




**BIOREM**  
*Breathe Easy...*

**BIOREM**  
*Total air emissions control*

**INVESTOR PRESENTATION**  
November 2009



## Forward-Looking Statements

*Statements in this presentation, to the extent not based on historical events, constitute forward-looking statements. Forward-looking statements include, without limitation, statements evaluating market and general economic conditions in the preceding sections, and statements regarding future-oriented costs and expenditures. Investors are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date thereof. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties with respect to the company include the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgements in the course of preparing forward-looking statements.*

2

## Company Overview

- Established in **1991**
- **Clean technology company** that designs, manufactures and distributes **air emission control** technologies used to eliminate:
  1. Odor
  2. Volatile organic compounds (“VOCs”) and;
  3. Hazardous air pollutants (“HAPs”)
- Systems use **biotrickling** or **biofilter** technologies and **high-performance media**
- Installations have a small footprint and are **high-efficiency/cost-effective** alternatives to competitive “non-clean” technologies
- Over **600 installations** world-wide, including in:
  - Canada
  - Jordan
  - U.S.
  - South Africa
  - China
  - Israel
  - Saudi Arabia
  - Mexico
- **Municipal** and **industrial** customers located primarily in Canada and the U.S.

## Locations

### Head Office

Guelph, Ontario

### U.S. Office

Rochester, New York

### Regional Offices

Oregon City, Oregon

McMurray, Pennsylvania

Peachtree City, Georgia

Beijing, China



*Mytilus biotrickler with Basys biofilter system*



*Basys biofilter system*

## Global Sales Network

### Sales Team

- Scalable structure
- Combination of manufacturer representatives (45) & direct sales people (8)
- Strong applications team to support sales group (5)
- Established U.S. sales office in 2005 in Victor, New York
- Established sales office in Beijing, China in 2008

### Geographic Coverage

- |          |          |                |
|----------|----------|----------------|
| • U.S.   | • Mexico | • Middle East  |
| • Canada | • Brazil | • South Africa |
| • China  | • Peru   | • Saudi Arabia |
| • U.K.   | • Chile  | • India        |

### Sales Commitment

- 1/3 of staff directly involved in sales
- Committed \$400K to fund China Representative Office for 2009

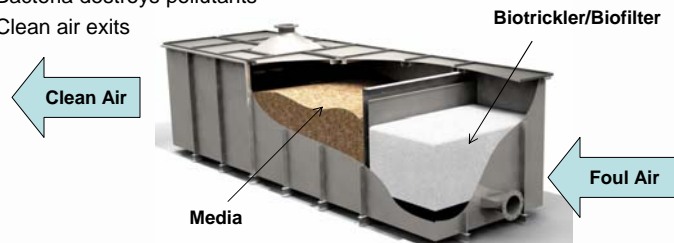
## Biofiltration

### Description:

- Consists of Biotrickling or Biofilter configurations
- Biotrickling filter runs water continuously over media
- Biofilter wetted twice a day, for 15 to 20 minutes
- May be organized into a series

### Process:

1. Fouled air enters biotrickler and/or biofilter
2. Air passes through a biofilter media
3. Bacterial community is grown upon media
4. Pollutants solubilize into the moist media
5. Bacteria destroys pollutants
6. Clean air exits



## Product Offering

### Process Configurations:

- Biofilter only
- Biotrickling filter only
- Combination Biofilter/Biotrickling Filter

### Media:

- Biofilter: Biosorbens®, XLD
- Biotrickling Filter: LWE or PUF

### Key Variables:

- EBRT, temperature, humidity, pH, velocity, etc.
- Inlet air contaminants

### Media Advantages:

- High-performance
- Permanent
- Engineered
- Consistent performance
- Light-weight
- 10-year warranty

### Process Advantages:

- Total odor removal (up to 99%)
- Low lifecycle costs
- Energy-efficient
- Extended performance guarantees
- Consistent performance
- Small footprint

## Case Study

### Example

- Chicago, Stickney WWTP
- One of world's largest waste water treatment plants
- Odor Dispersion Model overlaid onto map

### Top Graphic

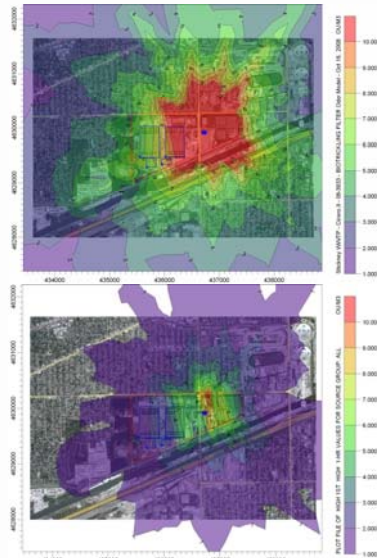
- Odor dispersion from "Scrubbers"
- Extends well beyond plant limits

### Lower Graphic

- Odor dispersion XLD Biofilter
- Odor does not go beyond plant

### Result

- Community has vested interest
- One emission amongst many
- Sum of emissions is cumulative



## Technology Comparisons

### Municipal Cost Comparisons (in US\$)

Technology	Capital Cost	Operation Cost
Chemical Scrubber	\$160,000	\$120,000
Activated Carbon	\$120,000	\$110,000
Thermal Oxidizer	NA	NA
<b>Bioem Biological System</b>	<b>\$200,000</b>	<b>\$18,000</b>

Note: Based on 7,500cfm; 100ppm H<sub>2</sub>S average

### Industrial Cost Comparisons (in US\$)

Technology	Capital Cost	Operation Cost
Chemical Scrubber	NA	NA
Activated Carbon	\$150,000	\$110,000
Thermal Oxidizer	\$200,000	\$240,000
<b>Bioem Biological System</b>	<b>\$300,000</b>	<b>\$32,000</b>

Note: Based on 7,500cfm; 10ppm VOCs

## Experienced & Committed Management Team

**Peter Bruijns, P. Eng., MBA**  
*President & CEO*

**Ed Corbett, BComm, CMA**  
*Chief Financial Officer*

**Ian Borrell, P.Eng.**  
*VP Sales & Marketing*

**Derek Webb, P.Eng., MBA**  
*VP Business Development*

**Dr. Hadi Husain, Phd Chemical Engineering**  
*VP Research*

**Mark Hawley, P.Eng., M.A.Sc.**  
*VP Operations*



**BIOREM**  
*Breathe Easy...*

## Financial Strength

- Revenue generating / cash flow positive
- Strong revenue growth
  - ↑ 46% from \$9.75 million in 2007 to \$14.2 million in 2008
- Cash on hand of \$2.5 million (as at June 30, 2009)
- Working capital of \$6.6 million, or 2.16x (as at June 30, 2009)
- Solid growth in bookings over last three years
- Order backlog– approximately \$11 million

12

## Financial Summary

	Three-months ended		Six-months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
<i>(in thousands of C\$)</i>				
<b>Revenue</b>	\$5,677.7	\$2,472.4	\$9,715.3	\$5,656.7
<b>Gross profit</b>	\$2,326.3	\$806.5	\$3,631.9	\$2,261.7
<b>Gross profit margin</b>	41.0%	32.6%	37.4%	40.0%
<b>EBITDA</b> <i>(includes gains and losses on foreign exchange)</i>	\$32.2	\$(741.4)	\$(149.8)	\$(505.3)
<b>Loss/Comprehensive loss</b>	\$(238.9)	\$(870.5)	\$(663.6)	\$(766.9)
<b>Loss per common share</b> <i>(basic and diluted)</i>	\$(0.02)	\$(0.07)	\$(0.06)	\$(0.06)

13

## Strong Balance Sheet

	June 30, 2009	December 31, 2008
<i>(in thousands of C\$)</i>		
<b>Cash &amp; short-term investments</b>	\$2,531.8	\$2,199.3
<b>Total current assets</b>	\$12,192.9	\$12,786.8
<b>Total assets</b>	\$16,284.5	\$16,928.2
<b>Total current liabilities</b>	\$5,641.0	\$5,851.6
<b>Debentures</b>	\$2,387.9	\$2,287.2
<b>Total shareholders' equity</b>	\$8,255.5	\$8,789.5

14



# Outlook & Growth Strategy

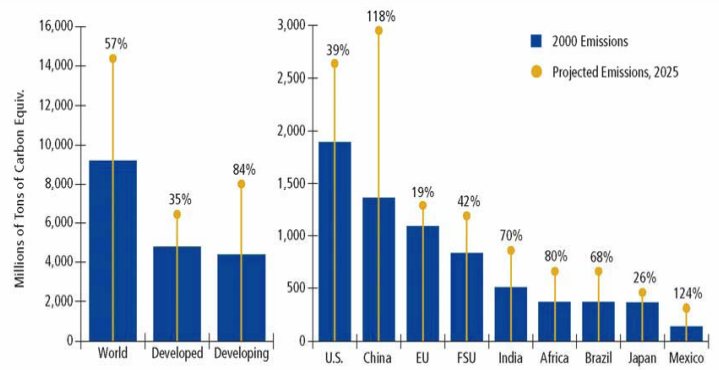


## Large, Fragmented Market

- Odor control market size:
  - Global: **\$400 million in sales per year**
  - North America: **\$100 million in sales per year**
- VOC market size:
  - Global: **\$6 billion in sales per year**
  - North America: **\$500 million in sales per year**
- Global biofilter sales expected to reach **\$587 million by 2012**, representing a 44% increase over 2005 sales of \$407 million
  - 2012 biofilter sales estimated at \$202 million in China, \$111 million in U.S. and \$13 million in Canada
  - Food, chemical and metals manufacturing industries represent largest markets for biofilters

Source: The McIlvaine Report

## Projected Emissions of Man-Made GHGs



- GHG emissions expected to increase world-wide – most rapidly in developing countries
- Emission contributions expected to increase from 9.5 billion tonnes of CO<sub>2</sub> eq per year (2000) to **14.7 billion tonnes of CO<sub>2</sub> eq per year by 2025**
- Over the next 25 years mankind will emit a total of **300 billion tonnes of CO<sub>2</sub> eq**

Source: Navigating the Numbers: Greenhouse Gas Data and International Climate Policy: World Resources Institute

## Competitive Landscape

- Approximately three to five competitors in every market niche
- 95% of competitors are small, geographically-oriented or industry niche-oriented
- Most competitors are individually owned, have no sophisticated sales systems and limited sales capacity
- Almost all competitors average \$4 million or less in sales
- Existing competitors offer a narrow range of old technologies, with exception of those that offer traditional technologies
- Only one large competitor in air emissions control space (Siemens)

➤ ***Biorem is the largest player in the odor control industry in North America***



## Company Mission

***Our mission is to become the world's leading clean technology air emissions control company***

**We will achieve this by:**

1. Consolidating leading clean air technologies to provide integrated turnkey solutions for clients
  - Only cleantech company that has capability to deliver integrated solutions
  - Consolidation will be achieved through acquisitions and focused developmental research
2. Growing our sales network to bring Biorem technologies to clients around the world

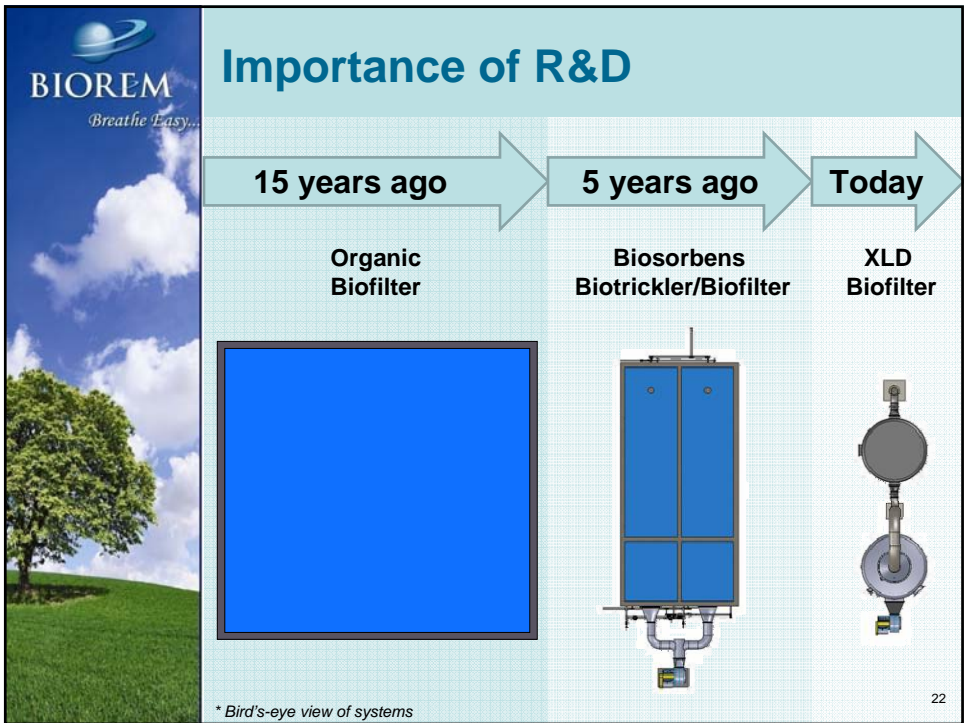
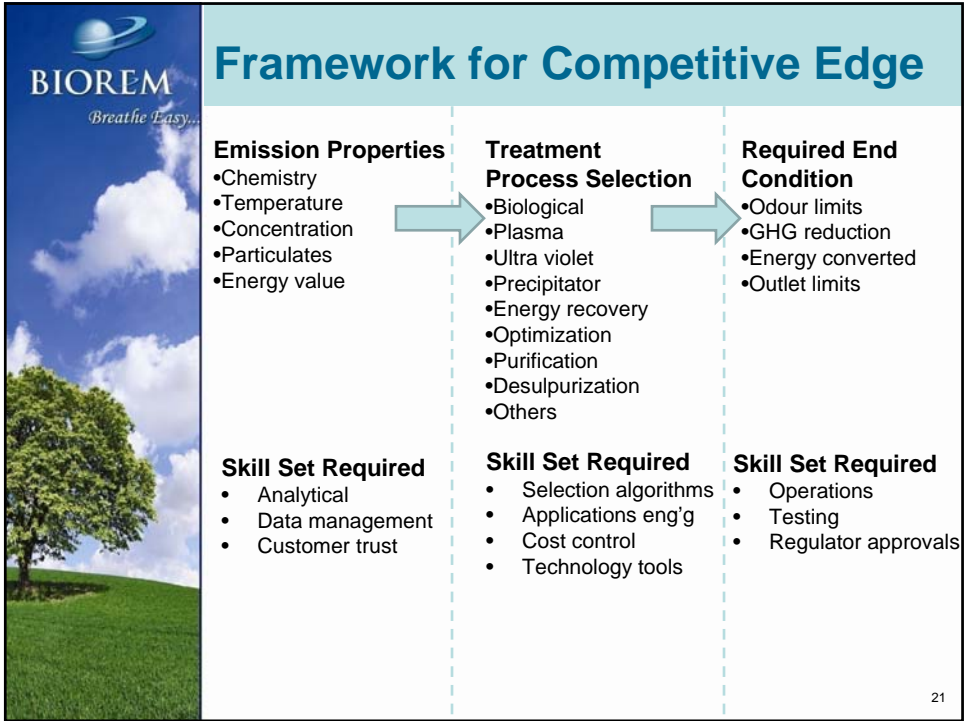
19



## Growth Strategy

- **Build upon existing market presence in emissions and VOC control**
  - Leverage sales network to win contracts and gain market share
  - Invest in R&D
- **Develop/Expand presence in key growth markets**
  - Invest in R&D
  - Growth markets:
    - NOX Compounds
    - VOCs
    - Biogas to Energy
    - Distributed Products
- **Expand geographic presence**
  - Build presence in existing markets: Canada, U.S. and China
  - Expand into new areas: Asia, Latin America, South Africa, Middle East, Australia
- **Acquisitions/Partnerships**

20



## Acquisition Criteria

Biorem has a focused acquisition plan. Potential targets must meet the following requirements:

1. Existing research and development arm
2. Scalable sales force that can be easily integrated with existing group
3. Allow for access into new niche markets
4. Strong management foundation
5. High-quality clean technology and intellectual property
6. May be acquired for fair value

## Acquisition Experience

### Biocube LLP

#### Overview

- Located in New York
- Manufactures packaged units
- Systems under 750 cfm

#### Integration

- Management reorganized
- Streamlined manufacturing in place
- "Next Generation Products"

#### Result

- Established Biorem's U.S. presence
- Mitigates 'Buy America Act'
- Beneficiary of Biorem XLD R&D
- Selling new products into China
- Increasing sales
  - 2007: \$1.4 million
  - 2008: \$1.7 million
  - 2009E: \$2.3 million

BEFORE



Size of system at time of Biocube acquisition

AFTER



Size of system following remodeling



## Capital Market Profile

<b>TSX-V Ticker:</b>	BRM
<b>Initial Public Offering:</b>	January 2005
<b>Shares Outstanding:</b>	12.0 million
<b>Price (October 29, 2009):</b>	\$0.47
<b>52-Week Low-High:</b>	\$0.30 - \$0.75
<b>Market Capitalization:</b>	\$5.6 million

25



# BIOREM

*Total air emissions control*

**INVESTOR PRESENTATION**  
November 2009