



www.gembiofuels.com

Date 12<sup>th</sup> April 2012

**GEM BIOFUELS PLC**  
**("GEM" or the "Company")**

The Board of GEM is today providing investors with a brief update following a recent internal review of the Company's plantations in Madagascar.

Based on the internal review it is clear that, having planted very large areas of land, totalling 55,737 hectares, with Jatropha between 2007 and 2009, a lack of resources has resulted in significantly less success than had been hoped. Low intervention and maintenance following planting has resulted in a lower than anticipated number of plants reaching maturity and producing oil-bearing seeds.

The Board has commissioned external agronomic consultants to conduct a full review of both the Company's plantations in Madagascar and to assess the potential of its land bank for other crops. The Board will provide a fuller market update when it has fully reviewed the report and had time to consider it.

A key part of this external review is to assist the Company in determining a strategic plan to maximise the returns from its existing plantations, as well as how best to make use of the Company's significant presence in Madagascar for the production of other crops. The Board remain committed to generating the best economic return from its existing plantations, whilst generating revenue in the short term.

The Company is also seeking to strengthen the Board through the appointment of an executive director with relevant experience and to build more of an in country presence.

Further announcements will be made as appropriate.

**Enquiries**

**GEM Biofuels Plc**

Simon Hunt  
Chairman

+44 (0) 7733 337755

**Allenby Capital (Nomad & Broker)**

Nick Harriss/Nick Naylor

+44 (0) 20 3328 5656