

EarthWise

EarthWise Ventures, Inc.



Heartfelt Investment in East African Infrastructure

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The Lake Victoria Ferry Project

Introduction

Lake Victoria was once home to a bustling ferry service that provided economic connectivity between Uganda, Kenya and Tanzania. At one time 30% of the Ugandan economy was centered around and dependant on a sound ferry system. In contrast, today Lake Victoria has almost no ferry service, the existing ferries are very old and slow, and there is a tremendous need for new ferry service. The collapse of water transportation over the years has resulted in less and less economic life around the lake.

Today, it is estimated that at least 1,600 people move from Kampala, Uganda to Mwanza, Tanzania on a daily basis. For most of these travelers, the only transport option available for this trip is a grueling, multi-country, bus trip on deteriorating roads that can take two days to complete. Connection between the other cities around the lake is equally problematic. There is a great need to offer passengers like this a safe and fast passage across the lake.

EarthWise Ventures. Inc. is responding to the above needs by gathering together a consortium of African and American companies in a joint venture to launch a boat manufacturing company in Kampala, Uganda, and to bring ferry service back to Lake Victoria.

Mission/Goal

The EarthWise Ferry Team's mission is to participate in the restoration of East African waterway transportation, thereby creating a profitable, self-sustaining system, with the many employment opportunities that such a rebuilding will afford. The EarthWise Ferry Team (The "EarthWise Ferry Team" or "EFT") will open up economic channels and boost local economies in need-of the ability to transport people and goods for their development and growth.

The Ferry Project

The once-thriving ferry system on Lake Victoria is now virtually non-existent. Presently, only two passenger ferries serve Lake Victoria, and none serve Lake Albert or Lake Kuyugo. At present, there are no fast ferries being offered either on Lake Victoria or on the other waterways in Uganda.

The two ferries serving Lake Victoria are the MV Victoria, and the MV Kalangala. The MV Victoria is owned and operated by the Tanzanian Government and serves the Tanzanian cities of Mwanza and Kubuto. MV Victoria was built in the 1950's and is deemed to be unsafe by many. Recent reports state that it is down for maintenance more than it is in service. It frequently stalls while at sea and delays or strands passengers. The other Ferry, the MV Kalangala, is a Ugandan Government-owned ferry, operated by a private company. MV Kalangala serves the route between Entebbe and the Island of Kalangala, but is limited in capacity to 86 passengers and 9 cars.

The EarthWise Ferry Team is committed to bringing high quality, modern ferries to the East African waterways. These vessels will be fast, safe, and environmentally responsible, and the process of building and operating the ferries in Uganda will bring further economic development to the Lake Victoria region.

The impact of having the ferries built locally (in Uganda) cannot be overstated. We have calculated that local manufacturing of a single ferry in Uganda will create 24 or more skilled jobs, plus many more related jobs as local businesses become suppliers and sub-contractors. Additionally, it guarantees more "up-time" as in-country manufacturing also permits in-country service and maintenance of the vessels and training of laborers, staff and support personnel.

There have been various groups that have attempted to offer ferry service in recent years. Generally the stumbling block is getting a completed ferry to Lake Victoria. There is no reasonable way to get a small fast ferry with weight of 30 to 40 tons and a beam of 16 to 18 feet across the 1000 miles to the lake. EarthWise' method of building, shipping, and reassembly has solved this previous dilemma.

The unparalleled level of speed, safety and reliability of its ferries will keep the ferries provided by the EFT in a class of their own. The EFT will initially launch two fast passenger ferries in 2009, with a new ferry to be added every 12-24 months thereafter. The first two ferries will be 65 foot catamarans designed by Kurt Hughes of Seattle, WA, and built by Thain Boatworks, Inc. in Everett, WA. These ferries are being built with the ability to be containerized and shipped to Uganda for reassembly. Each ferry will hold 200 passengers.

Vessel Features

FAST

EarthWise' ferries will be fast, operating at a minimum of twice the speed of the existing ferries and will also be able to offer service up to 32 knots per hour. Crossing the lake from Mwanza to Kampala, a run that once took 19 hours on prior ferries, will now take from 6 to 10 hours.

SAFE

In the last two decades, the safety records of ferries on Lake Victoria have been deplorable. Unfit vessels have been operated by incompetent crews, often without life-preserving equipment or adequate insurance. Safety is therefore of utmost importance, not only for the care of passengers and crew, but

also for the public perception of the operation.

All ferries provided by the EFT will meet U. S. Coast Guard standards, be safe, and all operators will be highly trained and properly certified. Our navigational software will integrate with the internal system of the ferries to avoid overloading, veering off course and collision. Constant feedback to Kampala will occur on a real time basis and early notification of problems will allow for immediate action to be taken.

Additional safety features include: fire suppression systems in each engine room and a sprinkler system in the passenger area; load monitoring systems are designed to shut the vessel down if the vessel is overloaded or has more passengers than the number of tickets sold. This will assist in safety by preventing overloading, and promote accountability and honesty, and lastly “unsinkability” due to the use of foam core floors, walls and roofs. There is more foam and sealed areas than the vessel weighs, and therefore it simply cannot sink.

ENVIRONMENTALLY RESPONSIBLE

The EFT is committed to environmental responsibility in its investments, and therefore the ferries it provides will run on bio-fuel. One of the companies within the EFT (EarthWise Biofuel) is presently identifying and developing sources of bio-fuel for the ferries.

Long term, the EFT believes that Jatropha shows the most promise as a fuel-producing crop. Not only is it easy to grow and oil-rich, there is little danger of it impacting the food supply. The Jatropha plant is well known for its ability to survive in areas where food crops cannot. Additionally, Jatropha does not require exclusive dedication of a field, as it can be grown alongside of food crops.

In the past, the biggest hurdle in developing bio-fuel as a viable industry has been the lack of a consistent, dependable customer base. Petroleum prices are cyclical. When they have gone up, there is much interest in the industry, but as they eventually drop, the infant state of the bio-fuel industry prevents bio-fuel from being a cost-effective alternative to petroleum. By guaranteeing a significant market for the product, the EWT will create an economy of scale allowing the development of a viable bio-fuel economy.

Regional Development

To understand the potential for regional development, one must understand the anticipated markets for the ferry service.

EarthWise’ primary market consists of residents of the major cities that surround Lake Victoria. Small business owners, students/returning family members, governmental employees and service providers, and the tourist travel that will grow as awareness of the service spreads.

The largest projected market is the small business owner who needs to move from city to city in the course of their business. This segment will grow as the option to quickly travel across the lake becomes available to business owners who have ruled this out in the past. The vessels provided by this project will offer these businessmen the ability to transport a small amount of their goods as cargo – bringing in more revenue and offering a service that is presently unavailable.

Family members visiting each other and students returning home for the weekend from college or

school will provide a solid base of travelers. When ferry service was available it was the preferred choice for students who could get home quicker than by bus. These customers will make up the bulk of weekend and off-hours travel. This number will also grow as a result of our affordable, fast and safe mode of travel.

These ferries will enable Ugandan, Tanzanian and Kenyan governments to provide services to their people less expensively and more efficiently. These efficiencies have created strong interest among the highest levels of Ugandan Government officials, who anticipate the ability to make use of the routes offered to passenger traffic. Such services as the General Post Office and other package delivery companies such as DHL, Federal Express and others would be able to utilize the efficiencies of water transport as well.

Lastly, it is anticipated that further development of the tourist market will occur. Other than the Kampala/Entebbe region, it is difficult for tourists to visit the Lake. A growing segment of passengers, primarily first class payers, who desire to explore the other cities on the lake will now be able. As this service becomes perceived as reliable and therefore brings more tourists to the area, more marketing to tourists will occur, which in turn will bring more tourist traffic. Lake Victoria is a beautiful area that is just waiting to be opened up to tourism.

In summary, economic development will be provided in the target countries through (among other mechanisms):

- * Re-establishment of the infrastructure needed to more efficiently move goods and people throughout the Lake Victoria region.
- * Direct creation of jobs.
- * Creation of a larger pool of skilled labor.
- * Creation of the collateral businesses, services, and jobs required to serve the individuals employed by this venture, as well as ferry passengers.
- * Increased tourism.
- * Creating a lucrative, guaranteed market for an easy to grow cash crop - Jatropha, used in the production of bio- fuel.
- * A “best practice” example of business management for the business community.
- * Contribution of a percentage of all profits to selected local charitable organizations operating in Uganda.

About the EarthWise Ferry Team

The EarthWise Ferry Team consists of Ugandan, South African, and American leaders in their fields of expertise. It includes a team that has a fundamental understanding of business management in the African context and has demonstrated a track record of success in managing African endeavors. At the forefront of the team are Robert Smith, the founder of the Agathos Foundation (www.agathosfoundation.org) and Calvin Echodu, founder of Pilgrim Uganda (www.pilgrim-uganda.org). Both these organizations are deeply involved in relief and development work both in Uganda and other African countries.

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