

PRAX PETROLEUM LTD.

Renewable Transport Fuels Obligation Year Three

Annual Report 2010/11

Chapter 1.

The directors hereby present their annual report, as is required under the rules relating to the Renewable Transport Fuels Obligation. This report contains the aggregated summaries of the carbon and sustainability characteristics of biofuel used by Prax Petroleum in its blending operations during the period 15th April 2010 to the 14th April 2011 and is accompanied by an audit report conducted by SGS.

Prax Petroleum is one of the largest independent importers of refined fuels in the country and distributes its products from its storage base in Dagenham.

Chapter 2.

Carbon Sustainability Characteristics of Fuel Supplied.

Feedstock	General		Environmental	Social	Carbon	
	% Fuel supplied by feedstock type (by volume)	% Data reported on biofuel characteristics	% Meeting Qualifying and/or RTFO standard	% Meeting Qualifying and/or RTFO standard	Average carbon intensity g CO ₂ e / MJ	Average % GHG saving
Biodiesel UCO						
Used cooking oil	100	100	100	100	14	83.3
Biodiesel ME						
Palm (Methane capture at mill)	40.1	50	0	0	68	18.9
Soya beans	59.9	50	0	0	58	30.8
Weighted average (all fuels)		92.5	84.9	84.9	21.2	74.7
Target (2010/2011)*		90	80	*		50

* UK Government targets for data reporting of renewable fuel characteristics as laid out in section 5 of the Renewable Agency's Carbon & Sustainability Reporting Within the Renewable Transport Fuel Obligation Technical Guidance document 2.1

General information		Sustainability information				Average carbon information	
% of total feedstocktype	Feedstock origin	Standard	Env Level	Social Level	Land use on 01 Jan 2008	Carbon intensity incl LUC (g CO2e / MJ)	GHG saving (%)
Used cooking oil							
44.6	Netherlands	By-product	QS	QS	By-product	14	83.3
47.1	Germany	By-product	QS	QS	By-product	14	83.3
2	France	By-product	QS	QS	By-product	14	83.3
2.5	Belgium	By-product	QS	QS	By-product	14	83.3
2.1	United Kingdom	By-product	QS	QS	By-product	14	83.3
0.4	Austria	By-product	QS	QS	By-product	14	83.3
0.3	Switzerland	By-product	QS	QS	By-product	14	83.3
0.2	Australia	By-product	QS	QS	By-product	14	83.3
0.8	United States	By-product	QS	QS	By-product	14	83.3
Palm (Methane capture at mill)							
24.8	Indonesia	None			Unknown	68	18.9
75.2	Malaysia	None			Unknown	68	18.9
Soya beans							
49.7	Argentina	None			Unknown	58	30.8
50.3	United States	None			Unknown	58	30.8

Chapter 3.

Our sustainability strategy has been thoroughly embedded across all our business over the last 10 years and is regularly reviewed and updated. Our current strategy model for sustainable development continues to be aligned with the four priority areas defined by the UK Government in its sustainable development strategy, 'Securing the Future', namely

- Sustainable communities and workforce
- Natural resource protection and environmental enhancement
- Climate change and energy
- Sustainable consumption and production.

Early in this reporting period the company Company made a decision to exclusively purchase ucome as its biofuel because of its low carbon intensity and high green house gas savings and because of our concerns over the wider implications of Biofuels usage such as land use change. In addition, we have sourced product with as short a supply chain as possible so as to minimize carbon emissions produced through transportation.

With quality assurance considered a priority by the directors, Prax applied for and was awarded ISO 9001 accreditation.

Neither Prax, nor to the best its knowledge, any of its suppliers within the biodiesel supply chain has been successfully prosecuted for breaches of compliance with any environmental and/or social regulations relating to Biofuels activities.

Appendix 1. Environmental Policy

PRAX PETROLEUM LIMITED

Environmental Policy

The aim of Prax Petroleum Ltd. is to provide the highest standards in our products and services. We also ensure our on- going commitment to the education and training of our employees, persona affected by our activities and the environment. In order to achieve these standards, the following policy has been established.

We will manage our activities to minimize, wherever practicable, their effect on the environment. In this we are committed at all levels and within all functions of the organization to continual improvement. We recognize that this will only be achieved through regular monitoring of our environmental performance against objectives regulated by a committed management system.

Our Environmental Policy commits the organization at all levels to ensure that we:-

1. Identify any risk of pollution arising from any of our activities, products and/or services, which shall then be either eliminated or effectively controlled to meet or exceed all regulatory requirements relating to the environment.
2. Reduce to a minimum unnecessary use of materials, resources and energy. Reduce to a minimum the environmental effect on all future developments and carry out an appraisal of the environmental effect of sourcing of raw material.
3. Reduce waste to the lowest practicable level ensuring responsible disposal of waste created and received, undertaking environmental audits, measuring the results against established targets.
4. Advocate employee involvement in all environmental matters, providing suitable training and promote awareness along with support to all employees with regard to this environmental policy.

5. Ensure that any persons working on our behalf are made aware of and agree to comply with this policy.
6. Seek to ensure that products and/or services supplied or provided by third parties can be used, handled, stored and disposed of in a manner which safeguards the environment and the health and safety of all.
7. Undertake a review of this policy in the light of any new knowledge that changes legislation and/ or addresses public concerns.



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Statement Reference Number: GB11-83864

To: Don Camillo, Director
Prax Petroleum
Prax House
1 Brooklands Road
Weybridge
Surrey
KT13 0TJ

This Annual Independent Limited Assurance Statement is given on 15 September 2011.

1. RESPONSIBILITIES

It was the responsibility of Prax Petroleum to prepare the RTFO C&S Annual Report for the period (15 April 2010 to 14 April 2011) (the 'C&S Report').

It is the responsibility of SGS United Kingdom Limited to provide the client with assurance conclusions and a limited assurance opinion on this statement.

2. ASSURANCE CRITERIA

The following criteria were used to assess Prax Petroleum's annual carbon and sustainability reports and supporting data with respect to:

- Traceability
- Completeness
- Consistency
- Accuracy

The following documents were referenced in the assurance process and in preparation of the opinion statement:

- ISAE 3000:2005
- RFA Guidance for verifiers (Version 3.0 – March 2011)
- ISO 19011:2002
- Renewable Transport Fuels Obligation technical guidance parts 1 & 2 (Version 3.3 - April 2010, and Version 3.1 - April 2010 respectively)

3. WORK PERFORMED

Annual Carbon and Sustainability Report

The Annual Carbon and Sustainability Report for the 15 April 2010 to 14 April 2011 reporting period was reviewed to verify compliance to RTFO technical guidance with respect to the criteria at section 2.

This included assessment of required content as appropriate: Introduction, context and philosophy, Tables 9 & 10 – C&S data aggregate summaries, fuel supplier (and other supply chain) information, past year and planned reductions in carbon intensity and supporting



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activities - applicable standards and idle land use, data reporting continual improvement activities, environmental certificates, corporate sustainability reports, breach of environmental compliance prosecutions and additional information as relevant.

Supporting documentation

Using interviews of relevant personnel, review of data, C&S reports and supporting management process documentation, the following activities were conducted:

- Personnel interviews
 - Don Camillo, Director
 - Gayathiri Prabhakaran, Financial Controller
 - Nisanki Jaikishan, Accounts Assistant
- Review of document control processes
- Review of Mass balance spreadsheets (all months)
- Review of Feedstock records (all months)
- Review of C&S records (all months)
- Review of Monthly reports (all months)
- Review of final version ROS C&S reports (8 September 2011)

Accountability

It was further verified that 'single point accountability' for C&S reporting has been implemented within the organisation.

Chain of Custody

Data samples were reviewed from primary source along the chain of custody using production records, supplier and seller certificates of authenticity and ROS report entries as relevant to Prax Petroleum's operations. These were in turn verified against the summary data contained in the draft annual report.

The qualitative statements relating to biofuel production and improvements were reviewed for accuracy, consistency and relevance to the required reporting standard.

The annual carbon and sustainability report for the reporting period 15 April 2010 to 14 April 2011 was reviewed and found to contain all sections and content in line with requirements.

All observations and opportunities for improvement raised throughout this limited assurance audit were effectively actioned by the client and closed out.

4. LIMITATIONS

The verification was conducted by review of contract data (as noted above) and does not apply to records not reviewed.

The accuracy of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site.

Feedstock defaults are applied and reported as appropriate.



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5. LIMITED ASSURANCE CONCLUSION & OPINION STATEMENT

Based on the work described and referenced in this report, nothing has come to our attention that causes us to believe that Prax Petroleum's Annual Carbon and Sustainability Report to the RFA for reporting period 15 April 2010 to 14 April 2011 is not accurate, in all material respects, based on the criteria set out in section 2 of this report and subject to the limitations set out in section 4 of this report.

This report was prepared by: James Hubbard, Auditor

Authorised by:-

A handwritten signature in black ink, appearing to be 'Jan Saunders', with a stylized flourish at the end.

Jan Saunders

UK SSC Business Manager

For and on behalf of SGS United Kingdom Ltd

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