

1. First of all, we would still be very interested in seeing the chronology that you promised to give us. Specifically, we would like to know: when and how AgriSol Energy became aware of the three sites in Tanzania (Lugufu, Katumba, and Mishamo) and when and how Iowa State University became involved in the project

Answer: The Chronology is attached.

2. Why is this project a good investment, from a financial perspective?

Answer: Our analysis shows that there is a large, unsatisfied demand for food in Tanzania, especially in such crops as maize and soy, with which we have significant experience, and for other value-added products such as cooking oil and chickens. Today, Tanzania imports a significant portion of its cooking oil and chickens. This presents the opportunity to develop a needed and potentially profitable business in Tanzania, and to meet this underserved demand by rapidly advancing the state of agriculture in Tanzania and producing food and other value-added products domestically.

Our analysis also shows that there is room for others to participate in meeting this demand, so our approach is to develop agricultural enterprises that combine large-scale, profitable commercial farming with significant local outreach and outgrower programs for small landholders. We believe this approach can support and promote meaningful and sustainable change in the Tanzanian agriculture industry, including significantly increasing the productivity of small landholders. Profits generated from our venture also will support community investment trusts to invest in local community centers, medical clinics, schools, water purification systems, power generation and other infrastructure projects that will improve the quality of life for local populations.

The public-private-academic partnership and self-sustaining nature of our project distinguish it from other commercial ventures, and we believe this makes our model an interesting investment opportunity for people who are willing to take some risk in order to make a difference in the world.

3. In the AgriSol Project Overview you sent us (dated August 11, 2011) it states that Mr. Rastetter has a “long track record” in sustainable development. What, in your view (or in Mr. Rastetter’s view) does this record consist of?

Answer: Noting that sustainability is defined by the Global Reporting Initiative as “meeting the needs of the present without compromising the ability of future generations to meet their own needs,” we believe Mr. Rastetter’s accomplishments in agriculture have advanced the field and have helped, and will continue to help, meet current and future global food needs, without inhibiting the ability of future generations to do so.

Mr. Rastetter is a life-long farmer and a pioneer in the use of modern agricultural techniques and inputs to increase crop and livestock yields and improve quality. For example, some of the sustainable practices he has employed, and which we propose to use in Tanzania, include the creation of “filter strips” to prevent soil erosion and water pollution, the use of minimum tillage and other soil conservation practices, the conservation and restoration of natural wetlands, the

systematic application of manure produced on-site as fertilizer, including detailed tracking of usage and nutrient rates, and the creation of forest reserves.

4. In the same document, regarding the development of farms at Katumba and Mishamo, it states that “we have suspended development efforts for these sites until the situation is resolved by the Government.” What does this mean? Will AgriSol continue to pursue development of Katumba and Mishamo once the refugees are resettled?

Answer: We are very interested in the potential for agricultural development at Katumba and Mishamo and, if those opportunities become available from the Tanzanian government, we will certainly evaluate them and consider them for development.

5. The AgriSol Project Overview states “our farms will generate thousands of jobs for Tanzanians”. Does this number pertain only to the single 10,000 hectare farm at Lugufu or does it envision other farms being developed in the future? What kinds of jobs do you expect to create? And how did you arrive at this figure?

Answer: That figure anticipates more than just the farm at Lugufu, and we believe it is a reasonable estimate of the potential direct and indirect jobs that could be generated. We believe jobs would exist:

- On our commercial farms as managers and trained staff;
- On the small farms and with the outgrowers as they expand their operations;
- In the markets that will be developed for selling our crops and value-added products, as well as those of our small farmers and outgrowers;
- In the infrastructure development that will take place on our farm and in the surrounding areas and communities - roads, electricity, wells and water purification, storage facilities, etc., which will need to be built and maintained;
- In the various suppliers of goods and services that will be needed to support our commercial operations and the surrounding growing agricultural zone (equipment dealers, input suppliers, mechanics, etc.); and,
- In the community centers, medical clinics and schools that will be developed in local communities in connection with our projects.

6. The AgriSol Project Overview contains no mention of the word “export”. Does AgriSol intend to export crops and value-added products outside of Tanzania? If so, why is this not mentioned in the project overview?

Answer: Our primary objective is to produce food for the benefit of Tanzanians, so we will be producing crops and value added products to meet the demands of the Tanzanian market. We believe there is a very good business opportunity in Tanzania for us and for other farmers. We also will work with the government and private businesses to develop and expand local markets and improve food distribution within the country to make sure that more food is available to more Tanzanians.

Our research indicates that, based on the distance from Lugufu to Tanzania’s main ocean ports and the country’s current road and rail infrastructure, the cost of transportation to global markets

is prohibitive, and therefore it is only feasible to sell our products locally and in adjacent countries at this time.

As the country's logistical infrastructure improves the situation may change, but our business model rests on selling a large portion of the goods produced at Lugufu in Tanzania and adjacent countries, where we believe there is significant demand for the crops and products we intend to produce.

In short, our plan is to meet Tanzanian demand first, and then sell excess crops and other value-added products in markets where demand exists and transportation costs permit.

7. Biofuels and ethanol are mentioned numerous times in AgriSol's presentation to the Prime Minister of Tanzania (released to the public by the Oakland Institute). But these words are not mentioned in the AgriSol Project Overview. It is also worth noting that the name of the company is AgriSol Energy. Does AgriSol no longer intend to produce ethanol or other biofuels?

Our business plan has evolved since we first came to Tanzania, having since gained a greater understanding of the business opportunity and community needs in Tanzania. Biofuels and ethanol production are not in our plans for Lugufu because we believe that the real and immediate economic opportunity in Tanzania is in food. Our intention is that our crops and value-added products will be used first to help Tanzania achieve long-term food security and provide better nutrition.

If we are able to develop additional properties, and if we reach a point where we are producing excess crops that are not needed for food, or as feed for animals or feedstock for cooking oil, those crops could become available for other value-added products, including biofuels.

But such discussions and decisions would be well into the future, and would be undertaken with the Tanzanian government, if and when appropriate.

8. The Oakland Institute report released in June 2011 attributes the following quote to Mr. Rastetter, allegedly in answer to a question about job creation for locals:

“You know, we haven't done that...what I appreciate, from a practical standpoint, is how he [The Tanzanian Prime Minister] understands the country and the capabilities and what we'll need to bring in. They quite frankly think we'll need to [bring in outside farmers], and they're fine with bringing in South African farm managers...the white South African farm managers, to be able to provide that general expertise...” Do you have any response?

Answer: First, the “quote” was taken out of context and does not reflect the larger discussion that took place, which was about the availability of experienced agricultural managers in Tanzania. In fact, we strongly believe that our development model will significantly contribute, over time, to helping overcome the history of inequality in Africa by providing training and job opportunities that are not generally available in the country.

Large-scale farming operations are extremely limited in Tanzania. As a result, there is a very small pool of people in Tanzania, and even in all of Africa, who are trained in commercial

farming of the type and scope we propose. So, we have conducted a continent-wide search for qualified candidates, and interviewed a significant number of individuals for various positions. Some of those individuals are from South Africa because, at this point in time, South Africa has the broadest and most significant experience with large-scale farming in sub-Saharan Africa. It is natural that some well-qualified candidates for our farms may come from there.

Our plan is to find the very best talent we can to run our farms in Tanzania so that our program is successful and we have the ability to transfer the kind of knowledge, experience and technology to Tanzanian farmers that will help make them successful. In this process, we will also develop greater local commercial farming management capacity.

The bottom line is that we are looking for the best-qualified people for the jobs at hand, and we welcome applications for positions in Tanzania from men and women of all races, creeds, colors, faiths and national origins.

9. In several Tanzanian press accounts, it has been stated that Summit Farms employs 13 people. How many full-time employees does Summit Farms have?

Answer: Summit Farms has 41 full-time employees, and 16 seasonal, part-time employees.

10. You wrote that Mr. Rastetter identified a “potential conflict” in being both the founder and managing director of AgriSol Energy as well as a member of the Iowa Board of Regents. Can you provide documentation of when this “potential conflict” was disclosed, to whom it was disclosed, and what steps Mr. Rastetter has taken to prevent the conflict from affecting his ability to responsibly carry out his duties as a regent. Please forward any relevant documents.

Answer: Mr. Rastetter identified the potential conflict after he officially became a member of the Board of Regents. Notification was made in writing to the Board of Regents.

Since that time, Mr. Rastetter has limited his personal involvement in discussions regarding ISU’s involvement in the project. ISU’s discussions with AgriSol have been focused on the University’s specific experience in developing successful small farmer, outgrower and community development programs in Africa.

More recently, and consistent with his prior disclosure, Mr. Rastetter decided to recuse himself from any involvement in discussions, decisions or other actions involving ISU and their involvement in AgriSol Energy's Tanzanian project.

11. Mr. Rastetter was interviewed in a previous news story about the AgriSol project that appeared in the Des Moines Register on June 14, 2011, almost four months after his appointment to the Board of Regents. We have also been told that Mr. Rastetter participated in meetings between Iowa State University faculty and administrators (including Associate Dean David Acker and Professor Kevin Kimple) and the Oakland Institute in April 2011, regarding the AgriSol project’s suitability as a socially responsible investment. Why did these activities not present the same “potential conflict” that precluded him from participating in our interview, and why did Mr. Rastetter not similarly “recuse himself” from these discussions? Was there not the same concern in both of

these cases about whether Mr. Rastetter was representing the Board of Regents or his financial interests as an investor in AgriSol?

Answer: Mr. Rastetter was named to the Board of Regents on February 25, 2011, confirmed on April 5, 2011, and took office on May 1, 2011. After taking office he disclosed the potential conflict.

Given the specific nature of ISU's potential involvement in the AgriSol project, the fact that no contractual agreement exists between AgriSol and ISU, and that the overall project is not fully formed or assured of moving forward, discussions prior to his taking office were considered by Mr. Rastetter to be exploratory in nature.

More recently, as some progress has been made in moving the overall project forward, Mr. Rastetter decided to fully recuse himself from any discussion, decision or actions involving ISU's potential involvement in the project, including the interview with *Dan Rather Reports*.

12. In September 2007, Mr. Rastetter gave \$1.75 million to Iowa State University's College of Agriculture and Life Sciences to endow a chair in agricultural entrepreneurship. He also committed an additional \$500,000 at a later date. The current occupant of this endowed chair is Professor Kevin Kimle, who has been actively involved in ISU's work on the AgriSol project. Professor Kimle has traveled to Tanzania as part of the project, and participated in the meetings noted above. Do Mr. Rastetter's significant financial contributions to the university and Professor Kimle's involvement jeopardize the university's ability to act as an independent and objective source of information on the project's suitability, sustainability, and success?

Answer. We do not believe so.

ISU has a long-standing, world-class reputation in the field of agriculture, including successful projects in Africa, and we do not believe they would jeopardize that reputation in any way, for anyone.