

REPORT TO: SCRIMBER CSC AG

FEASIBILITY STUDY (PRELIMINARY): COMMERCIAL SCALE MANUFACTURE OF SCRIMBERED FIBER AS A STRUCTURAL ENGINEERED LUMBER PRODUCT

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I. SALES & MARKETING

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EXECUTIVE SUMMARY

The purpose of this research project is for GRI and Associates to analyze the engineered wood products industry with the goal of providing data and commentary that aids TS3 management in making a binary GO/NO GO decision for further analysis of developing a business that manufacture scrimbered engineered lumber in large quantities. We compare and contrast markets and key engineered wood products, wood sources and species, and manufacturing processes in several disparate geographies including central Europe, the Pacific Northwest of the U.S., Western Canada, Eastern Canada, and the Southeastern U.S. We also put together a high-level financial model that estimates Returns on Investments in three Scenarios. Assuming that the concept is determined to be worth exploring, additional studies that research, in considerably more detail, these and other important considerations will be required.

Besides GRI's proprietary information, data was obtained from sources such as advocates of the scrimbered engineered lumber concept, industry experts in manufacturing and marketing a variety of engineered wood products, government agencies, trade groups, and publicly available general and specialized news sources.

In our opinion, scrimbered engineered lumber is (1) strong for its weight and engineering attributes likely will compare favorably to wood and non-wood products with similar structural uses, (2) able to be made in several regions from widely available and economical sources of fiber, (3) global demand will continue to increase for engineered wood as the environmental sustainability of wood is increasingly recognized, and (4) patient investors and product developers can