



Clean Fuels Symposium: Driving Alternative Transportation

April 22, 2010

416 S. Bell Ave.
Ames, IA 50010
888-REG-8686
www.regfuel.com



Presentation Outline

- REG's role in the biodiesel industry
- Current status of REG-9000 biodiesel
- Projected development of biodiesel





Renewable Energy Group®

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Renewable Energy Group®

- Began biodiesel production in 1996
- Marketed an estimated 25% of the biodiesel utilized in the United States
- Both a BQ-9000® Producer (eight facilities) and BQ-9000® Marketer
- ~175 employees
- Headquartered in Ames, Iowa

REG Network of Biodiesel Production



Low
High

REG Danville
45 MGY, Startup: 11/2008
Danville, IL



Low

REG Houston
35 MGY, Startup: 08/2008
Seabrook, TX



Low
High

REG Newton
30 MGY, Startup: 5/2007
Newton, IA



Low

REG Ralston
12 MGY, Startup: 3/2003
Ralston, IA



Low
High

REG Seneca
60 MGY, Acquired: 04/2010
Seneca, IL



Low
High

REG Emporia
60 MGY, Startup: TBD
Emporia, KS



Low
High

REG New Orleans
60 MGY, Startup: TBD
Destrehan, LA



Low
High

Western Iowa Energy
30 MGY, Startup: 6/2006
Wall Lake, IA



Low

SoyMor Biodiesel
30 MGY, Startup: 8/2005
Glenville, MN



Low

Western Dubuque Biodiesel
30 MGY, Startup: 5/2007
Farley, IA



Low

East Fork Biodiesel
60 MGY, Completed: 11/2007
Algona, IA



Low
High

Iowa Renewable Energy
30 MGY, Startup: 7/2007
Washington, IA

Low

*Low free fatty acid feedstock conversion
(soy, canola, refined fats)*

High

*High free fatty acid feedstock conversion
(fats, corn, waste greases)*

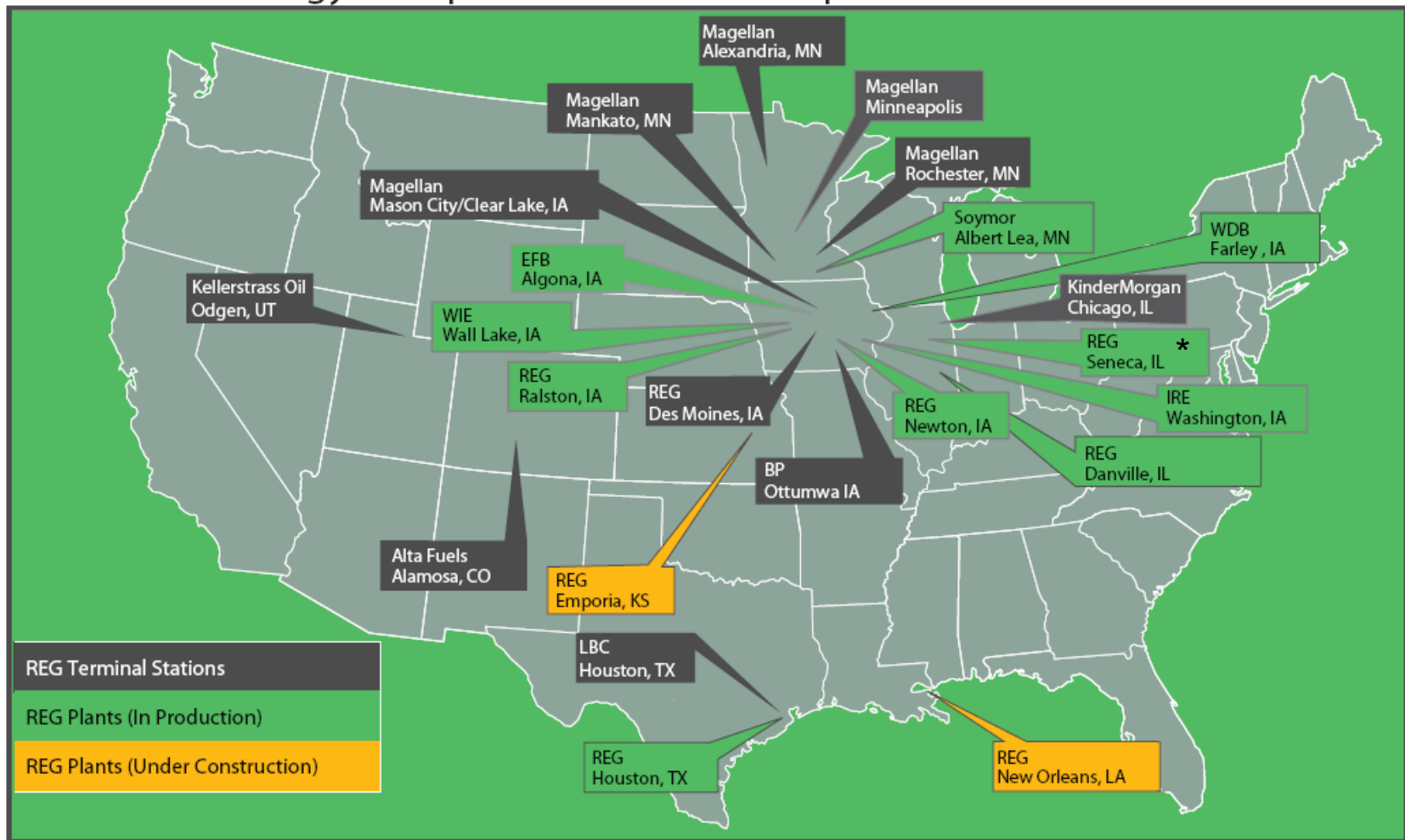
New Orleans Facility Update

- Construction is 50% completed
- On hold currently until debt financing achieved
 - Eligible for GoZone (Gulf Opportunity Zone) bonds to help leverage debt financing
 - All REG equity already invested
- Committed to location due to strategic locations with petroleum refiners
- Expect biodiesel in 2011

National Infrastructure

(Production & Terminals)

Renewable Energy Group® Plant/Terminal Map





Biodiesel 101

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Feedstock overview

- Biodiesel can be made from many feedstocks (collectively called triglycerides)
 - Vegetable oils (soy, rapeseed/canola, etc.)
 - Animal fats (pork CWG, beef tallow, poultry fat)
 - Used oils (yellow and brown grease)
- Feedstock should only affect performance properties if biodiesel is made well:
 - Cloud point / CFPP
 - Oxidation stability
 - Cetane number
- Ability to utilize “cocktails” of multiple feedstocks, allows REG ability to maximize positive attributes of each
- Production skill and plant technology, not feedstock, determines biodiesel quality

Attribute-Based Marketing of Biodiesel: REG-9000™

REG-9000/1

Cloud Point -2 - +2°C
 (28-36°F)

REG-9000/5

Cloud Point 3-7°C
 (37-45°F)

REG-9000/10

Cloud Point 8-12°C
 (46-54°F)

REG-9000™ product lineup specifications meet or exceed ASTM limits.



BQ-9000 Producer facilities in the REG Network:
REG Ralston; SoyMor; Western Iowa Energy;
Iowa Renewable Energy; Central Iowa Energy;
Blackhawk Biofuels; and Western Dubuque Biodiesel



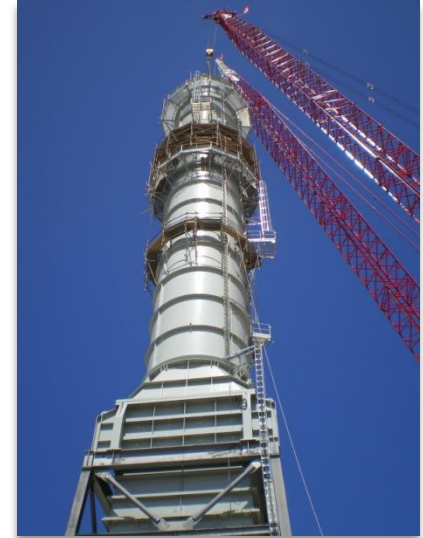
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Benefits of biodiesel

- Green jobs
- Reduce dependence on foreign oil
- Support agricultural industry
- Reduce greenhouse gas emissions
- Improve lubricity
- Maintain or improve engine performance
- Reduce harmful diesel emissions

Biodiesel Industry Market Drivers: 2010

- New Market Development
 - Heating Oil Market
 - Power Generation
 - Mining
 - Government





2010 Biodiesel Industry Outlook

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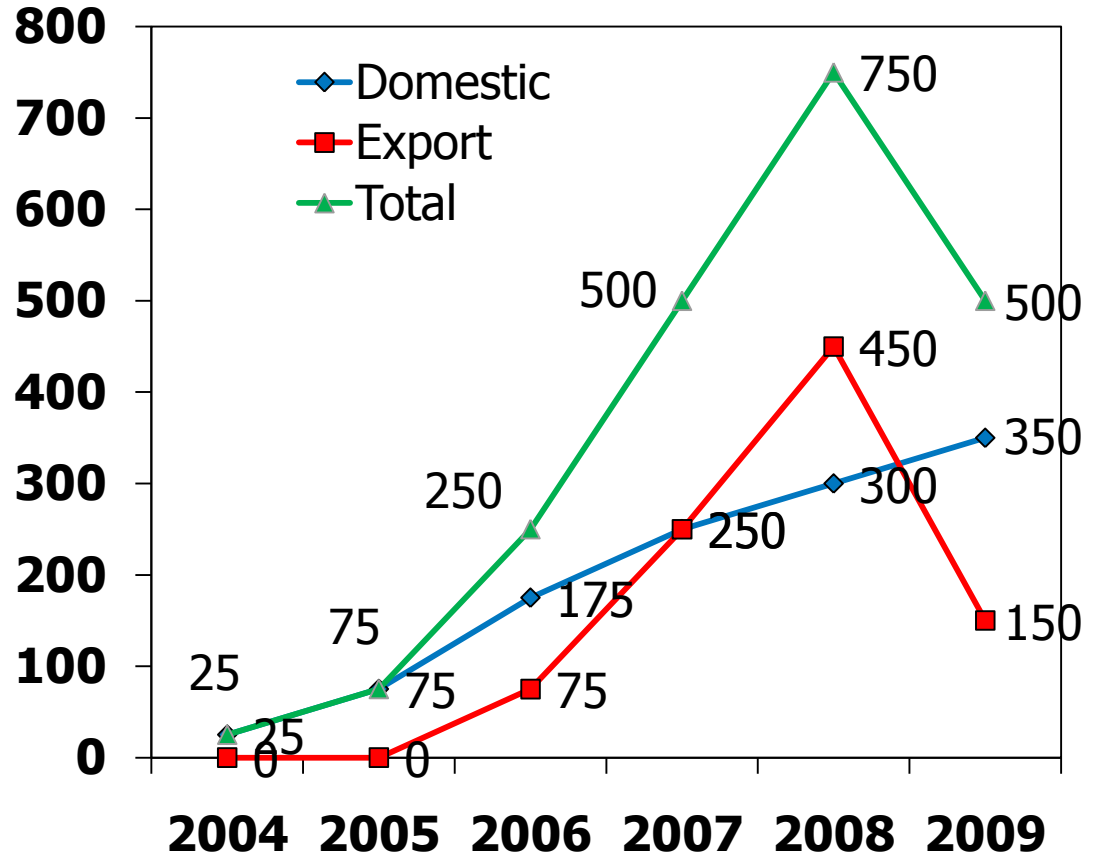
Biodiesel Market Development USA

U.S. Biodiesel Grew Rapidly until 2009

- Steady modest growth in US domestic market primarily due to state incentives
- Strong EU demand growth from 2005-2008
- EU import tariff on biodiesel went into effect March 2009, dramatically reducing US export volume
- RFS2: Delayed until Q1, 2010

U.S. Biodiesel Production

Thousand Gallons



Biodiesel Market Drivers 2010

RFS2				
	Biomass-Based Diesel (50% GHG)	Cellulosic Biofuel (60% GHG)	Total Advanced Biofuels (50% GHG)	Total Renewable Fuel Requirement
2008				9.0
2009	0.5		0.6	11.1
2010	0.65	0.1	0.95	12.95
2011	0.8	0.25	1.35	13.95
2012	1.0	0.5	2.0	15.2
2022	1.0 (Bgal)	16.0 (Bgal)	21.0 (Bgal)	36.0 (Bgal)

Biodiesel Economics

- 80-90% biodiesel gallon = cost of raw materials (feedstocks)
- Transport cost
- RINs value
- B100 vs. B5 pricing

REG RINS Management Program

- RINS assigned to all B99 or B100 gallons
- Customers: be assured that RINS are valid and accurate
- RINS buyback program allows customers to immediately extract RINS value

OR

- REG customers may choose not to take RINS and purchase biodiesel at a slightly discounted price

Louisiana Biodiesel Pricing Examples

B100 Pricing

REG Houston, Delivered
(\$0.90 over HO, \$.22 RIN)

April HO	\$2.18
Biodiesel Price	\$0.90
Transportation	<u>\$0.15</u>
	\$3.23
Blenders Credit	-\$1.00
RIN	<u>-\$0.33</u>
B100 Cost	<u>\$1.90</u>

B5 Pricing

#2 ULSD Gulf Coast Rack Price as of 4/20/10
w/ 5% REG Biodiesel

#2 ULSD	\$2.23
Biodiesel Price	<u>\$1.90</u>
B5 Cost	<u>\$2.21</u>

**Pricing and availability are subject to change.*



Why Partner with REG?

- Quality

- REG-9000™ Product Specifications
- BQ-9000® Producers
- Manage cloud point on seasonal basis



- Volume

- 300+ million gallons of production capacity
- Technical support
- Reliable supplier

- Compliance

- Multiple contract options
- RINS integrity
- RINS buyback program



- Financial stability and experienced, knowledgeable team



Thank You!

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