

Q2

6 MONTHS' STATEMENT 2008

At a glance

in thousand EUR	6M/2008	6M/2007	in %
Revenue excluding energy tax	139,893	92,448	+ 51.3
Gross profit	9,468	12,708	- 25.5
Gross margin in %	6.8	13.7	- 6.9 %-points
Gross margin in EUR /t	68.46	108.87	- 37.1
EBITDA	- 1,605	4,556	- 135.2
EBITDA margin in %	- 1.1	4.9	- 6.0 %-points
EBITDA margin EUR /t	- 11.60	39.03	- 129.7
Results from operating activities (EBIT)	- 3,179	3,143	- 201.2
EBIT margin in %	- 2.3	3.4	- 5.7 %-points
EBIT margin in EUR /t	- 23.0	26.9	- 185.4
Result for the period	- 7,148	2,695	- 365.2
Result for the period per t biodiesel	- 51.68	23.09	- 323.8
Basic earnings per share (EUR)	- 0.19	0.07	
Net cash from operating activities	- 17,382	- 12,183	
Acquisition of property, plant and equipment	10,166	9,455	+ 7.5

in thousand EUR	June 30, 2008	Dec. 31, 2007	in %
Balance sheet total	186,980	202,046	- 7.5
Shareholder's equity	70,345	77,493	- 9.2
Equity ratio in %	37.6	38.3	- 0.7 %-points
No. of employees (average)	153	120	+ 27.5

DEAR SHAREHOLDERS AND EMPLOYEES,

The 2nd quarter of 2008 was burdened by rising prices for rapeseed oil and soya oil, heavily subsidized biodiesel imports (B99) from abroad, as well as by the tax of 15 eurocents per litre, so that margins continued to be under pressure. Nevertheless, as expected, the 2nd quarter was better on the whole for the BIOPETROL group than the 1st quarter. This was because we were able to counter the difficult market conditions more successfully than most of our competitors by exploiting the logistical strength of our sea-port locations at Rostock and Rotterdam to expand our international trading in biodiesel and biodiesel components. The trend in oil prices on the German biodiesel market also provided some relief, since the price difference between biodiesel and fossil diesel at filling stations reached the 10-eurocent level necessary to support sales of biodiesel in the B100 market more frequently than in the 1st quarter. In the 2nd quarter, again, the introduction of the current 5 % by volume blending quota did not lead to the improvement in the marketing situation expected by politicians, neither in terms of value or quantity, since the market continues to buy cheaper (B99) imports and to use low import prices as benchmarks for their negotiations with the European biodiesel industry. Consequently, in this quarter again a number of biodiesel producers have closed down their installations or filed for insolvency. Many of those that are still producing are being operated well below capacity.

The “food or fuel” discussion becomes more objective

Biofuels came under the suspicion of being the trigger for price increases and regional scarcities of basic foodstuffs in various developing countries and countries on the point of economic take-off. The problem was aggravated by the supposition that increasing the bioethanol blending quota for older engines could cause them damage. As a consequence, the intended increase in the bioethanol quota was not implemented in Germany.

Since March or April, intensive public relations work has succeeded in making discussions in the media more objective and clarifying two things: first, that the current discussions relate exclusively to bioethanol, and second, that biodiesel is indispensable for the climate and the environment, responding to the trend in oil prices at filling stations, as well as for safeguarding mobility. It is again being emphasized, by both EU and German politicians, that given the present energy landscape, biodiesel has to play a part.

An outcome of these discussions is a change in the legislative process. The priority policy objective is now to achieve a stronger penetration of the market by biofuels in harmony with the sustainable management of agricultural areas as well as with the protection of natural habitats and to secure a defined potential reduction in CO₂ emissions throughout the added-value chain. Unfortunately, we have been recently hearing the German environment ministry repeatedly producing proposals and drafts for reducing the total quota in 2009 from 6.25 to 5.0 % and for a reduced place of any increase in the biofuel quota in succeeding years. Evidently, it seems, the German government still does not yet understand that the biodiesel industry, like every other industry, requires stability for its planning. That also applies to the consumers, who would be glad to run their cars on biodiesel for both environmental and cost reasons. So we call for the increase of the biodiesel blending quota planned for 1st January 2009, from 5 to 7 %, to be maintained, especially since the oil industry, the automobile industry and the automobile associations have already included the increase to 7 % in their catalogue of measures for reducing CO₂ emissions by engines.

EU countries seek higher blending quota

It is not only in Germany that mandatory blending has been introduced for the oil industry. The EU seeks a blending quota of 5.75 % by 2010, Denmark has declared its long-term objective of replacing 10 % of fuel consumption with biofuel by 2020, and Sweden even intends to switch completely over to biofuels in 2020. In France, the government, the motor-vehicle manufacturers Renault and Peugeot, and the biodiesel and oil industries, have joined together in a "biodiesel partnership". The aim there is for all diesel models to be able to run on a blend containing 30 % of biodiesel from 2009 onward. The Total oil group in France has been offering a fuel mixture containing 30 % biodiesel (B30) since April 2007.

Biofuels of the 2nd generation are still a long way off

Experts concede that well placed, potent biodiesel market participants, BIOPETROL INDUSTRIES AG among them, continue to enjoy favourable prospects in view of the foreseeable scarcity of supplies of fossil diesel. This view is supported by the growing realization that biofuels of the 2nd generation (biomass-to-liquid) are still a long way away from being available in comparable volumes, and that this generation of fuels also has to meet sustainability criteria. After all, biomass is not freely available in unlimited quantity, but has to be grown which uses land. A further aspect is the high investment cost of biomass-to-liquid installations, given that large-

scale industrial production methods still have not been tested. One noteworthy oil group is not expecting second-generation biofuels to come into industrial production in the next ten, perhaps even twenty years.

Complaint lodged against B99

The European Biodiesel Board (EBB) lodged a complaint against the USA with the EU Commission in late April. The central point of the complaint is the ability of US growers and dealers to blend a small amount of conventional diesel with biodiesel and be paid the maximum possible subsidy of 300 USD per tonne of biodiesel for the resulting "B99" biodiesel/diesel blend. With this subsidy, B99 is driving European biodiesel off the market. There is a reasonable chance that these imports will be found to constitute an infringement of the regulations of the World Trade Organization (WTO).

Speculation on capital markets also drives up vegetable-oil prices

No drastic change in the prices for rape oil and soya oil is yet emerging, but various signs indicate that the price level will fall in the second half of the year. Producers are emptying their rapeseed stores to make room for the new harvest. The prospects are very good for a rich harvest of oil plants in both quantity and quality. Speculation, particularly in commodities trading, has reached such a high level that there is a growing danger of the bubble bursting. Investors are becoming more cautious, so pressure on prices will be coming not just from the supply side.

As always, a difficult environment

The expected improvement in the situation was achieved in the 2nd quarter, but there was no radical turnaround. There are still uncertainties, such as whether (and if so when) B99 imports will be halted and what the development in the production of biofuels in the USA, amounting to 600 million gallons for blending (approx. 2 million tonnes annually), will look like after 2009. If imports of B99 from the USA are discontinued or at least greatly reduced, turnover by the European manufacturers of biodiesel can grow by more than a million tonnes, and can reckon with a price level that permits the economic operation of production plants.

If European climatic objectives are not to remain so much waste paper, there is no way of doing without biodiesel made from rapeseed oil and soya oil. And this, in view of the decisions already taken, is not to be anticipated.

Under these difficult, but by no means hopeless conditions, we are still expecting a small loss for 2008 as a whole. All in all, we shall emerge strengthened from the market adjustment.

Zug, 19 August 2008



Klaus-Ulrich Henschel
CEO



Gordon Mehrrens
CFO

Management Report

BUSINESS TREND CHARACTERIZED BY HIGH VOLATILITY

After raw materials prices moved in only one direction in the 1st quarter, namely upwards, the markets for rapeseed, soya and other raw materials were characterized by increasing volatility during the 2nd quarter. This was true of both the prices and the quantity supplied on the spot market and the futures markets. As a reaction to that, the main focus of those active on the markets was on the spot market, i.e. the short-term precautionary buying of goods as a direct reaction on incoming orders. During this phase, BIOPETROL benefited not only from its strong liquidity, but also and above all from its rapid, direct access to international flows of goods. Once again the decision to build installations located at large European ports proved itself to be far-sighted. Above all, this makes it possible to access sufficient tank capacities for the various raw materials and mixing needs. It permits purchasing to react quickly to attractive offers and enables sales to put forward firm short-term offers to clients who, because of the volatility of prices on the fuels market, likewise prefer spot transactions. Our multistage risk-management system, which requires close daily coordination at all stages of decision-making between sales, purchasing, production, logistics and finance, proved its worth here.

Sales rose 51.3 % over the 1st half of 2007 (EUR 92.4 million) to EUR 139.9 million. At EUR 83.3 million, sales in the 2nd quarter of 2008 once more

rose strongly compared to the figure for the 1st quarter of 2008, EUR 56.6 million.

RESULTS CONTINUE TO BE UNDER PRESSURE

The management and staff of BIOPETROL have adapted to the difficult conditions of the biodiesel market, and the development in the financial results is moving in the desired direction, but there is still more to do. In addition, raw materials prices that are still too high on average, rising energy costs, and the high preproduction costs in connection with the construction of our plant in Rotterdam prevent our results keeping step with the sales trend. On the supply side, the cheap imports of B99 from the USA as well as European overcapacities are putting pressure on margins. The EBITDA fell to EUR –1,605,000 (previous year 4,556,000) and the EBIT was reduced to EUR –3,179,000 (previous year 3,143,000). The EBITDA and EBIT margins fell back correspondingly to –1.1 (previous year 4.9)% and –2.3 (previous year 3.4) % respectively. The group's net loss reached EUR –7,148,000 following a profit of EUR 2,695,000 in the 1st half of the previous year. In the 1st half of this year, BIOPETROL sold 138,307 tonnes of biodiesel (1st half of 2007 16,729 tonnes) and 5,557 tonnes of pharmaceutical-grade glycerine (previous year 7,341 tonnes). Compared with the 1st quarter of this year, Q2 shows distinct progress.

At the end of March 2008, the EBITDA was EUR –5,521,000 and the EBIT was EUR –6,314,000. The

Sales statistic

in t	Q2/2008	Q2/2007	6M/2008	6M/2007
Biodiesel	80,622	64,810	138,307	116,729
Pharmaceutical-grade glycerine	2,224	2,844	5,557	7,341

group's net loss by the end of June remained virtually unaltered, i.e. the 2nd quarter was completed almost "at break even".

The rise in price in 2007 that made pharmaceutical-grade bioglycerine an attractive coproduct in the manufacture of biodiesel has not continued in 2008. The price level fell further in the 2nd quarter because of continuingly weaker demand. On the other hand, the increase in the prices of crude glycerine in the 2nd quarter did not continue, so that a small easing resulted on the purchase price side.

DERIVATIVE FINANCIAL INSTRUMENTS AND ANTICIPATED LOSSES ARISING FROM CONTRACTS

The result is calculated in accordance with the IFRS assessment method and includes the valuation of derivative financial instruments at market prices on their respective valuation date. BIOPETROL uses standardized contracts to safeguard its physical requirement for raw materials for the production of biodiesel as well as sales at a future time. In accordance with IAS 39, the use of such contracts going beyond our own use means that all contracts are recorded as derivative financial instruments. Valuation is at market prices.

For purchasing contracts and hedging transactions, the change in total outstanding contracts as well as the changes in the various market prices on the balance-sheet date of 30 June 2008 led to a reduction in the value of derivative financial instruments to EUR 14,862,000 (end of 2007: EUR 25,225,000), as well as the change in derivative financial liabilities to EUR 10,727,000 (end of 2007: EUR 8,937,000). In the valuation of sales contracts, the short-term provision for anticipated losses from contracts on the balance-sheet date was EUR 4,494,000 (end of 2007: EUR 15,064,000). Most of this change is explained by two effects: the realization of losses in the first half-year and the differing market prices applicable on the balance sheet date and used in the calculation.

Thus, the combined effect of this change and the effect arising from the derivative financial instruments was a valuation gain of EUR 1,848,000. Without these effects, the first-half result (before taxes) would reduce by this amount.

RESULT PER SHARE

As in the previous year, the undiluted net profit per share is determined on the basis of 37,000,000 shares. The undiluted result per share is accordingly EUR -0.19 in the 1st half of 2008, following EUR 0.07 in the same period of the previous year.

Price trend

in thousand EUR	Q2/2008	Q1/2008	in %
Biodiesel ¹	1,005	960	+4.69
Rapeseed oil fob Dutch Mill ²	968	961	+0.73
Soya oil fob Dutch Mill ²	930	929	+0.11
Pharmaceutical-grade glycerine ³	850	1,100	-22.73

¹ Oil Market Report (OMR) excluding energy tax

² UFOP

³ Oleoline Report

OPERATIONAL CASH FLOW NEGATIVE

The operating cash flow of EUR 17,382,000 was negative in the period from January to June 2008. This development is to be ascribed to the changes corresponding to the trend of business, primarily in inventory, trade debtors and other assets (altogether EUR – 13,801,00) as well as to the operational loss. Cash flow from investment activity (including a part-repayment of subsidies received) was EUR – 11,917,000. Cash flow from financing activity is characterized by the first interest payment for the convertible bond (EUR 3 million) and the first use of a part of the line of credit for the purpose of financing working capital. The BIOPETROL group agreed a line of credit to finance working capital with a first-class credit institute already in 2007. This permits the financing of operating business up to an amount of EUR 30,000,000. On the balance-sheet date, short-term financial liabilities amounted to EUR 5,461,000. On the reporting date, BIOPETROL had EUR 3,742,000 in liquid funds.

STABLE BALANCE-SHEET STRUCTURE

The ratio between equity capital and borrowed capital has changed slightly from the end of 2007, at 37.6 % (31 December 2007: 38.3 %).

ROTTERDAM PRODUCTION PLANT

The installation at Rotterdam will have an annual productive capacity of 400,000 tonnes of biodiesel. Thus, at the end of 2008, BIOPETROL will more than double its currently available capacity of 350,000 tonnes annually. Supplementing the production of biodiesel, up to 60,000 tonnes of high-quality pharmaceutical-grade glycerine can be manufactured when the plant is operating at full capacity. The operational facility established on an area of 30,000 m² by Lurgi AG, our partners in the project, with the benefit of the experience of our staff at Schwarzheide and Rostock, is located at Europe's largest refinery

centre and, with the best logistical ties to road, rail, ship and pipeline, it meets all prerequisites for further expansion in Europe.

BUILD-UP OF MANPOWER CONTINUES

As at 30 June 2008, the total number of persons employed by BIOPETROL was 153 (end of 2007: 120). The latest increase can essentially be ascribed to the recruitment of employees in Rotterdam to prepare for the commissioning of the works.

FINANCING

On the balance-sheet date, inventories are at a level at which we do not have to anticipate any further increase occasioned by the commissioning of the works in Rotterdam. BIOPETROL has at its disposal a line of credit agreed in 2007 for financing current assets of up to EUR 30 million. On the balance-sheet date, less than EUR 5.5 million of this has been taken up. Cash in hand on 30th June 2008 amounts to more than EUR 3.7 million.

With remaining anticipated investment payments of only EUR 10.4 million for the Rotterdam project after the balance-sheet date, BIOPETROL does not need to use its financial manoeuvring room.

OUTLOOK

In a persistingly very difficult business environment, BIOPETROL expects to do better than its competitors. As long as market prices are determined by heavily subsidized imports and while vegetable-oil prices remain at their current level, it is unlikely that we will be able to achieve better margins for sales of our own production of biodiesel. Nevertheless, BIOPETROL is increasingly succeeding in playing its strength: good locations, modern technology and the developing trade in pharmaceutical-grade glycerine. There are competitive advantages here that, together with strict cost control, the

optimized use of raw materials, and reinforced trading activity will contribute to BIOPETROL's reaching the next phase in its growth and penetration of the market. Furthermore, we see that next phase as characterized by less feverish speculation in raw materials, the elimination or at least the reduction of the volume of heavily subsidized B99 imports, the mandatory use of raw materials derived from sustainable sources, a relief of the burden on the market as overcapacities are reduced, an increasing interest on the part of all European countries in using biodiesel, the start of a mandatory blending quota of alternative fuels in the USA, and a European energy policy oriented once more towards its original objective, the safeguarding of supplies. As can be seen from the harvest reports since late July and early August, a good rape harvest in Europe can be expected, so the proportion of domestically produced raw materials coming from sustainable cultivation may rise.

Work is being done flat out on identifying additional fields of application for biofuels. The "Biofuel Oil" working group of the specialist committee on the standardization of mineral oil and fuels, for example, has presented a draft standard for alternative heating oil. At the invitation of the "Union zur Förderung von Öl- und Proteinpflanzen e.V." (Union for the extraction of oil and proteinous plants, UFOP) this year's "International Oilseed Producers Dialogue" (IOPD) was held in Berlin on 16–17 June 2008. The IOPD represents the association of oilseed producers in North and South America, the EU, and the associations for the cultivation of palm oil in Malaysia. The high-level representatives of the producer associations have been discussing the future requirements for sustainability in the cultivation of biomass in general, and raw materials for biofuel production in particular, which are also being much discussed in public. The dialogue made it clear

yet again that the sustainable production of biodiesel does not compete with food production but rather supplements it by the rational recycling of superfluous vegetable oils that are necessarily produced during the manufacture of animal food.

Consolidated Financial Statements of BIOPETROL INDUSTRIES AG

Consolidated income statement (expenditure format)

in thousand EUR	Q2/2008	Q2/2007	6M/2008	6M/2007
Revenue including energy tax	86,084	52,087	144,045	96,226
Less energy tax	- 2,772	- 1,983	- 4,152	- 3,778
Change in stock of finished goods	3,110	1,544	8,249	420
Other income and result of trading contracts	60	5,073	- 999	5,769
Total output	86,482	56,721	147,143	98,637
Cost of materials	- 77,315	- 47,959	- 137,675	- 85,929
Gross profit	9,167	8,762	9,468	12,708
Personnel expenses	- 1,831	- 1,339	- 3,728	- 2,597
Depreciation / amortisation	- 781	- 622	- 1,574	- 1,413
Other expenses	- 3,420	- 4,112	- 7,345	- 5,555
Results from operating activities (EBIT)	3,135	2,689	- 3,179	3,143
Finance income	209	552	464	818
Finance expenses	- 3,234	- 978	- 5,075	- 1,408
Net operating result	110	2,263	- 7,790	2,553
Income tax expenses	- 158	- 216	642	142
Result for the period	- 48	2,047	- 7,148	2,695
Basic earnings per share (EUR)	0.00	0.03	- 0.19	0.07
Diluted earnings per share (EUR)	0.00	0.03	- 0.19	0.07
EBITDA	3,916	3,311	- 1,605	4,556

Consolidated Balance Sheet

in thousand EUR	June 30, 2008	Dec. 31, 2007	Change
Intangible assets	37	51	- 14
Property, plant and equipment	118,494	110,492	8,002
Deferred tax assets	1,019	673	346
Total non-current assets	119,550	111,216	8,334
Inventories	31,209	21,645	9,564
Trade receivables	15,949	10,077	5,872
Other receivables and assets	1,668	3,303	- 1,635
Derivative financial instruments	14,862	25,225	- 10,363
Cash and cash equivalents	3,742	30,580	- 26,838
Total current assets	67,430	90,830	- 23,400
Total assets	186,980	202,046	- 15,066
Share capital	24,273	24,273	0
Capital reserve	39,885	39,885	0
Retained earnings	6,187	13,335	- 7,148
Total equity	70,345	77,493	- 7,148
Convertible Bond	69,075	68,362	713
Deferred investment grants and subsidies	8,197	8,450	- 253
Deferred tax liabilities	1,102	1,847	- 745
Long-term provisions	410	404	6
Total non-current liabilities	78,784	79,063	- 279
Trade payables	9,130	14,016	- 4,886
Derivative financial liabilities	10,727	8,937	1,790
Current financial liabilities	5,461	0	5,461
Short-term provisions	4,494	15,064	- 10,570
Accrued expenses	5,020	6,112	- 1,092
Income tax liabilities	324	967	- 643
Other liabilities	2,695	394	2,301
Total current liabilities	37,851	45,490	- 7,639
Total equity and liabilities	186,980	202,046	- 15,066

Consolidated Cash Flow Statement

in thousand EUR	6M/2008	6M/2007
Result for the period	- 7,148	2,695
Depreciation/amortisation of non-current assets	1,574	1,413
Other non-cash income and expenses	- 253	- 201
Income tax expenses	- 642	- 142
Interest income/expenses, net	151	590
Interest received	19	713
Income tax paid	- 1,411	- 2,013
Change in provisions and accruals	- 10,587	5,073
Change in derivative financial instruments	12,153	- 7,239
Change in inventories, trade and other receivables and other assets	- 13,801	- 11,849
Change in trade and other payables and other liabilities	2,563	- 1,223
Net cash from operating activities	- 17,382	- 12,183
Acquisition of property, plant and equipment	- 10,166	- 9,455
Repayments/Payments of grants for investments	- 1,751	1,722
Net cash used in investing activities	- 11,917	- 7,733
Proceeds from issue of Convertible Bond	0	75,000
Payment of transaction costs	0	- 2,095
Payment of interests (Convertible Bond)	- 3,000	0
Payments from loans in financial liabilities	5,461	0
Net cash from financing activities	2,461	72,905
Net increase in cash and cash equivalents	- 26,838	52,989
Cash and cash equivalents at 1 January	30,580	4,354
Cash and cash equivalents at 30 June	3,742	57,343

Consolidated Schedule in Changes of Equity

in thousand EUR	Share capital	Capital reserve	Retained earnings	Total
December 31, 2006	24,273	35,655	8,965	68,893
Profit for the year	0	0	4,370	4,370
Issuance of convertible bond, net of tax	0	4,230	0	4,230
December 31, 2007	24,273	39,885	13,335	77,493
Result for the period	0	0	- 7,148	- 7,148
June 30, 2008	24,273	39,885	6,187	70,345

Consolidated income statement

in thousand EUR	Q2/2008	Q2/2007	6M/2008	6M/2007
Revenue including energy tax	86,084	52,087	144,045	96,226
Energy tax	- 2,772	- 1,983	- 4,152	- 3,778
Revenue excluding energy tax	83,312	50,104	139,893	92,448
Cost of sales	- 77,550	- 49,727	- 136,771	- 92,341
Net gain/loss on trading contracts	- 184	1,961	- 2,032	3,591
Gross profit on sales	5,578	2,338	1,090	3,698
Other income	245	1,629	1,034	2,178
Distribution expenses	- 925	- 575	- 1,580	- 1,214
Administrative expenses	- 1,763	- 703	- 3,723	- 1,519
Results from operating activities (EBIT)	3,135	2,689	- 3,179	3,143
Finance income	209	552	464	818
Finance expenses	- 3,234	- 978	- 5,075	- 1,408
Net finance result	- 3,025	- 426	- 4,611	- 590
Result before income tax	110	2,263	- 7,790	2,553
Income tax expenses	- 158	- 216	642	142
Result for the period	- 48	2,047	- 7,148	2,695
Basic earnings per share (EUR)	0.00	0.06	- 0.19	0.07
Diluted earnings per share (EUR)	0.00	0.06	- 0.19	0.07
EBITDA	3,916	3,311	- 1,605	4,556

Derivative financial instruments

in thousand EUR June 30, 2008	Assets	Liabilities	Notional amount
Raw material purchase contracts	14,862	1,915	62,080
'Energy Swap'	0	8,437	0
Foreign currency exchange contracts	0	375	56,011
Total	14,862	10,727	118,091

in thousand EUR December 31, 2007	Assets	Liabilities	Notional amount
Raw material purchase contracts	25,225	7,246	93,124
'Energy Swap'	0	976	0
Foreign currency exchange contracts	0	715	9,082
Total	25,225	8,937	102,206

Notes to the Consolidated Financial Statements of BIOPETROL INDUSTRIES AG

ACCOUNTING STANDARDS AND METHODS

All subsidiaries under the legal or de facto control of BIOPETROL INDUSTRIES AG, Zug, Switzerland are included in the consolidated financial statements. The financial statements are drawn up in euros and prepared in accordance with the provisions of the International Financial Reporting Standards ("IFRS"). There have therefore been no changes to the accounting principles and methods that were used for the consolidated financial statements for the financial year 2007. The figures in the tables are stated in thousands of euro ("KEUR").

NOTES ON THE INDIVIDUAL BALANCE SHEET ITEMS

Assets

Property, Plant and Equipment

Taking scheduled depreciation into account, property, plant and equipment have increased by KEUR 8,002. This is largely the result of the new investment in the construction of the biodiesel plant in Rotterdam (ca. KEUR 7,144) and investments for enhancements at the plants in Rostock and Schwarzhede.

Derivative Financial Instruments

BIOPETROL uses standardized contracts to safeguard its physical requirement for raw materials for the production of biodiesel as well as sales at a future time. In accordance with IAS 39, the use of such contracts extending beyond our own use means that all contracts are recorded as derivative financial instruments. Valuation is at market prices.

For purchase contracts and contracts to hedge prices the reduction in the value of derivative financial instruments to EUR 14.862 million (end of 2007: EUR 25.225 million), as well as the change in derivative financial liabilities to EUR 10.727 million (end of 2007: EUR 8.937 million), is because of the evolving inventory of contracts and changes in the various market prices at the balance-sheet date of 31st March 2008.

In the valuation of sales contracts, the short-term provision for anticipated losses from contracts was EUR 4.494 million on the balance-sheet date (end of 2007: EUR 15.064 million). Most of this reduction is explained by two effects: the realization of losses in the first half of 2008, and the changed market prices on which the calculation was based at the balance-sheet date.

**NOTES ON THE
CONSOLIDATED INCOME
STATEMENT (COST OF
SALES FORMAT)**

Current Financial Liabilities

The current financial liability of KEUR 5,461 (previous periods: zero) is a current account credit from the working capital financing facility, which BIOPETROL has agreed with a first class financial institution. This facility allows the financing of operating business up to EUR 30 million.

Administrative Expenses

Administrative expenses increased as expected with the growth of the company in particular in Rotterdam to KEUR 3,723 compared to KEUR 1,519 in the same period in the previous year.

For up-to-date information and publications, please visit the Investor Relations section of our website at www.biopetrol-ind.com/ir_disclaimer.htm.

Financial calendar

Dates	2008	2009
Publication of the (consolidated) annual financial statements; Conference for analysts in Frankfurt	March 11	March 24
General Assembly of BIOPETROL INDUSTRIES AG in Zug/CH	May 19	May 18
Publication of the Q1 figures and conference call for analysts	May 20	May 19
Publication of the Q2 figures and conference call for analysts	August 19	August 18
Publication of the Q3 figures and conference call for analysts	November 18	November 17

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