Smart Oil Ltd

Futuris

GSBI CLASS OF 2011

Developing a sustainable biofuel industry in Ghana

Description

Smart Oil is creating thousands of jobs in rural West Africa by producing a cheaper substitute for diesel fuel derived from jatropha plantations.

Headquarters Ghana

Established 2008

Impact Areas West Africa

Type For Profit

Sectors Clean Tech & Energy

Staff Size 25

Annual Budget $650,000

Major Funders Futuris Spa (Italy)

Key Awards

2009 BEST Fulbright

2010 CTI - PFAN Best Clean Tech Initiative in West Africa

2010 Italian confindustria young entrepreneurs award

2011 EC Grant: Energy Facility and Intelligent Energy $1M (Granted to Agroils subholding)

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Smart Oil

Target Market

Smart Oil sells biodiesel as a diesel substitute in the Brong Ahafo Region in Ghana to be used for off-grid power generation ($350M market), fuel for cars, trucks and barges ($250M market. As the production grows, Smart Oil will target regional markets including fuel to power GSM towers ($150M market with 300% annual growth), and international aviation carriers ($400M bio jet-fuel market for Lufthansa alone). In the long term, the company aims to sign off-take agreements with leading reneweable energy companies in Europe.

Value Proposition

Jatropha is a tree that annually produces non-edible oil seeds that can easily be converted into fuel oil or biodiesel. We grow Jatropha trees in large farms in rural Ghana and convert this product into biodiesel for sale both locally and internationally. Also thanks to stable commercial relationships with local small farmers, we create permanent jobs in poor rural areas. Locally, our product is 20% cheaper than traditional diesel fuels, is environmentally friendly, and is an 80% reduction in greenhouse gases. It is appropriate for use in everything from local diesel generators to large, international aircarriers. With 10,000 acres farmed in 2014, we will anually produce 2 million gallons of a cheaper diesel substitute.

"What if in sub-Saharan Africa someone could create thousands of jobs, cut the cost of fuel, and have a positive impact on the environment? With Smart Oil, we want to tell a sucessful story in rural Ghana, and finally move towards a global scale."

FREDERICO MARIA GRATI, *CO-FOUNDER & MANAGING DIRECTOR*

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Milestones Achieved

2008 50 Acres of pilot plantations have been farmed. Agricultural model validated over last 3 years

2010 Optioned 70,000 acres of land from local authorities

2011 Pilot BioDiesel production

2011 Equity investment by Futuris Spa

Growth Plan

2012 2,500 acres of farmland in production. Launch of family farming programs

2013 Industrial production of Bio-Diesel

2014 10,000 acres of farmland in production. 2,500 employees and contractors

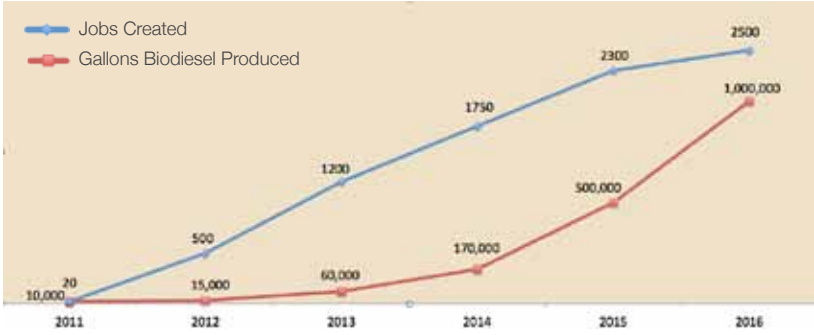
2016 1 million gallons biodiesel sold

2017 2 million gallons biodiesel per year sold, production until 2020

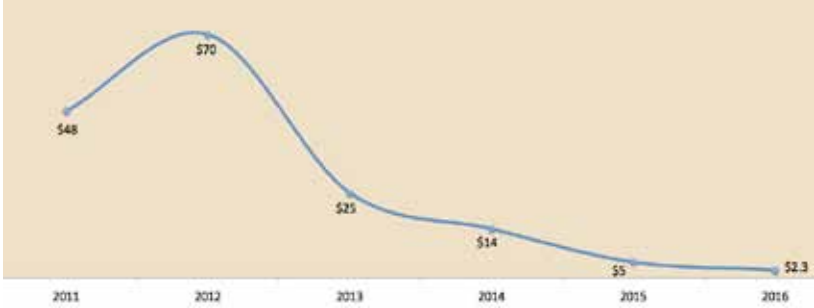
Impact to Date

- Proven reputation locally - 4 year project development and model validation
- Employed 20 local workers
- 10,000 gallons BioDiesel produced
- 40,000 Jatropha trees planted

Outcomes



Total Expenses per Gallon Biodiesel



"Thanks to these young entrepreneurs, my motivation to invest has come back. This business idea does not cost too much, but the positive effect on the re-growth of the economy and on job creation is huge."

GIOVANNI VEGEZZI
JOURNALIST, IL SOLE 24 ORE

Il Sole 24 ORE

Investment Required

$4.7 million debt investment