

Marble Arch Research, Inc. Issues Research Report on Maple Leaf Reforestation, Inc. (TSXV: MPE.V)

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Atlanta, GA, October 24, 2011 – Marble Arch Research, Inc. is “INITIATING COVERAGE” on Maple Leaf Reforestation, Inc. (TSXV: MPE.V), giving the company a price target of \$0.27, along with a Buy recommendation. This is 350% above last week’s close of \$0.06.

Maple Leaf Reforestation, Inc. Highlights

Maple Leaf Reforestation (TSX: MPE.V) is a Canadian early-stage company operating in the environment industry. It owns a large greenhouse in Inner Mongolia, China, specializing in cultivation of tree seedlings to support anti-desertification. Aiming to expand current operations and to capitalize on growing demand for cleaner fuels, MPE intends to double its greenhouse capacity and plans to establish a biodiesel facility in British Columbia (BC), Canada. For the biodiesel facility, MPE intends to use next generation feedstock with potential to substantially reduce production costs and ensure healthy margins in an industry otherwise driven by mandates and subsidies. Although subject to securing development financing, we regard MPE’s growth plan as credible and, if well executed, indicating substantial share price upside potential.

Effective July 1st 2011, the Canadian government made 2% biodiesel blending with petrodiesel and heating oil mandatory, a move which we expect will create local demand for around 0.6 billion liters of biodiesel by 2012. In addition, we believe the U.S., where more than 2% biodiesel blending is mandatory, will experience growth in demand to 4.6 billion liters p.a. also by 2012. In other words MPE’s addressable market is both large and growing. However, biodiesel blending remains an expensive option for users, leaving the industry dependent on government mandates and incentives for survival, mainly due to low oil yields from conventional feedstock such as Rapeseed and Soybean used for biodiesel production.

MPE’s greatest opportunity is represented by its intended use of a next generation feedstock, “Yellowhorn”, a tree of Chinese origin with a 7-11x greater yield of oil per plantation acre than conventional oil seeds. In our opinion, MPE’s cost per liter of biodiesel using Yellowhorn as feedstock may be up to 50% lower than that of competitors employing Rapeseed – even after factoring feedstock shipping costs from China. We therefore believe MPE could be one of, if not the lowest cost biodiesel producer in Canada and the U.S. – an important advantage in a commodity-based industry.

As we mentioned before, MPE’s shares are trading at \$0.06, and with approximately 80.7 million shares outstanding, the company is capitalized at approximately \$6 million.

Assuming a “base case” capital raise of C\$3 million through issuance of debt and closure of the Yellowhorn asset transaction, we expect MPE to have 110.8 million fully diluted shares (including all outstanding options and warrants) and a total debt of \$3,103 million.

Assuming that MPE secures its minimum required funding of C\$3 million, we expect consolidated revenue of C\$17.2 million and EBITDA, net of minority interests, of C\$5.1 million for the financial year ending January 2015. Our DCF-derived fair value estimate is 27 cents per share, based on our FYE 2015 base case forecast and EV/EBITDA exit multiple of

8x. This estimate implies a potential 350% return over the current stock price. We therefore recommend a Buy on MPE stock, particularly for longer term investors.

We estimate a fair value of 27 cents per equity share, assuming MPE is able to execute its business plan successfully, based on our explicit base case EBITDA forecast for FYE 2012-15, and estimated EV/EBITDA exit multiple of 8x for the terminal year.

Our estimated EV/EBITDA multiple of 8x is based on MPE's only comparable listed peer in Canada, Biox Corporation (TSX: BX), which operates the country's largest nameplate commercial-scale facility with annual capacity of 67 million liters. It currently trades at an EV/EBITDA multiple of around 10x. Our target EV/EBITDA multiple for MPE represents a 20% discount to the Biox Corporation trading multiple, mainly due to start-up risks associated with MPE's planned biodiesel venture.

A copy of the Maple Arch Research, Inc. initial research report may be obtained from Maple Leaf's website: www.mlreplantation.com.

Marble Arch Research, Inc. is an Atlanta based company that covers small and micro-cap companies with market capitalization up to \$1 billion. We employ a hybrid model which includes both company-sponsored research and independent research. Each company under coverage is typically covered for at least 12 months. New companies may be added or removed at any time. Marble Arch research distributes reports across multiple platforms to investors and financial professionals worldwide.

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