

D1 Oils and BP to establish global Joint Venture to plant jatropha

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D1 Oils plc, the UK-based global producer of biodiesel, plans to establish a global Joint Venture with BP to create a world-leading business in *Jatropha curcas*: D1-BP Fuel Crops Limited.

Jatropha is an oilseed tree that grows in tropical and sub-tropical regions and produces high yields of inedible vegetable oil that can be used to produce high-quality biodiesel. Jatropha can grow on a wide range of land types, including non-arable, marginal and waste land. Jatropha does not compete with food crops for good agricultural land or result in the destruction of rainforest.

Highlights

- Establishment of a 50:50 Joint Venture to undertake global planting of jatropha
 - Target to plant one million hectares over four years
 - Initial contribution of parties:
 - D1 planting to date and planting business
 - BP working capital of £31.75 million through equity in the Joint Venture
 - Total Joint Venture funding requirement of approximately £80 million over five years
 - Plant science remains 100 per cent. owned by D1
 - D1 to grant BP an option to subscribe for new shares representing 16 per cent. of its enlarged share capital at an average price of 251 pence
- Major global business to plant jatropha as sustainable biodiesel feedstock
 - Endorsement by BP of D1's sustainable feedstock strategy
 - Potential to produce low-cost, volume supplies of inedible oil for biodiesel
 - Use of marginal and waste land and land unsuitable for arable crops
 - No competition with high biodiversity value rainforest
 - Significant job creation and value to local communities

Under the terms of the Joint Venture Agreement signed today (subject to D1 shareholder approval), D1 and BP will work together exclusively on the development of jatropha as a sustainable energy crop, including the planting of trees, harvesting jatropha grain, oil extraction and transport and logistics. Production of jatropha oil for refining into biodiesel is expected to begin in 2008.

D1 Oils Plant Science Limited, D1's plant science business, will act as the exclusive supplier of selected, high yielding jatropha seeds and seedlings to the Joint Venture. The strategy for the Joint Venture sees it planting Elite seed in greater quantities than D1's stand alone plan.

With the conclusion of this transaction D1 will comprise, in its upstream business, its wholly owned plant science operations together with the IP in plant science, in addition to 50 per cent. of a global planting joint venture with BP. In its downstream operations, the business will include, as it does now, its wholly owned interests in refining and trading.

Commenting on the announcement, Lord Oxburgh of Liverpool, Chairman of D1 Oils plc said:

"Biodiesel is a young industry, but is rapidly becoming an established part of the global renewable energy landscape. It is crucial that we develop supplies of alternative, inedible vegetable oils like jatropha that are not subject to the same

demand pressures as food oils and that are grown on non-essential land. This partnership with BP strengthens D1's strategy of delivering commercial volumes of jatropha oil at competitive prices, whilst truly supporting the communities in which we operate."

Elliott Mannis, Chief Executive Officer of D1 Oils plc, said:

"This is a transforming event for D1. BP's decision to join us in this new venture is a significant endorsement of our strategy to develop jatropha for the production of sustainable biodiesel. It shows we have come a long way. BP's proven logistical, managerial and financial support will enable a significant enhancement and acceleration of the scope and pace of jatropha planting."

Philip New, Head of BP Biofuels, said:

"As jatropha can be grown on land of lesser agricultural value with lower irrigation requirements than many plants, it is an excellent biodiesel feedstock. D1 Oils' progress in identifying the most productive varieties of jatropha means that the joint venture will have access to seeds which can substantially increase jatropha oil production per hectare."

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Interviews with Elliott Mannis and Philip New are now available in video / audio and text at www.d1plc.com and at www.cantos.com

Notes to Editors

D1 Oils plc is a UK-based global producer of biodiesel. We are building a global supply chain and network that is sustainable and delivers value from 'earth-to-engine'. Our operations cover agronomy, refining and trading. We are pioneering the science, planting and production of inedible vegetable oils; we design, build, own, operate and market biodiesel refineries; and we source, transport and trade seeds and seedlings, seedcake, crude vegetable oils and biodiesel.