

WoodPellets.com Heats Up Biomass Sector with \$11 Million in Funding from Leading Investors

New Capital, Ongoing Organizational Growth and Strategic Partnerships Drive Leadership in the Wood Pellet Fuel Market

Goffstown, NH – August 31, 2009 – WoodPellets.com, formerly Pelletsales.com, the nation's leading provider of wood pellet heating fuels directly to residential consumers, today announced that it has successfully completed an \$11M financing led by Monitor Clipper Partners. .406 Ventures, the lead investor in the Company's previous financing, also participated. WoodPellets.com will use the capital to continue to rapidly expand its business through a series of strategic activities and research and development initiatives.

Since its founding in 2006, WoodPellets.com has revolutionized the way wood pellets are delivered to the residential consumers. The market's increasing recognition that wood pellets are a cost-effective, environmentally-friendly and domestically-produced heating source have made biomass heat the fastest growing sector of the US residential heating market. WoodPellets.com's broad supply base and sophisticated logistics platform ensures that consumers have reliable, low price access to wood pellets. In addition to its online sales model, WoodPellets.com has created a network of partnerships with other leaders in the industry, from stove retailers to environmental agencies, ensuring it meets the needs of all stakeholders in the alternative energy sector. As a result, the company and its affiliates are helping to drive widespread awareness and adoption of wood pellet heating solutions.

Over the past 12 months, WoodPellets.com has grown its business significantly and accomplished many important milestones including:

- Organizational Growth and Expansion – WoodPellets.com experienced more than five-fold revenue growth in 2008, driven largely by referrals from existing customers and its network of affiliated stove retailers. The Company has continued to grow rapidly in 2009, showing another four-fold increase in sales in the first two quarters. The company continues expanding its reach beyond its core Northeast market into new areas including parts of the Midwest, Pacific Northwest and Mid-Atlantic.
- Extended Affiliate and Partner Program – WoodPellets.com has built strong relationships with a growing number of industry-leading fuel providers and heating systems retailers. As a result, the company has expanded its purchases to a network of more than 25 production facilities in the U.S and Canada, and is working with approximately 150 pellet stove retailers to co-market wood pellets with pellet stoves, pellet boilers and pellet furnaces.
- Strategic Re-Branding – The Company, which was originally known as PelletSales.com, recently renamed itself WoodPellets.com and launched the toll-free phone line – 1-800-PELLETS.

"WoodPellets.com provides a unique, industry-first delivery approach supporting the adoption of wood pellet heating," said Adam Doctoroff, Partner at Monitor Clipper Partners. "We believe that specialized distribution businesses, specifically those in rapidly expanding markets, have a strong opportunity to grow quickly if supported by world-class management, proprietary logistics systems and sufficient capital. WoodPellets.com's innovative approach, unique knowledge of the industry and strong leadership team made the Company a very compelling investment."

"From the time we met the Company, we saw great potential in WoodPellets.com and have been pleased with its growth and impact on the market," said Liam Donohue, co-founder and Partner at .406 Ventures. "The Company has solidified its position as a leading innovator in alternative energy and we anticipate it will continue to shape this market."

"With this new capital, we can continue to innovate our delivery methods, strategically grow our business and advance the adoption of this cost effective and environmentally sustainable energy resource," said Jon Strimling, founder and president of WoodPellets.com. "We are looking forward to making wood pellets available via bulk delivery, so that wood pellet heat is as easy for homeowners as oil or gas. .406 Ventures has been incredibly helpful to us in rapidly scaling both our online and offline business operations. We are looking forward to tapping into Monitor Clipper Partner's extensive experience in scaling and developing distribution businesses as well."

The Series A lead investor, .406 Ventures, has a successful history helping to build technology-enabled businesses in emerging markets. Monitor Clipper Partners brings extensive middle-market business management and development expertise to WoodPellets.com. In connection with the investment, Adam Doctoroff will join Jon Strimling; Liam Donohue; Thad Hill, COO of Calpine Corporation; and Ben Miller, managing director at Cummins Generator Technologies on the company's Board of Directors.

About WoodPellets.com

WoodPellets.com, through its wide network of partners and affiliates, has rapidly become the nation's leading provider of wood pellet heating fuels directly to residential and commercial sites. Using a proprietary, patent-pending technology and delivery platform, WoodPellets.com is enabling fast, easy and cost-effective access to wood pellets in bulk form across the United States and Canada. The company provides retail delivery throughout the East Coast and in selected areas of the Midwest and Pacific Northwest. Further, through an extensive network of more than 30 manufacturing sources, WoodPellets.com also provides consumers the opportunity to purchase bagged product anywhere in the country.

About Monitor Clipper Partners

Monitor Clipper Partners is a Cambridge-based investment firm that currently manages over \$2 billion in assets. It was formed in 1998 and makes private equity investments in middle market buyouts and later-stage growth companies. For more information, please visit www.monitorclipper.com.

About .406 Ventures

.406 Ventures (" .406") is a venture capital firm focused on investing in market-innovative growth technology and services companies being built by the finest entrepreneurs. .406 focuses primarily on early stage, IT and services companies in sectors where the partners have unique domain expertise, a successful track record, and established networks — IT Security; Technology-enabled Business Services; Digital Media; IT Infrastructure; Next-Generation Enabling Technologies. More information can be found at www.406ventures.com.

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