



LEMNA INTERNATIONAL'S VIETNAMESE SUBSIDIARY VIETSTAR SIGNS CONTRACT FOR HO CHI MINH CITY MUNICIPAL SOLID WASTE TREATMENT FACILITY

Garbage will be converted into compost and reprocessed plastic

Minneapolis, Minnesota, USA On September 11, 2005 Vietstar, Lemna's wholly owned Vietnamese subsidiary signed a long term service contract for municipal solid waste treatment with the Department of Natural Resources and the Environment (DONRE) of Ho Chi Minh City, represented by its Project Management Division. Vietstar will invest 36 million USD to design, build, own and operate a sorting and processing facility that will convert municipal solid waste into high quality compost and reprocessed LDPE plastic. DONRE will deliver municipal solid waste to the facility and pay a fixed minimum monthly fee based on a tipping fee of 5 USD per ton. Vietstar will sell the enhanced compost and reprocessed plastic that it produces from the waste. At the end of the thirty-year term, the facility will be donated to Ho Chi Minh City. This is the first time that a foreign-invested private company has contracted to provide the public service of municipal solid waste disposal to a city in Vietnam.

The total investment for the first phase, with a capacity of 600 tons per day, is 19 million USD. The facility will be expanded to handle 1,200 tons per day in Phase 2 with an additional investment of 17 million USD. The facility will be located in the Cu Chi District and will create about 300 local jobs in each phase, for a total of 600 new jobs. The Cu Chi District had been designated by the national government as an area with difficult socio-economic conditions.

A number of Vietnamese and American officials attended the signing ceremony and groundbreaking, including Mr. Pham Huu Thang, Director of the Foreign Investment Agency of the Ministry of Planning and Investment, Mr. Nguyen Van Dua, Vice Chairman of the Ho Chi Minh City People's Committee, Mr. Robert Bannerman, Principal Commercial Officer of the U.S. Consulate and Mr. Tran The Ngoc, Director of the Ho Chi Minh City Department of Natural Resources and the Environment. Mr. Lam Son Hoang, Director of DONRE's Project Management Division signed the contract on behalf of Ho Chi Minh City. Ms. Poldi Gerard, Chairman of the Board of Management of Vietstar and its Acting General Manager signed on behalf of the company.

Because this is the first time that such a quasi-BOT (Build-Operate-Transfer) scheme has been utilized in Vietnam for solid waste disposal, the event garnered significant press coverage and was one of the featured stories on the televised evening news in Ho Chi Minh City.