 % or more of the liquidation proceeds. A shareholder of the Shares will have Substantial Interests in the Company if certain relatives of that shareholder or of his partner also have a Substantial Interest in the Company. If a shareholder of Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (a) (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, or (b) he is an individual and has transferred an enterprise in exchange for shares on a non-recognition basis.

Residents of The Netherlands

Individuals

A Resident of the Netherlands who is an individual and who holds the Shares is subject to Dutch income tax on income and/or capital gains derived from the Shares at the progressive rate (up to 52 %) if:

- (i) the shareholder has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; or
- (ii) the holder derives income or capital gains from the Shares that are taxable as benefits from "miscellaneous activities".

If conditions (i) and (ii) mentioned above do not apply, any shareholder of the Shares who is an individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the Shares. The deemed return amounts to 4 % of the average value of the shareholder's net assets in the relevant fiscal year (including the Shares) measured, in general, at the beginning and end of the relevant fiscal year, insofar as that average of the net assets exceeds the exempt net asset amount. The deemed return is taxed at a flat rate of 30 %.

Entities

A Resident of the Netherlands who is an entity will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from the Shares, provided that the income and capital gains are not exempt under the provisions of the Dutch participation exemption. The participation exemption is generally available if the holder of the Shares owns at least 5 % of the companies nominal paid-up share capital. The Dutch corporate income tax rate is 20 % of the first EUR 25,000 of taxable income, 23.5 % for the next EUR 35,000 and 25.5 % over the taxable income exceeding EUR 60,000.

Non-Residents of The Netherlands

A Non-Resident of the Netherlands who holds the Shares is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the income and capital gains derived from the Shares, provided that:

- such Non-Resident of the Netherlands who is an individual does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such

enterprise (other than as entrepreneur or shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable or deemed attributable;

- in the case of a Non-Resident of the Netherlands who is an individual does not derive income or capital gains from the Shares that are taxable as benefits from “miscellaneous activities” in the Netherlands;
- such Non-Resident of the Netherlands who is a corporate entity does not derive profits from an enterprise or deemed enterprise, which enterprise is, in whole or in part, carried out through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable or deemed attributable; and
- in the case of a Non-Resident of the Netherlands which is a corporate entity does not have a Substantial Interest or deemed Substantial Interest in the Company, or if such holder does have such Substantial Interest, it forms part of the assets of an enterprise.

15.2.4 Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the transfer of the Shares by way of gift by or on the death of a holder, unless:

- the shareholder is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; or
- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of the person who, at the time of the gift or death, is or is deemed to be a Resident of the Netherlands for the purpose of relevant provisions; or
- the Shares are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
- in the case of a gift of Shares by an individual who at the time of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- the holder of such Shares is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Shares are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of the Netherlands if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

15.2.5 Value-Added Tax

There is no Dutch value-added tax payable in respect of payment in consideration for the Offer and sale of the Shares.

15.2.6 Other Taxes and Duties

There is no Dutch registration tax, transfer tax, capital tax, customs duty, stamp duty or any other similar tax or duty payable in the Netherlands in respect of or in connection with the holding of the Shares.

16 Recent Development and Outlook

The third quarter of this business year 2007 was mainly influenced by research and development as well as plant construction. Whilst in the first months of the business year 2007 the business emphasis lay primarily in preparing and optimising the basis for plant production, in the third quarter of this year the prime focus was on actual production. To this effect all modernisation and renovation works that were necessary at the Artern production site have been successfully completed. Therefore the production hall of the Company now meets the requirements of a modern industrial plant. By optimised production processes and a more effective use of the available premises the capacities could be expanded, which resulted in a corresponding personnel expansion in the field of plant construction.

After a short test phase at the production site in Artern a plant was delivered and successfully final-assembled at its designated location in July 2007. It was accepted by the operator and has been successfully operating since then. The plant stands at the site of a Thuringian composting firm. There it operates with loppings (green-cut) from the surrounding communities and produces electricity and heat. A second plant that is also already sold is currently in the test phase at the production site of bioenergy GmbH. As soon as all tests for checking its operational reliability have been completed, this plant will also be delivered to its future operator and set up at its designated location. The Company is expecting to be able to deliver by the end of 2007.

To increase the efficiency of the teamwork between the R & D and construction departments the Company decided to close its location in Bad Frankenhausen and transfer the R & D department to the production site in Artern to make better use of available synergy effects and to improve the communication structures. As a result the Management expects lower operating costs and positive effects on research work.

Furthermore, in the last months, bioenergy GmbH succeeded in setting up a wide and reliable network of suppliers and component manufacturers, that has very positive effects on the quality of purchase. At the same time the distribution department has been expanded and a nationwide network of distributors been established.

In the Management's view the positive development of the Company will continue also in the future. Two reasons are considered to be decisive: first, the Management estimates the technology to be ready for the market, second meanwhile several plants were delivered and put into operation.

With the objective to increase the awareness level the structures of marketing were expanded and additional, nationally and internationally operating personnel has been recruited. Furthermore the enterprise intends to expand its marketing and public relations activities. The Company presented itself exclusively within the framework of trade fairs to a very specific clientele until now. In the future the spectrum of possible plant operators shall be expanded and the awareness of the enterprise shall be increased purposefully by diverse specialised media.

The Company expects that its activities in R & D will have a positive impact on the future business development for the remaining business year 2007. The Management reckons that the Group will be able to establish itself by continual technical development of the plants as a constant competence centre in the bioenergy market, in particular in the field of solid particle gasification. According to the Management the

demand for innovative bioenergy plants with high energy efficiency and raw material variability will continue to increase. At the same time the management holds the opinion that only a few competitors will succeed in bringing their plants to commensurable technological maturity within a foreseeable period of time.

Furthermore the Company regards political factors, as for example the upcoming amendment of the Renewable Energies Act, to play an important role for the future business development. As proclaimed by the German Federal Ministry of the Environment in July this year and recommended by the BMU Field Report on the Renewable Energy Sources Act, dated November 7, 2007, the Renewable Energy Sources Act will probably remain in its current structure. Only a few regulations will probably be adapted to the objective of a higher energy efficiency. According to the Company the planned amendments constitute an increase of efficiency and thereby an improvement of the competitive position of its plants. The planned new regulations are particularly aimed at supporting the technological development of bioenergy plants and the construction of plants with efficient combined heat and power. The plants based on this will probably achieve a higher compensation for electricity fed into the grid and become thereby more attractive to potential operators. Hereby especially the decentral heat utilisation concepts being an essential element of the projecting work of bioenergy are increasingly spotlighted and will take on significance in the future.

17 Financial Information

(In this section 17 in figures the 'point' is used as a divider for 'thousand' instead of the usual ,comma'.)

17.1 Interim Consolidated Financial Statements (IFRS) for the period January 1 until June 30, 2007 (unaudited)

CONSOLIDATED BALANCE SHEETS

as at June 30, 2007

(in thousands of euros)

	Note	Consolidated June 30, 2007 Unaudited	Consolidated December 31, 2006 Audited
ASSETS			
Non-Current Assets			
Goodwill	5	565	565
Investments	6	3	0
Property, plant and equipment	7	298	211
Total Non-Current Assets		866	776
Current Assets			
Trade receivables	8	1.292	419
Other current assets		291	11
Cash and cash equivalents	9	164	108
Total Current Assets		1.747	538
Total Assets		2.613	1.314
LIABILITIES AND EQUITY			
Total Equity			
Share capital	10	105	100
Capital reserve		982	-
Accumulated profit/ (deficit)		164	6
Total Equity		1.251	106
Liabilities			
Non-Current Liabilities			
Lease facilities	11	71	50
Total Non-Current Liabilities		71	50
Current Liabilities			
Loan Bank	12	0	312
Trade and other payables	13	1.220	810
Taxes and social securities		71	36
Total Current Liabilities		1.291	1.158
Total Liabilities and Equity		2.613	1.314

The accompanying notes to these balance sheets form an integral part of these consolidated financial statements.

INCOME STATEMENT

for the period ended June 30, 2007 and the year ended December 31, 2006
(in thousands of euros)

	Note	Consolidated June, 30, 2007 Unaudited	Consolidated December, 31, 2006 Audited
Net turnover	15	2.922	457
Cost of sales		1.947	318
Gross Profit		975	139
Employee costs	16	454	31
Depreciation		39	6
Marketing and sales		35	38
General and administration		216	53
Profit from Operations		231	11
Interest Income		(9)	(2)
Total Financial income		(9)	(2)
Profit before tax		222	9
Income tax	17	(64)	(3)
Profit After Tax		158	6
Earnings Per Share			
Basic		0,03	0,001
Diluted		0,03	0,001

The accompanying notes to these income statements form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended June 30, 2007 and the year ended December 31, 2006
(in thousands of euros)

	Share Capital	Capital Reserve	Accumulated profit/ (loss)	Total
Issuance share capital at July 18, 2006	100	-	-	100
Profit after tax	-	-	6	6
Balance at December 31, 2006	100	-	6	106
Issuance share capital at March 15, 2007	5	995	-	1.000
Issuance costs	-	(13)	-	(13)
Profit after tax	-	-	158	158
Balance at June 30, 2007	105	982	164	1.251

The accompanying notes to these equity statements form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the period ended June 30, 2007 and the year ended December 31, 2006
(in thousands of euros)

	Consolidated June 30, 2007 Unaudited	Consolidated December 31, 2006 Audited
Cash flow from operating activities		
Profit after tax	158	6
Depreciation of tangible fixed assets	39	6
Goodwill amortization/impairment	-	-
Increase/(decrease) of provisions	-	-
(Increase)/decrease in other current assets and trade receivables	(1.153)	(430)
Increase/(decrease) in current liabilities other than provision	133	846
Net cash used in operating activities	(823)	428
Cash flow from investing activities		
Purchase of property, plant and equipment, net	(126)	(217)
Purchase investments	(3)	
Purchase goodwill	-	(565)
Net cash used in investing activities	(129)	(782)
Cash flow from financing activities		
Proceeds from issuance of share capital	987	100
Increase of long-term debt and bank loans	21	362
Net cash (used in)/ provided by financing activities	1.008	462
Net increase/(decrease) in cash and cash equivalents	56	108
Cash and cash equivalents at beginning of year	108	0
Cash and cash equivalents at end of year	164	108

The accompanying notes to these cash flow statements form an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the period ended June 30, 2007 and the year ended December 31, 2006

(all amounts are in thousands of euros, unless otherwise indicated)

1. General

bioenergy systems N.V. ("the Company"), the ultimate mother company, and its wholly owned subsidiaries (together "bioenergy" or "the Group") is a public company working in bioenergy production. The business focuses on the realisation of energy production projects and the regeneration of renewable raw material from biomass's into energy. The average number of employees of the Group was 30 in the first half year of 2007 and 24 in 2006. The office of bioenergy systems N.V. is located at Aalsterweg 181a, Eindhoven, The Netherlands.

bioenergy systems N.V. was incorporated at July 18, 2006 by Ralph Brendler Beteiligungs GmbH (40%), Fontis Capital GmbH (40%) and Navigator Equity Solutions N.V. (20%). In August 2006 Navigator Equity Solutions N.V. paid 11 % of the shares as a dividend to the existing shareholders. The remaining participation was completely sold in 2006. bioenergy systems N.V. was listed at the Frankfurt stock exchange at August 17, 2006 (open market).

The consolidated financial statements of bioenergy systems N.V. for the year ended December 31, 2006 were authorized for issue in accordance with a resolution of the Supervisory Board on August 18, 2007. Balance sheets are presented before appropriation of results.

On March 12, 2007 bioenergy systems N.V. successfully issued 500.000 new shares at an issue price of € 2 per share.

2. Adoption of International Accounting Standards

The Group has adopted IFRS in 2007 and 2006.

3. Summary of Significant Accounting Policies

The principle accounting policies adopted in preparing the financial statements of bioenergy systems N.V are as follows:

General

The accompanying financial statements are prepared in accordance with the International Financial Reporting Standard (IFRS) formulated by the International Accounting Standards Board (IASB). The consolidated financial statements include the accounts of bioenergy systems GmbH.

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost convention, unless otherwise stated. All amounts are stated in thousands of euro's.

Reporting Currency

Because of the international nature of the Group's activities, the financial statements are prepared and presented in euros, which is the functional currency of the Group.

Principles of Consolidation

The consolidated financial statements of the Group include bioenergy systems N.V. and the subsidiaries over which management control is effectively exercised. This management control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to effectively govern the financial and operating policies of an enterprise so as to benefit from its activities.

The purchase method of accounting is used for acquired businesses. Companies acquired or disposed of during the year are included in the consolidated (pro-forma combined) financial statements from the date of obtaining or disposing effective management control.

Intercompany balances and transactions, including intercompany profits and unrealised profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Non current investments

Investments in companies in which the group has a significant influence are accounted for fair value or market value (in case of listed companies). Significant influence is considered to be a long term goal participation in the financial and operating policy decisions of the investee and is usually evidenced when the group owns 15% or more of that company's voting rights.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset. Goodwill is tested for impairment on an annual basis in respect of the cash generating unit to which the goodwill attaches. If the recoverable amount of the cash generating unit is less than the carrying amount of the investment, the impairment to the related goodwill is recognised in the profit and loss account.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, Plant and Equipment

Property, plant and equipment, other than buildings, are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated for the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into

operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Machinery and equipment	3 years
Furniture and vehicles	3 years

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Work in progress

Unless otherwise stated work in progress (projects under construction) are valued at net sales value. The revenue and costs are recognised by reference to the stage of completion of the contract (percentage of completion method of accounting). Contract costs comprise costs that relate directly to the specific contract. (including costs that are attributable to general contract activity but that can be reasonably allocated to the contract). If it is probable that the total costs will exceed the total contract revenue, the expected loss is recognised immediately.

Receivables

Receivables are stated at face value, after a provision for doubtful accounts.

Cash

Cash includes cash on hand and cash with banks.

Financial Instruments

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, marketable securities, trade and other accounts receivable and payable, long-term debt, bank overdrafts, loans, borrowings, investments, and bonds receivable and payable. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this note.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The Group operates internationally, giving rise to significant exposure to market risks from changes in interest and foreign exchange rates. The Group nets its exposures in foreign currencies periodically and does not use separate derivative financial instruments to mitigate those risks.

Foreign exchange positions are translated at exchange rates prevailing at the end of the reporting period.

The Company does not enter into foreign exchange forward contracts to hedge its net investments in foreign subsidiaries. Changes in foreign currencies that affect the net equity value in euros are reported in the Currency translation differences as part of shareholders' equity.

Accounting for Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Provisions

A provision is recognised when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the income statement in the period in which they become known.

Judgements and assumptions

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Impairment of goodwill: details are contained in Note 5: Goodwill. The book value is € 565.

Work in progress: details are contained in Note 7: Work in progress. The book value is € 1.230.

Reserves

The Currency Translation Reserve is intended for reflection of translation differences arising from the translation of net investments in foreign subsidiaries.

Revenue Recognition

Costs of sale are matched to the revenue as it is recognised.

Revenue from rendering services and projects under construction is recognised by reference to the stage of completion when this can be measured reliably. The stage of completion is determined based on surveys of work performed.

Foreign Currencies

Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the periods are recognised in the income statement in the period in which they arise.

Foreign operations

Where the operations of a foreign company are integral to the operations of the Group, the translation principles are applied as if the transactions of the foreign operation had been those of the Group, i.e. foreign currency monetary items are translated using the closing rate, non-monetary items are translated using the historical rate as of the date of acquisition. Income and expense items are translated at the exchange rates in place on the dates of the transactions. Resulting exchange differences are recognised in the income statement.

Foreign entities

The majority of foreign consolidated subsidiaries are regarded as foreign entities since they are financially, economically and organisationally autonomous. Their reporting currencies are the respective local currencies. Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the balance sheet, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the Currency Translation Reserve in equity.

Income Taxes

The income tax charge is based on profit or loss for the year and includes deferred taxation. Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income for assets carried at cost and treated as a decrease in property revaluation reserve for buildings that are carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the property revaluation reserve for that same building. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which they belong.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or has decreased. The reversal is recorded in income or as an increase in the property revaluation reserve in case of buildings.

Segments

Financial information on geographical segments is presented in Note 14.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4. Changes in Groups' Organisation

At August 3, 2006 bioenergy systems N.V. has incorporated her 100% subsidiary bioenergy systems GmbH with its statutory seat in Merseburg, Germany. With effect from December 11, 2006 bioenergy systems N.V. purchased four projects already in progress (including assets and liabilities), know how and several license agreements from T&M Engineering GmbH. In this acquisition a goodwill was recognised of € 565.

At March 12, 2007 the Company acquired 24% of the shares in WNA Wärmenetz Angermünde GmbH for an amount of € 3. During the first half year of 2007 there were no activities. At March 29, 2007 the Company incorporated the 100 % subsidiary bioenergy systems project GmbH with a nominal capital of € 50 and its statutory seat at Merseburg, Germany. There were no activities during the first half year of 2007.

5. Goodwill

The movement in goodwill is as follows:

	<u>2007</u>
Cost	565
Purchase goodwill	-
Accumulated impairment 2006	-
Impairment for the first half year 2007	-
Accumulated impairment at June 30, 2007	-
Net book value	<u><u>565</u></u>

Due to the expected excellent future results of the acquired activities the management has the opinion that no impairment of purchased goodwill is necessary in 2007 and 2006.

6. Non current investments

Details of the group's non current investments at June 30, 2007 are as follows:

<u>Name of investment</u>	<u>Country of incorporation (registration)</u>	<u>Ownership %</u>	<u>Voting rights %</u>	<u>Principal activity</u>
---------------------------	--	--------------------	----------------------------	---------------------------

WNA					
Wärmenetz					
Angermünde GmbH	Germany	24	24		Infrastructure energy supply

The investment is stated at purchase costs.

7. Property, Plant and Equipment at Cost

The movement in property, plant and equipment is as follows:

	2007
Cost	
Cost at January 1	217
Additions	126
Acquired on acquisition	-
Disposals	-
Cost at June 30	343
Accumulated Depreciation	
Accumulated depreciation at January 1	6
Depreciation for the year	39
Disposals	-
Accumulated depreciation at December 31	45
Net book value	298

The book value of assets held under finance leases amounts € 71.

8. Work in progress

All the projects are valued according to the percentage of completion method. An analysis of the work in progress is as follows:

	2007
Direct costs using percentage of completion	2.520
Result using percentage of completion	1.388
Prepayments	(2.620)
	1.288
Due from customers recognised under current assets	1.288
Due to customer recognised under current liabilities	-
	1.288

9. Trade Receivables

Trade receivables include the following:

	2007
Due from customers work in progress	1.288

Other accounts receivable	4
Less: provision for doubtful accounts	-
Total trade receivables	1.292

10. Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances and cash. The carrying amount of these assets approximates their fair value.

11. Share Capital

The authorised share capital of the Company amounts to euro 500 divided into 50 million common shares each having a nominal value of euro 0.01 per share.

	2007	2006
Common shares , euro 0.10 par value Authorised 50 million; issued and outstanding 10,5 million in 2007	105	100
	Shares (thousands)	Amount (thousands)
Movements in share capital	2006	2006
Common Shares		
Issued and paid-in July 18	10.000	100
Issuance	-	-
December 31	10.000	100
	Shares (thousands)	Amount (thousands)
Movements in share capital	2007	2007
January 1	10.000	100
Issued and paid-in March 12, 2007	500	5
December 31	10.500	105
	2007	2006
Equity per share		
Basis	0,12	0,01
Diluted	0,12	0,01

12. Lease facilities

The Company and its subsidiaries have various operating lease agreements for machinery, vehicles and other facilities. Future minimum lease payments as per June 30, 2007 under non-cancellable operating lease are as follows:

	2007	2006
Within 1 year	32	20
1 year through 5 years	39	30
After 5 years	-	-
Total future minimum lease payments	71	50

13. Loan Bank

The loan at the Nordthüringer Volksbank has been completely repaid in April 2007. The loan beared an interest of 11.75 %.

14. Trade and Other Payables

Trade and other payables include the following:

	2007	2006
Due to customers work in progress	-	455
Accounts payable trade	627	304
Short term loans	379	-
Accrued expenses	214	51
Total trade and other payables	1.220	810

15. Segment Information

Geographical Segment Data

The geographical allocation of sales is as follows:

	2007	%	2006	%
Germany	2.922	100	457	100
Total sales	2.922	100	457	100

16. Net turnover

Analyse of net turnover:

	2007	2006
Turnover from sale activities	67	29
Turnover from work in progress	2.855	428
	<u>2.922</u>	<u>457</u>

17. Employees

The average number of employees for the year was:

	2007	2006
The Netherlands	-	-
Germany	30	24
Total average number of employees	<u>30</u>	<u>24</u>

18. Income Taxes

The income tax liability for 2007 and 2006 comprises current taxes. The effective tax rate for financial statement purposes differs from the statutory tax rate in The Netherlands as the Company is subject to taxation in various countries with different statutory tax rates.

19. Contingent Liabilities

The Company has for 2007 rental obligations for its premises of in total euro 45.

20. Risks

The client environment and the complexity of the segment bio energy has to be acknowledged as one with a limited number of possible clients. Although the Company has a leading role in the existing client environment, changes in the number of clients will have an important effect on the financial figures of the Group. The management will reduce this risk in the near future by the way of extending the number of possible rendered market services.

21. List of Consolidated Subsidiaries

Entity	Place of Incorporation	Principal Activities	Ownership Interest
bioenergy systems GmbH	Merseburg, Germany	Bio energy	100%
bioenergy systems project GmbH	Merseburg, Germany	Bio energy	100%

22. Emoluments of the Board of Directors and Supervisory Board

Directors' total remuneration approximated euro nil in 2007 and 2006. In 2007 and 2006 the supervisory board's remuneration was in total euro nil.

Shares (direct and indirect) held by members of the Board of Directors and Supervisory Board as at June 30, 2007:

R. Brendler	Member of the Board	4.192.000
H. Hofer	Member of the Supervisory Board	4.185.031
L. Brendler	Member of the Supervisory Board	0
Robert Käß	Member of the Supervisory Board	137.530

23. Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net result attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive common shares from exercise of share options. The number of common shares is the weighted average number of common shares plus the weighted average number of common shares which would be issued on the conversion of all the dilutive potential common shares into common shares. Share options are deemed to have been converted into common shares on the date when the options were granted.

For the year ended 2006			
	Income	Weighted Average Number of Shares (thousands)	Earnings per Share Amount
Basic Earnings per Share			
Net profit attributable to common shareholders	6	5.000	0,001
Add : Assumed exercise of share options	-	-	
Diluted Earnings per Share			
Net profit attributable to common shareholders after assumed conversion	6	5.000	0,001

For the period ended June 30, 2007			
	Income	Weighted Average Number of Shares (thousands)	Earnings per Share Amount
Basic Earnings per Share			
Net profit attributable to common shareholders	158	5.250	0,03
Add : Assumed exercise of share options	-	-	
Diluted Earnings per Share			
Net profit attributable to common shareholders after assumed conversion	158	5.250	0,03

COMPANY-ONLY BALANCE SHEETS

as at June 30, 2007
(in thousands of euros)

	June 30, 2007 Unaudited	December 31, 2006 Audited
ASSETS		
Non-Current Assets		
Investment in group companies	262	59
Total Non-Current Assets	262	59
Current Assets		
Receivables – group	978	40
Other current assets	11	-
Cash and cash equivalents	6	10
Total Current Assets	995	50
Total Assets	1.257	109
LIABILITIES AND EQUITY		
Total Equity		
Share capital	105	100
Capital reserve	982	-
Accumulated profit	164	6
Total Equity	1.251	106
Liabilities		
Current Liabilities		
Trade and other payables	6	3
Total Current Liabilities	6	3
Total Liabilities and Equity	1.257	109

COMPANY-ONLY INCOME STATEMENT**for the period ended June 30, 2007 and the year ended December 31, 2006**

(in thousands of euros)

	June 30, 2007 Unaudited	December 31, 2006 Audited
Profit after taxes	5	(3)
Profit from subsidiaries	153	9
Net Profit	158	6

NOTES TO COMPANY-ONLY FINANCIAL STATEMENTS

for the period ended June 30, 2007 and the year ended December 31, 2006

(in thousands of euros)

1. General

The description of the Company's activities and the Group structure, as included in the notes to the consolidated financial statements, also apply to the Company-only financial statements.

2. Summary of Significant Accounting Policies

General

The separate financial Company-only financial statements are part of the 2007 and 2006 financial statements of bioenergy systems N.V. With reference to the separate income statement of bioenergy systems N.V. use has been made of the exemption pursuant to section 402 Book 2 of the Netherlands Civil Code.

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company-only financial statements, unless indicated otherwise.

Investment in group companies

Investments in group companies are accounted for by using the net equity method.

Commitments

The Company has issued a parent company guarantee in respect of bioenergy systems GmbH of € 250.000.

3. Investment in Group Companies

The movement in the investment in group companies as follows:

	2007	2006
Book value at January 1	59	-
Net equity incorporated subsidiary	50	50
Income from subsidiaries	153	9
Book value at June 30 / December 31	262	59

OTHER INFORMATION

Appropriation of Net Profit after Taxes

The Articles of Association of the company provide that the appropriation of the profit after taxes for the year is decided upon at the Annual General Meeting of Shareholders. Awaiting the decision by the shareholders, the net profit for the first half year is added to the accumulated profit.

17.2 Consolidated Financial Statements (IFRS) as at December 31, 2006 (audited) including the Company-Only Financial Statements

AUDITOR'S REPORT

To the supervisory board and shareholders of bioenergy systems N.V.

Report on the financial statements

We have audited the accompanying financial statements 2006 of bioenergy systems N.V., statutory seat at Amsterdam, which comprise the consolidated and company balance sheet as at December 31, 2006, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of bioenergy systems N.V. as at December 31, 2006, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, August 18, 2007

DRV Accountants en Belastingadviseurs

C.J. Hogendoorn AA

DRV Accountants en Belastingadviseurs is a member of the Moore Stephens International Limited group of independent firms.

CONSOLIDATED BALANCE SHEETS**as at December 31, 2006**

(in thousands of euros)

	Note	Consolidated December 31, 2006	Consolidated July 18, 2006
ASSETS			
Non-Current Assets			
Goodwill	5	565	-
Property, plant and equipment	6	211	-
Total Non-Current Assets		776	
Current Assets			
Trade receivables	8	419	-
Other current assets		11	-
Cash and cash equivalents	9	108	100
Total Current Assets		538	100
Total Assets		1.314	100
LIABILITIES AND EQUITY			
Total Equity			
Share capital	10	100	100
Capital reserve		-	-
Accumulated profit/ (deficit)		6	-
Total Equity		106	100
Liabilities			
Non-Current Liabilities			
Lease facilities	11	50	-
Total Non-Current Liabilities		50	-
Current Liabilities			
Loan Bank	12	312	-
Trade and other payables	13	810	-
Taxes and social securities		36	-
Total Current Liabilities		1.158	-
Total Liabilities and Equity		1.314	100

The accompanying notes to these balance sheets form an integral part of these consolidated financial statements.

INCOME STATEMENT**for the year ended December 31, 2006**

(in thousands of euros)

	Note	Consolidated December 31, 2006
Net turnover	15	457
Cost of sales		318
Gross Profit		139
Employee costs	16	31
Depreciation		6
Marketing and sales		38
General and administration		53
Profit from Operations		11
Interest Income		(2)
Total Financial income		(2)
Profit before tax		9
Income tax	17	(3)
Profit After Tax		6
Earnings Per Share		
Basic		0,001
Diluted		0,001

The accompanying notes to these income statements form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**for the year ended December 31, 2006**

(in thousands of euros)

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Accumulated profit/ (loss)</u>	<u>Total</u>
Issuance share capital at July 18, 2006	100	-	-	100
Profit after tax	-	-	6	6
Balance at December 31, 2006	100	-	6	106

The accompanying notes to these equity statements form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT**for the years ended December 31, 2006**

(in thousands of euros)

	<u>Consolidated December 31, 2006</u>
Cash flow from operating activities	
Profit after tax	6
Depreciation of tangible fixed assets	6
Goodwill amortization/impairment	-
Increase/(decrease) of provisions	-
(Increase)/decrease in other current assets and trade receivables	(430)
Increase/(decrease) in current liabilities other than provision	846
Net cash used in operating activities	428
Cash flow from investing activities	
Purchase of property, plant and equipment, net	(217)
Purchase goodwill	(565)
Net cash used in investing activities	(782)
Cash flow from financing activities	
Proceeds from issuance of share capital	100
Increase of long-term debt and bank loans	362
Net cash (used in)/ provided by financing activities	462
Net increase/(decrease) in cash and cash equivalents	108
Cash and cash equivalents at beginning of year	0
Cash and cash equivalents at end of year	108

The accompanying notes to these cash flow statements form an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**for the year ended December 31, 2006**

(all amounts are in thousands of euros, unless otherwise indicated)

1. General

bioenergy systems N.V. ("the Company"), the ultimate mother company, and its wholly owned subsidiary (together "bioenergy" or "the Group") is a public company working in bioenergy production. The business focuses on the realisation of energy production projects and the regeneration of renewable raw material from biomass's into energy. The average number of employees of the Group was 24 in 2006. The office of bioenergy systems N.V. is located at Aalsterweg 181a, Eindhoven, The Netherlands.

bioenergy systems N.V. was incorporated at July 18, 2006 by Ralph Brendler Beteiligungs GmbH (40%), Fontis Capital GmbH (40%) and Navigator Equity Solutions N.V. (20%). In August 2006 Navigator Equity Solutions N.V. paid 11 % of the shares as a dividend to the existing shareholders. The remaining participation was completely sold in 2006. bioenergy systems N.V. was listed at the Frankfurt stock exchange at August 17, 2006 (open market).

The consolidated financial statements of bioenergy systems N.V. for the year ended December 31, 2006 were authorized for issue in accordance with a resolution of the Supervisory Board on August 18, 2007. Balance sheets are presented before appropriation of results.

2. Adoption of International Accounting Standards

The Group has adopted IFRS in 2006.

3. Summary of Significant Accounting Policies

The principle accounting policies adopted in preparing the financial statements of bioenergy systems N.V. are as follows:

General

The accompanying financial statements are prepared in accordance with the International Financial Reporting Standard (IFRS) formulated by the International Accounting Standards Board (IASB). The consolidated financial statements include the accounts of bioenergy systems GmbH.

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost convention, unless otherwise stated. All amounts are stated in thousands of euro's.

Reporting Currency

Because of the international nature of the Group's activities, the financial statements are prepared and presented in euros, which is the functional currency of the Group.

Principles of Consolidation

The consolidated financial statements of the Group include bioenergy systems N.V. and the subsidiaries over which management control is effectively exercised. This management control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to effectively govern the financial and operating policies of an enterprise so as to benefit from its activities.

The purchase method of accounting is used for acquired businesses. Companies acquired or disposed of during the year are included in the consolidated (pro-forma combined) financial statements from the date of obtaining or disposing effective management control.

All other investments held on a long-term basis are valued at cost less any impairment in value, and are included in other non-current assets.

Intercompany balances and transactions, including intercompany profits and unrealised profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset. Goodwill is tested for impairment on an annual basis in respect of the cash generating unit to which the goodwill attaches. If the recoverable amount of the cash generating unit is less than the carrying amount of the investment, the impairment to the related goodwill is recognised in the profit and loss account.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately in the balance sheet. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, Plant and Equipment

Property, plant and equipment, other than buildings, are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated for the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Machinery and equipment	3 years
Furniture and vehicles	3 years

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Work in progress

Unless otherwise stated work in progress (projects under construction) are valued at net sales value. The revenue and costs are recognised by reference to the stage of completion of the contract (percentage of completion method of accounting). Contract costs comprise costs that relate directly to the specific contract. (including costs that are attributable to general contract activity but that can be reasonably allocated to the contract). If it is probable that the total costs will exceed the total contract revenue, the expected loss is recognised immediately.

Receivables

Receivables are stated at face value, after a provision for doubtful accounts.

Cash

Cash includes cash on hand and cash with banks.

Financial Instruments

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, marketable securities, trade and other accounts receivable and payable, long-term debt, bank overdrafts, loans, borrowings, investments, and bonds receivable and payable. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this note.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The Group operates internationally, giving rise to significant exposure to market risks from changes in interest and foreign exchange rates. The Group nets its exposures in foreign currencies periodically and does not use separate derivative financial instruments to mitigate those risks.

Foreign exchange positions are translated at exchange rates prevailing at the end of the reporting period.

The Company does not enter into foreign exchange forward contracts to hedge its net investments in foreign subsidiaries. Changes in foreign currencies that affect the net equity value in euros are reported in the Currency translation differences as part of shareholders' equity.

Accounting for Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Provisions

A provision is recognised when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the income statement in the period in which they become known.

Judgements and assumptions

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Impairment of goodwill: details are contained in Note 5: Goodwill. The book value is € 565.

Work in progress: details are contained in Note 7: Work in progress. The book value is € (53).

Reserves

The Currency Translation Reserve is intended for reflection of translation differences arising from the translation of net investments in foreign subsidiaries.

Revenue Recognition

Costs of sale are matched to the revenue as it is recognised.

Revenue from rendering services and projects under construction is recognised by reference to the stage of completion when this can be measured reliably. The stage of completion is determined based on surveys of work performed.

Foreign Currencies***Foreign currency transactions***

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from

those at which they were initially recorded during the periods are recognised in the income statement in the period in which they arise.

Foreign operations

Where the operations of a foreign company are integral to the operations of the Group, the translation principles are applied as if the transactions of the foreign operation had been those of the Group, i.e. foreign currency monetary items are translated using the closing rate, non-monetary items are translated using the historical rate as of the date of acquisition. Income and expense items are translated at the exchange rates in place on the dates of the transactions. Resulting exchange differences are recognised in the income statement.

Foreign entities

The majority of foreign consolidated subsidiaries are regarded as foreign entities since they are financially, economically and organisationally autonomous. Their reporting currencies are the respective local currencies. Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the balance sheet, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the Currency Translation Reserve in equity.

Income Taxes

The income tax charge is based on profit or loss for the year and includes deferred taxation. Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income for assets carried at cost and treated as a decrease in property revaluation reserve for buildings that are carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the property revaluation reserve for that same building. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which they belong.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or has decreased. The reversal is recorded in income or as an increase in the property revaluation reserve in case of buildings.

Segments

Financial information on geographical segments is presented in Note 14.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4. Changes in Groups' Organisation

At August 3, 2006 2006 bioenergy systems N.V. has incorporated her 100% subsidiary bioenergy systems GmbH with its statutory seat in Merseburg, Germany. With effect from December 11, 2006 bioenergy systems N.V. purchased four projects already in progress (including assets and liabilities), know how and several license agreements from T&M Engineering GmbH. In this acquisition a goodwill was recognised of euro 565.

5. Goodwill

The movement in goodwill is as follows:

	<u>2006</u>
Cost	
Purchase goodwill	565
Accumulated impairment 2006	
Impairment for the year	-
Accumulated amortization at December 31	-
Net book value	<u>565</u>

Due to the expected excellent future results of the acquired activities the management has the opinion that no impairment of purchased goodwill is necessary in 2006.

6. Property, Plant and Equipment at Cost

The movement in property, plant and equipment is as follows:

	2006
Cost	
Cost at July 18	-
Additions	4
Acquired on acquisition	213
Disposals	-
Cost at December 31	<u>217</u>
Accumulated Depreciation	
Accumulated depreciation at July 18	-
Depreciation for the year	6
Disposals	-
Accumulated depreciation at December 31	<u>6</u>
Net book value	<u><u>211</u></u>

The book value of assets held under finance leases amounts € 50.

7. Work in progress

The at December 11, 2006 acquired projects are valued at purchase price. The other projects are valued according to the percentage of completion method. An analysis of the work in progress is as follows:

	2006
Direct costs using percentage of completion	1.485
Result using percentage of completion	172
Prepayments	(1.710)
	<u>(53)</u>
Due from customers recognised under current assets	402
Due to customer recognised under current liabilities	(455)
	<u>(53)</u>

8. Trade Receivables

Trade receivables include the following:

	2006
Due from customers work in progress	402
Other accounts receivable	17
Less: provision for doubtful accounts	-
Total trade receivables	419

9. Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances and cash. The carrying amount of these assets approximates their fair value.

10. Share Capital

The authorised share capital of the Company amounts to euro 500 divided into 50 million common shares each having a nominal value of euro 0.01 per share.

	2006	
Common shares , euro 0.10 par value		
Authorised 50 million; issued and outstanding		
10 million in 2006	100	
	Shares	Amount
	(thousands)	(thousands)
Movements in share capital	2006	2006
Common Shares		
Issued and paid-in		
July 18	10.000	100
Issuance	-	-
December 31	10.000	100
	2006	
Equity per share		
Basis	0,01	
Diluted	0,01	

11. Lease facilities

The Company and its subsidiaries have various operating lease agreements for machinery, vehicles and other facilities. Future minimum lease payments as per December 31, 2006 under non-cancellable operating lease are as follows:

	2006
Within 1 year	20
1 year through 5 years	30
After 5 years	-
Total future minimum lease payments	50

12. Loan Bank

The loan at the Nordthüringer Volksbank has been completely repaid in April 2007. The loan bears an interest of 11,75 %.

13. Trade and Other Payables

Trade and other payables include the following:

	2006
Due to customers work in progress	455
Accounts payable trade	304
Accrued expenses	51
Total trade and other payables	810

14. Segment Information**Geographical Segment Data**

The geographical allocation of sales is as follows:

	2006	%
Germany	457	100
Total sales	457	100

15. Net turnover

Analyse of net turnover:

	2006
Turnover from sale activities	29
Turnover from work in progress	428
	<u>457</u>

16. Employees

The average number of employees for the year was:

	2006
The Netherlands	
Germany	24
Total average number of employees	<u>24</u>

17. Income Taxes

The income tax liability for the years 2006 comprises current taxes. The effective tax rate for financial statement purposes differs from the statutory tax rate in The Netherlands as the Company is subject to taxation in various countries with different statutory tax rates.

18. Contingent Liabilities

The Company has for 2007 rental obligations for its premises of in total euro 24.

19. Risks

The client environment and the complexity of the segment bio energy has to be acknowledged as one with a limited number of possible clients. Although the Company has a leading role in the existing client environment, changes in the number of clients will have an important effect on the financial figures of the Group. The management will reduce this risk in the near future by the way of extending the number of possible rendered market services.

20. List of Consolidated Subsidiaries

Entity	Place of Incorporation	Principal Activities	Ownership Interest
bioenergy systems GmbH	Merseburg, Germany	Bio energy	100%

21. Emoluments of the Board of Directors and Supervisory Board

Directors' total remuneration approximated euro nil in 2006. In 2006 the supervisory board's remuneration was in total euro nil.

Shares (direct and indirect) held by members of the Board of Directors and Supervisory Board as at 31 December 2006:

R. Brendler	Member of the Board	4.000.000
H. Hofer	Member of the Supervisory Board	4.068.864
L. Brendler	Member of the Supervisory Board	0
Robert Käß	Member of the Supervisory Board	137.530

23. Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net result attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive common shares from exercise of share options. The number of common shares is the weighted average number of common shares plus the weighted average number of common shares which would be issued on the conversion of all the dilutive potential common shares into common shares. Share options are deemed to have been converted into common shares on the date when the options were granted.

For the year ended 2006			
	<i>Income</i>	Weighted Average Number of Shares (thousands)	Earnings per Share Amount
Basic Earnings per Share			
Net profit attributable to common shareholders	106	10.000	0,001
Add : Assumed exercise of share options	-	-	
Diluted Earnings per Share			
Net profit attributable to common shareholders after assumed conversion	106	10.000	0,001

COMPANY-ONLY BALANCE SHEETS**as at December 31, 2006**

(in thousands of euros)

	December 31, 2006	July 18, 2006
ASSETS		
Non-Current Assets		
Investment in group companies	59	-
Total Non-Current Assets	59	-
Current Assets		
Receivables – group	40	-
Other current assets	-	-
Cash and cash equivalents	10	100
Total Current Assets	50	100
Total Assets	109	100
LIABILITIES AND EQUITY		
Total Equity		
Share capital	100	100
Capital reserve	-	-
Accumulated profit	6	-
Total Equity	106	100
Liabilities		
Current Liabilities		
Trade and other payables	3	-
Total Current Liabilities	3	-
Total Liabilities and Equity	109	100

COMPANY-ONLY INCOME STATEMENT

for the years ended December 31, 2006
(in thousands of euros)

**December 31,
2006**

Profit after taxes

(3)

Profit from subsidiaries

9

Net Profit

6

NOTES TO COMPANY-ONLY FINANCIAL STATEMENTS

for the year ended December 31, 2006

(in thousands of euros)

1. General

The description of the Company's activities and the Group structure, as included in the notes to the consolidated financial statements, also apply to the Company-only financial statements.

2. Summary of Significant Accounting Policies

General

The separate financial Company-only financial statements are part of the 2006 financial statements of bioenergy systems N.V. With reference to the separate income statement of bioenergy systems N.V. use has been made of the exemption pursuant to section 402 Book 2 of the Netherlands Civil Code.

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company-only financial statements, unless indicated otherwise.

Investment in group companies

Investments in group companies are accounted for by using the net equity method.

Commitments

The Company has issued a parent company guarantee in respect of bioenergy systems GmbH of € 250.000.

3. Investment in Group Companies

The movement in the investment in group companies as follows:

	2006
Book value at July 18	-
Net equity incorporated subsidiary	50
Income from subsidiaries	9
Book value at December 31	59

OTHER INFORMATION

Appropriation of Net Profit after Taxes

The Articles of Association of the company provide that the appropriation of the profit after taxes for the year is decided upon at the Annual General Meeting of Shareholders. Awaiting the decision by the shareholders, the net profit for the year is added to the accumulated profit.

18 Glossary

18.1 General Glossary

AFM	= Autoriteit Financiële Markten; The Netherlands Authority for the Financial Markets
para.	Paragraph
BaFin	German Federal Financial Supervisory Authority
BImSchG	Federal Immission Control Act
BImSchV	Ordinance for the Implementation of the Federal Immission Control Act
bioenergy	alternative term for → bioenergy Group
bioenergy Group	group of companies consisting of the parent company bioenergy systems N.V. and the two affiliates bioenergy systems GmbH and bioenergy systems project GmbH
bioenergy N.V.	bioenergy systems N.V.
bioenergy GmbH	bioenergy systems GmbH
bioenergy project GmbH	bioenergy systems project GmbH
Company	bioenergy systems N.V.
ct.	Abbreviation for Eurocent
Designated Sponsor	<p>Banks or other financial service providers who furnish binding quotes in electronic trading for the purchase or sale of stocks, thereby offsetting temporary imbalances between supply and demand for less liquid stocks.</p> <p>Designated sponsors operate only in the Xetra® system, where they must be admitted as a participant. When an issuer is admitted to trading, it appoints a sponsor - or, in some cases, several sponsors - to ensure that there is additional liquidity in its stock by posting quotes in the system, either at the sponsor's own initiative, at the request of a market participant (quote request), or during auctions. The quotes can be seen in the order book, giving investors a more reliable reference for setting the price limit on their orders. Companies that are quoted in continuous trading in Xetra are required to appoint at least one designated sponsor if they are deemed to have insufficient liquidity.</p>
GmbH & Co. KG	limited partnership with a limited liability company as general partner
ISIN	Abbreviation for International Security Identification Number. The ISIN serves as unambiguous international identification of securities. It consists of a two-figure country code (for example DE for Germany (<i>Deutschland</i>)), followed by a numeric identification code of ten digits.
Issuer	bioenergy systems N.V.
Open Market	Term for → Unofficial Market at the stock exchange in Frankfurt / Germany. The Open Market at the stock exchange in Frankfurt is not

regarded as a regulated market pursuant to Directive 2004/39/EC of April 21, 2004, on markets in financial instruments.

Public Offer

= offer of securities to the public; means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities (Directive 2003/71/EC of the European Parliament and of the Council).

Unofficial Market

trading segment at the German stock exchange with low admission obligations and admission obligations to follow ("*Freiverkehr*"). The unofficial market is not regarded as a regulated market pursuant to Directive 2004/39/EC of April 21, 2004, on markets in financial instruments.

18.2 Business related Glossary

biogenous	of biological or organic origin
BMU	German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (German Federal Ministry of the Environment)
caloric	containing energy
CHP	Abbr. for → Combined heat and power generation .
Combined heat and power generation	Simultaneous conversion of employed energy into electric energy and useful heat.
CO₂	Chemical symbol for carbon dioxide. CO ₂ accrues by burning all kinds of fossil energy carrier like coal, oil and gas, as ecologically harmful and globally effective greenhouse gas. Every government has the objective to reduce the CO ₂ -output drastically in their countries by targeted measures.
EEG	Abbreviation for the German Act on Granting Priority to the Renewable Energy Sources, entered into force on August 1, 2004 in the Federal Republic of Germany (→ Renewable Energy Sources Act). It controls the promotion of the generation and the remuneration of electricity and heat from → renewable energy sources like for example solar energy, hydropower, wind energy, → Geothermal power und biomass, this includes all kinds of wood and mature wood.
EEX	= European Energy Exchange
EnWG	Abbr. for the German Second Law for the Readjustment of the Energy Industry Law (Energy Industry Act), entered into force on July 13, 2005.
Geothermal power	Electricity generated by utilising naturally occurring geological heat sources.
kWh, MWh	kWh or one kilowatt-hour is a measuring unit for the generated or consumed energy. One Megawatt-hour (1 MWh) equals 1000 kilowatt-hours (1000 kWh).
kVA, MVA	kVA is the abbreviation for kilovolt ampere and is a measuring unit for the electric apparent power of power generation respectively consumption. One MVA (Megavolt Ampere) equals 1000 kVA.
MWh	Megawatt-hours per annum
MWeI	Megawatt-hours electric, measuring unit of electric power
NaWaRo	German abbreviation for renewable primary products
Phytomass and zoomass	Entirety of all living plants (phytomass) and living organism (zoomass)
R & D	Abbr. for Research and Development
Renewable Energy Sources Act	→ EEG

Renewable energy sources	One understands the practically inexhaustible, since continually renewing quantities of energy sources in nature like solar radiation, water power, wind energy, terrestrial heat and biomasses in the form of wood and small vegetable growth.
(under)stoichiometric	stoichiometric means that the ratio fuel to oxygen is modulated in such a way that a complete combustion is the result; if the process is understoichiometric, just the amount of oxygen is fed which is needed to burn the initial material only partly and smoulder the remainder
Waste To Energy	Term for the energetic processing of domestic waste or other residues of biological origin
W, kW, MW	Abbreviation for kilowatt and it is the measuring unit for electric (real) power for power generation or consumption respectively thermal power for heat generation or consumption. One kW (kilowatt) equals 1000 Watt. One MW (megawatt) equals 1000 kW.

Eindhoven, 21 November 2007

bioenergy systems N.V.

Ralph Brendler
Managing Director