



HAITI / HONDURAS ESSENTIAL OIL UPDATE
JULY – 2007

HAITI

POLITICAL: Improvements slowly continue on the basic social level. However, on the economic side, the cost in US dollars of exportable Haitian products continues to rise due to the lowering value of the US dollar vis-à-vis the local currency, the gourde. In late June a suspension of imports into the USA from Haiti of Mango fruits is causing less revenue to enter the Haitian economy. Fifty containers were prohibited from entry due to fruit fly larvae on the fruits despite the close USFDA supervision in Haiti of cleaning procedure prior to export. Mangoes, after coffee, are one of the principle exports of Haiti. Hopefully, after a number of USFDA inspectors traveling to Haiti to help clear up the problem, exports may resume.

VETYVER OIL: Export demand has calmed to some extent. Production also has slowed due to the high cost of root material for distillation and the overall high cost of production. Inventories in Haiti are still minimal. We do have a small stock from which we can offer and sample.

AMYRIS OIL: Production has slowed down. Some of the wood for distillation seems to be of questionable quality. Export demand continues normally. Our stocks are average and we can offer and sample on request.

HONDURAS

CARDAMOM OIL: Our inventory is minimal. Production should resume in August. We expect to be obliged to pay higher prices for the seed since farmers are more demanding. This will result in higher export prices.

STYRAX GUM AND OIL: We have been carefully checking the expected supply of crude gum during the coming new season and find that there are fewer workers willing to partake in the hard, intensive labor of taping the trees and collecting the crude gum.. We have had to offer higher prices to obtain even a fraction of our usual needs, but higher prices paid to the collectors does not seem to result in more quantity from the forest. It is a social problem not and economic one that we are facing at this time.

We will keep you posted.

Bernard & Michael Champon



HAITI / HONDURAS ESSENTIAL OIL UPDATE **AUGUST – 2007**

HAITI

POLITICAL: The UN has voted to remain for some more time in Haiti and to train more police. There is some talk about creating an Army, which had been disbanded by former President Aristide. The streets in the largest cities are calm with much less criminal activity. There have been several visits from representatives of western world countries to give the government encouragement and some funds to help develop the peaceful, educational and economic needs of the country.

VETIVER OIL: Although demand was not as wide spread among the buyers due to the summer lull, it was sufficient to keep the prices at high and even very firm levels. Production problems, such as (1) unusual rains, (2) an increase of the cost of bunker C fuel for the boilers, (3) the continued scarcity of roots relative to the demand by the distillers, (4) the sharp increase in the requirement of cash to fund production, (5) the unfavorable exchange rate, dollar vs gourde, have all contributed to the unexpected and only moderate production rate. We do have limited stocks to offer and sample.

AMYRIS OIL: Although demand has generally calmed due to the summer vacation period, the market remains firm. We have stocks from which we can offer and sample.

HONDURAS

CARDAMOM OIL: Demand quieted substantially; there is no production because seeds are not yet available from the new coming September/October crop. Higher prices for seeds are anticipated. We have a small remaining inventory.

STYRAX GUM AND OIL: There should be some limited quantities of crude gum arriving from the forest collectors in late August/early September. We may be able to offer some quantities in late September after we have processed the crude product into purified gum and oil. Prices will be higher than last year.

We look forward to hearing from you.

Michael & Bernard Champon
Haiti Essential Oil Co., SA



HAITI / HONDURAS ESSENTIAL OIL UPDATE
SEPTEMBER - 2007

HAITI

POLITICS: Relative quiet and calm again prevails. Nine Latin American nations with UN troops in Haiti are supporting the extension of the UN mission for another year. The UN Security Council is expected to renew its mandate of 8,800 Brazilian led forces on October 14.

VETYVER OIL: Following the passing of hurricane DEAN just off the southern coast of Haiti — the vetyver producing area — the country roads were severely damaged, which caused the transportation of root material difficult. The wind damage to the distilling plants and other facilities was minimal. Digging for roots in soaked soil is virtually impossible and contributes to a shortage of material for distillation. Wet soil and roots equates to lower oil yields. The shortage of roots also persists due to the long dry spell of 2 years ago. However, there is hope that the current high prices for the roots has encouraged more planting. Thus, more root material will hopefully be available some time next year, and should be accompanied by lower prices for the raw material. At this time, demand continues and inventories are limited. We have some limited stocks in case of any immediate needs.

AMYRIS OIL: Demand has slowed down somewhat. Inventories are modest, prices steady to firm. We have inventory from which we can offer and sample.

HONDURAS:

CARDAMOM OIL: The crop is expected later this month / early October. We have no carry over and will be ready to offer in the next few weeks. Prices will probably be somewhat higher than last season. Farmers are demanding higher prices for the seed.

STYRAX GUM PURIFIED AND OIL 645P.: There have been some slow arrivals of crude gum from the forest. We expect more during this month and next. The limited available quantities of both oil and purified gum have been sold. We expect to be able to make some further offers later in September/October. Price levels are higher than last year due to increased prices paid to the collectors.

We look forward to hearing from you.

Michael & Bernard Champon
Haiti Essential Oil Co., S.A.



HAITI / HONDURAS ESSENTIAL OIL UPDATE
OCTOBER - 2007

HAITI

POLITICS: Countries in the U.N. peacekeeping force in Haiti (including Brazil, Argentina, Chile, Canada, France and the United States) are eager to stay until the job of bringing security to the impoverished country is done, Brazil's ambassador to Haiti said.

"This peacekeeping effort must be well-formed and stay in Haiti as long as it is necessary," he said, adding that he believed most Haitians want the nearly 9,000-strong force to stay. Haiti has been relatively stable in recent months, following more than two years of political and gang violence before and after the fall of Jean-Bertrand Aristide (the former president ousted in a bloody rebellion in February 2004).

A UN vote this month is expected to extend the presence of UN forces in Haiti.

VETYVER OIL: The normal rainy season is now on. Production will be minimal and distillation yields of oil will continue to be low, which is normal for this time of the year. Harvesting roots is also difficult and spotty during the rainy season. Normal production should resume at the end of the year and during January / February, 2008. Inventories in the hands of distillers and exporters seem to be at a minimum. Prices are firm and rising. We have limited stocks.

AMYRIS OIL: Rain does not affect the yields, nor the distillation of this oil. However, the rains do hamper the production process, since almost all of the work is done outdoors. Inventories are modest. We have some stock from which we can offer and sample. Prices are very firm.

HONDURAS:

CARDAMOM OIL: Seeds are slow in arriving at the distillery. Prices for seeds, as expected, are higher. We hope to be able to make offers of our oil during the later half of October.

STYRAX GUM PURIFIED AND OIL 645P.: The available quantities are hardly sufficient to fill present obligations. We hope to have some stocks to offer during the second half of October/early November. The arrivals from the forest are slow, despite the higher prices being offered to the collectors. Whatever needs or inquiries you may have should be registered with us so that we may be able to offer accordingly when more crude material arrives. Prices are firm.

We look forward to hearing from you.

Michael & Bernard Champon
Haiti Essential Oil Co., S.A.



HAITI / HONDURAS ESSENTIAL OIL UPDATE
DECEMBER - 2007

HAITI

POLITICAL: It is reported that the security situation is among the most significant improvements of the past year and that this has had a positive effect on the economic growth (including increased employment and investment). However, over the past month(s) there has been a slight increase in child kidnappings for ransom. UNICEF has condemned these increased activities.

VETYVER OIL: Production during the last 2 months has been at a minimum because of the excessive rains and shortage of root material. Fortunately, the rains have eased since early December and distillation has slowly resumed. It is hoped that production will increase and become normalized during January 2008. Inventories are practically non-existent.

AMYRIS OIL: World demand has increased and production has slowed due to the excessive rains. Raw material of good quality is more difficult to obtain and collectors demand higher prices. Hopefully production will become more normal during January.

HONDURAS

CARDAMOM OIL: The local price of the seeds has increased substantially due to the very heavy demand from eastern countries. The higher cost of seeds obviously translates into higher export/FOB prices for the oil. Recent available stocks are now sold. We expect to have some lots to offer during January/February.

STYRAX GUM AND OIL 645P: Arrivals of the crude gum from the forest have been slow. Export demand is high. We will inform when goods are available.

MERRY CHRISTMAS AND HAPPY NEW YEAR TO ALL OUR FRIENDS

We look forward to hearing from you.

Michael & Bernard Champon
Haiti Essential Oil Co., SA