

CONFIRMATION OF GRANT OF SECURITY INTEREST

This will confirm that, pursuant to a deed of hypothec on the universality of moveable and immovable property (hereinafter referred to as the "Security Agreement") dated March 27, 2006, between Energex Pellet Fuel Inc./Granules Combustibles Energex Inc., a corporation governed by the laws of Canada (hereinafter referred to as "Energex"), whose full post office address is 1250 Rene-Levesque Boulevard West, suite 2500, Montreal, Quebec, H3B 4Y1 and EPF LENDER, L.P. (hereinafter referred to as "EPF", a Delaware limited partnership, whose full post office address is 2929 Arch Street, suite 675, Philadelphia, Pennsylvania, 19104-2867, and for good and valuable consideration, the receipt and sufficiency of which are hereby confirmed and acknowledged, Energex has granted to EPF a hypothec and security interest in all of Energex' right, title and interest in and to all of the present and future personal and movable property of every kind and nature, tangible and intangible of Energex owned by it, including without limitation the intellectual property owned by it, including, without limitation, the copyrights, trademarks, patents and trademark and patent applications and registrations owned by Energex listed therein and on the Schedule attached hereto, and in and to any and all continuations, continuations-in-part, updates, developments, divisions, reissues and re-examinations which issue there from.

[The remainder of this page was intentionally left blank. Signature page to follow.]

SIGNATURE

EXECUTED at _____ this 30th day of March 2007.

WITNESS :

**ENERGEX PELLET FUEL INC./GRANULES
COMBUSTIBLES ENERGEX INC.**

Paula E. Booker

Per : *B.R. Lisle*
Name : B.R. Lisle

We have authority to bind the Corporation.

WITNESS :

**EPF LENDER, L.P., herein acting and
represented by EPF LENDER GP, LLC, its
general partner**

Per : _____ c/s
Name :

SIGNATURE

EXECUTED at _____ this 30th day of March 2007.

WITNESS :


**ENERGEX PELLETT FUEL INC./GRANULES
COMBUSTIBLES ENERGEX INC.**

Per : _____ c/s
Name :

We have authority to bind the Corporation.

WITNESS :

**EPF LENDER, L.P., herein acting and
represented by EPF LENDER GP, LLC, its
general partner**

Per :  _____ c/s
Name :

SCHEDULE TO CONFIRMATION OF GRANT OF SECURITY INTEREST

REGISTERED TRADEMARKS AND TRADEMARK APPLICATIONS

ENERGEX PELLET FUEL INC./GRANULES COMBUSTIBLES ENERGEX INC

Mark	Application Number	Registration Number	Country
Energex		1,814,323	United States

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