

C₂ Biofuels, LLC

*“Ethanol Production From
Cellulosic Feedstock”*

Building a Biofuels Business

August 3, 2006
Georgia Bioenergy Conference



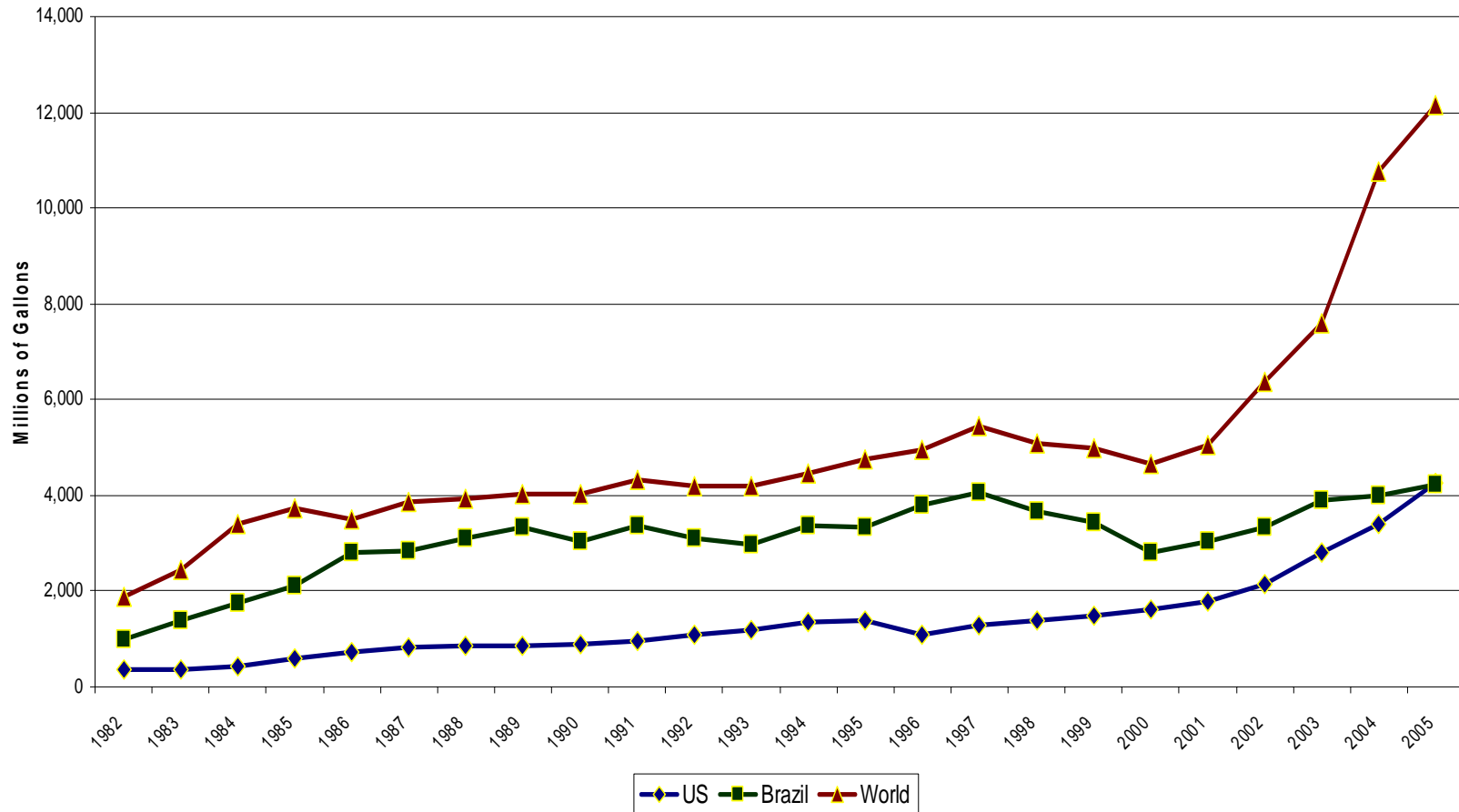
Presentation Overview:

- ❑ Business Fundamentals for Biofuels
- ❑ Changing Ethanol Industry
- ❑ Why Cellulosic Ethanol Now?
- ❑ C₂ Biofuels' Solution

Business Fundamentals for Biofuels:

- Understanding Market Drivers
- Financing Options
- Scalability
- Market Developments & Competition

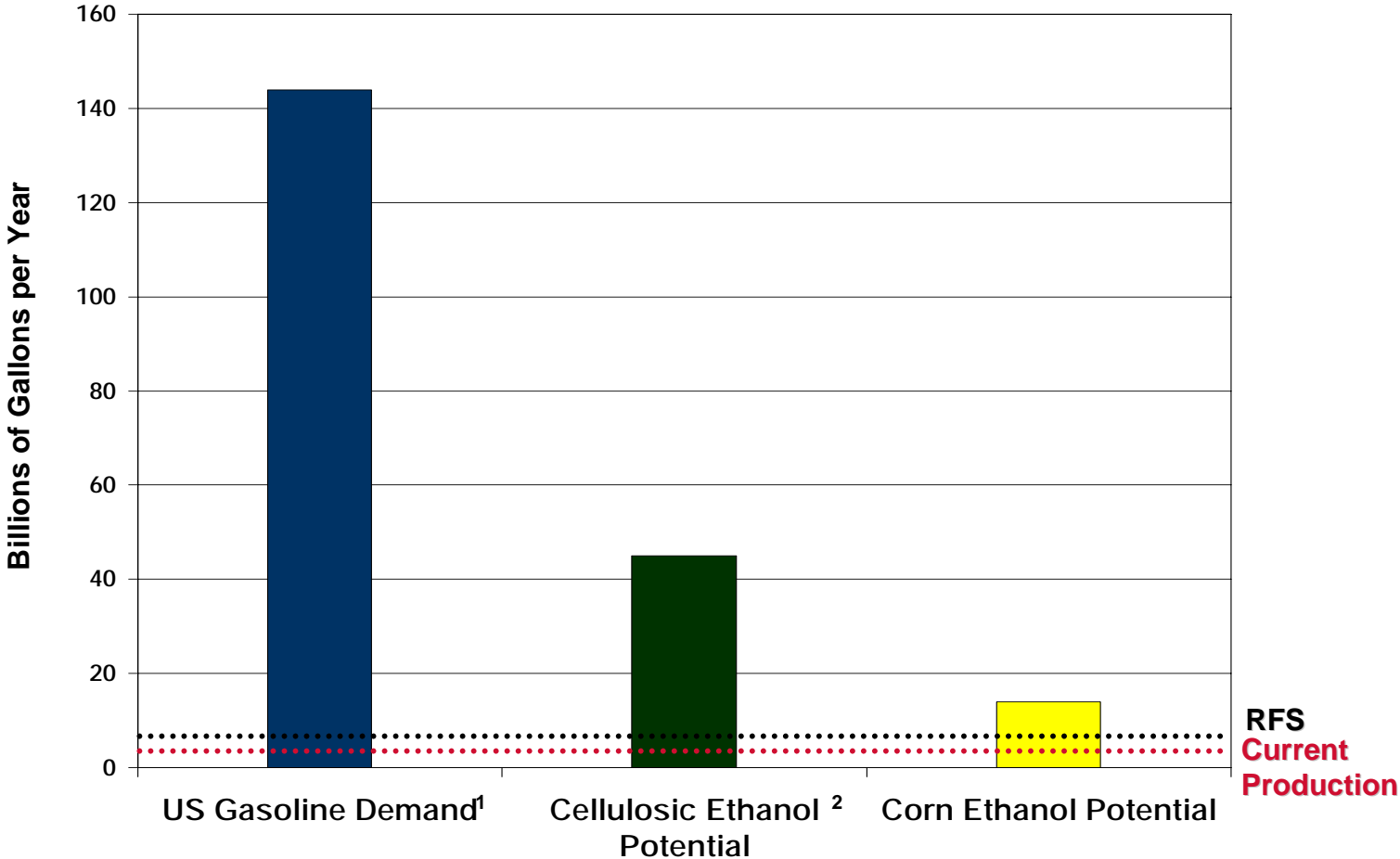
Historical Ethanol Production



Source: Earth Policy Institute & Renewable Fuels Association

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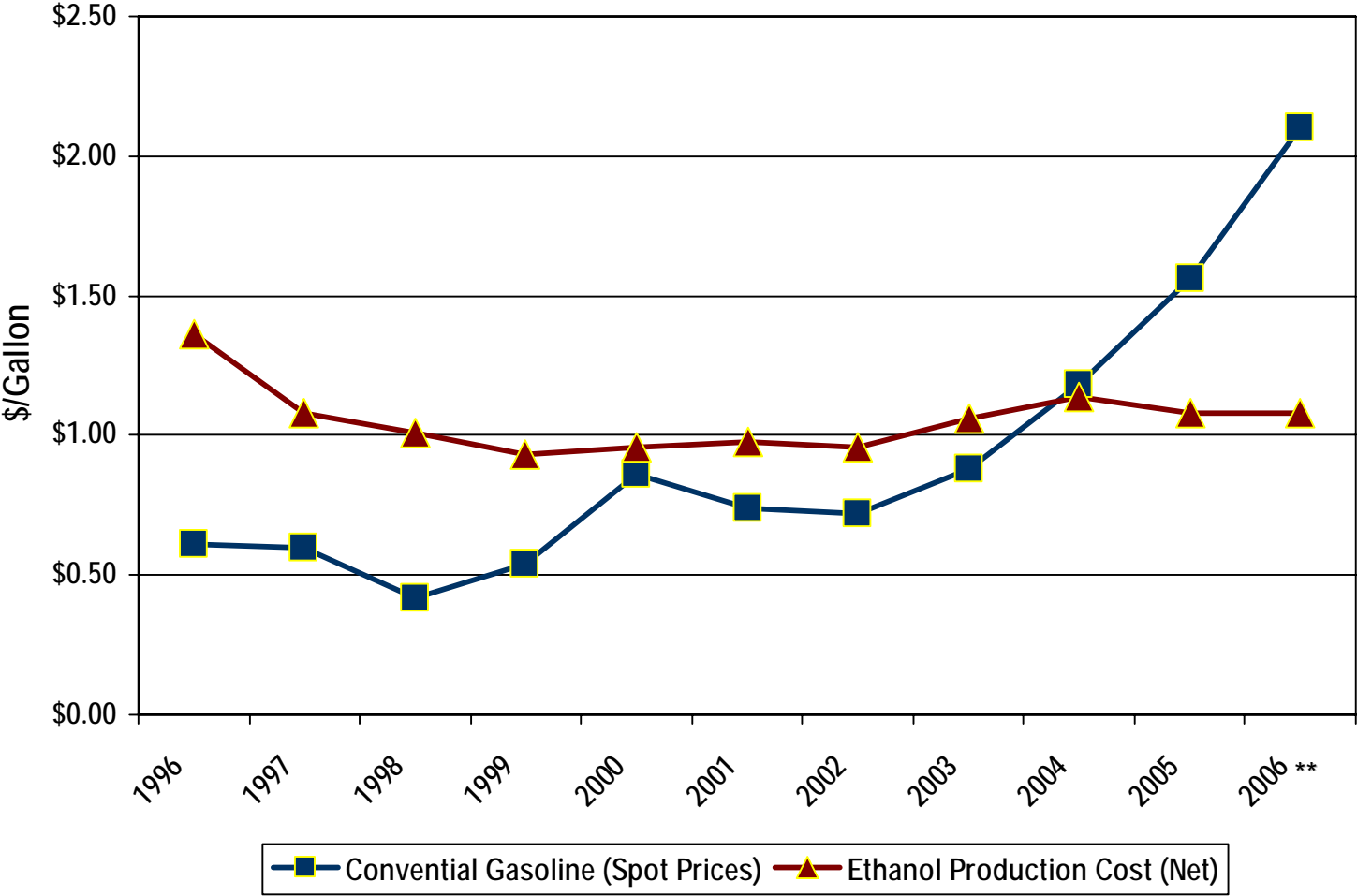
Ethanol Potential



¹ Source: Energy Information Administration

² Source: Biomass as Feedstock for a Bioenergy and Bioproducts Industry: The Technical Feasibility of a Billion-Ton Annual Supply April 2005

Ethanol Production Cost vs. Conventional Gasoline Spot Prices (Wholesale)



Source: Energy Information Administration & USDA Economic Research Service

Notes:

*Ethanol Production Cost = Total Production Cost – co-product revenues

*Federal Subsidies are not included in the production costs above.

**Estimate

Why Cellulosic Ethanol Now?

❑ Rules of Have Changed

- Crude Oil above \$40/bbl
- Advances in Biocatalysts
- Availability of Georgia's Forestry Resource

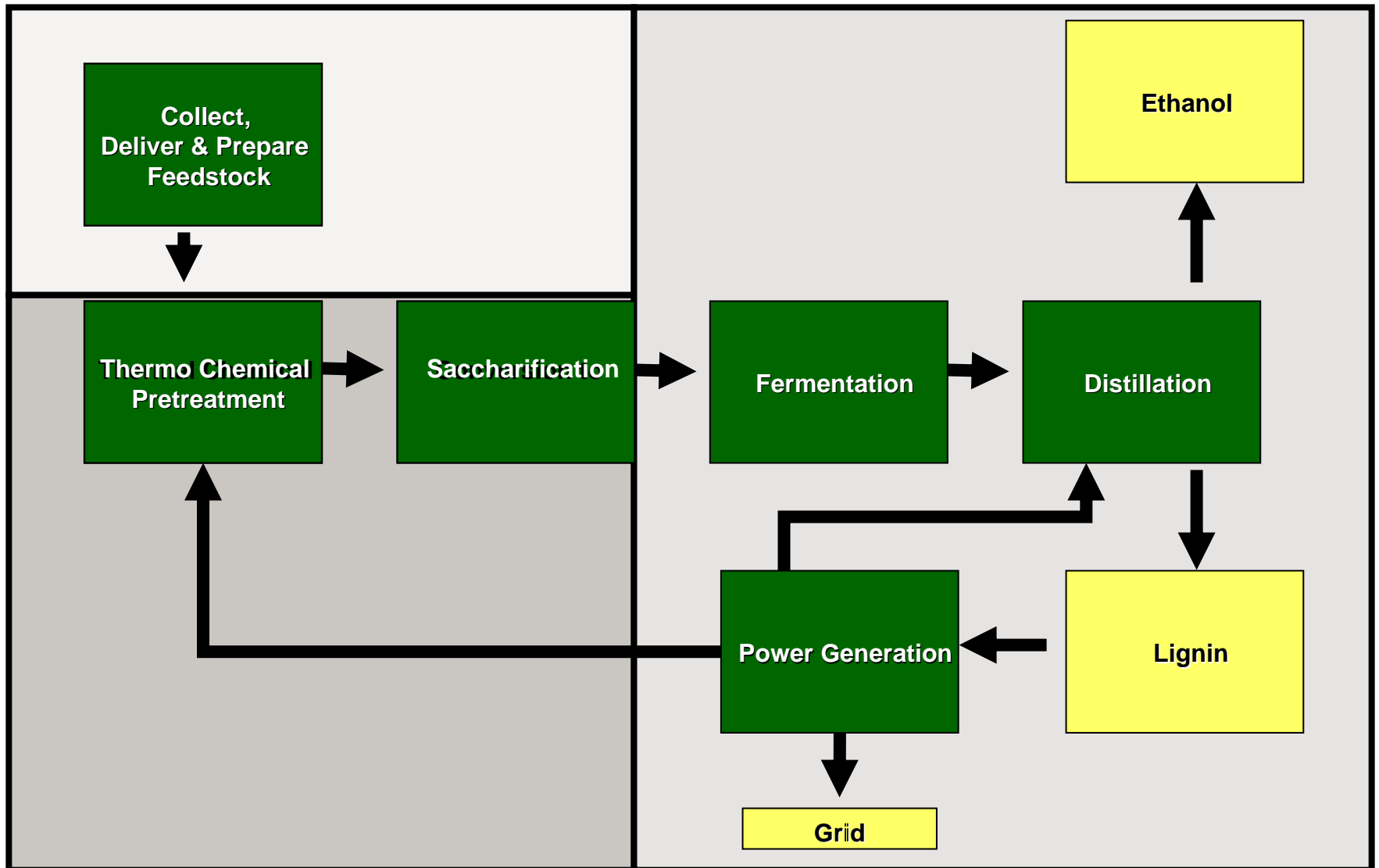
❑ High Impact Alternative Transport Fuel

- Few Other Short to Medium Term Options
- Relatively Minor Infrastructure Changes

❑ Multiple Supporting Drivers

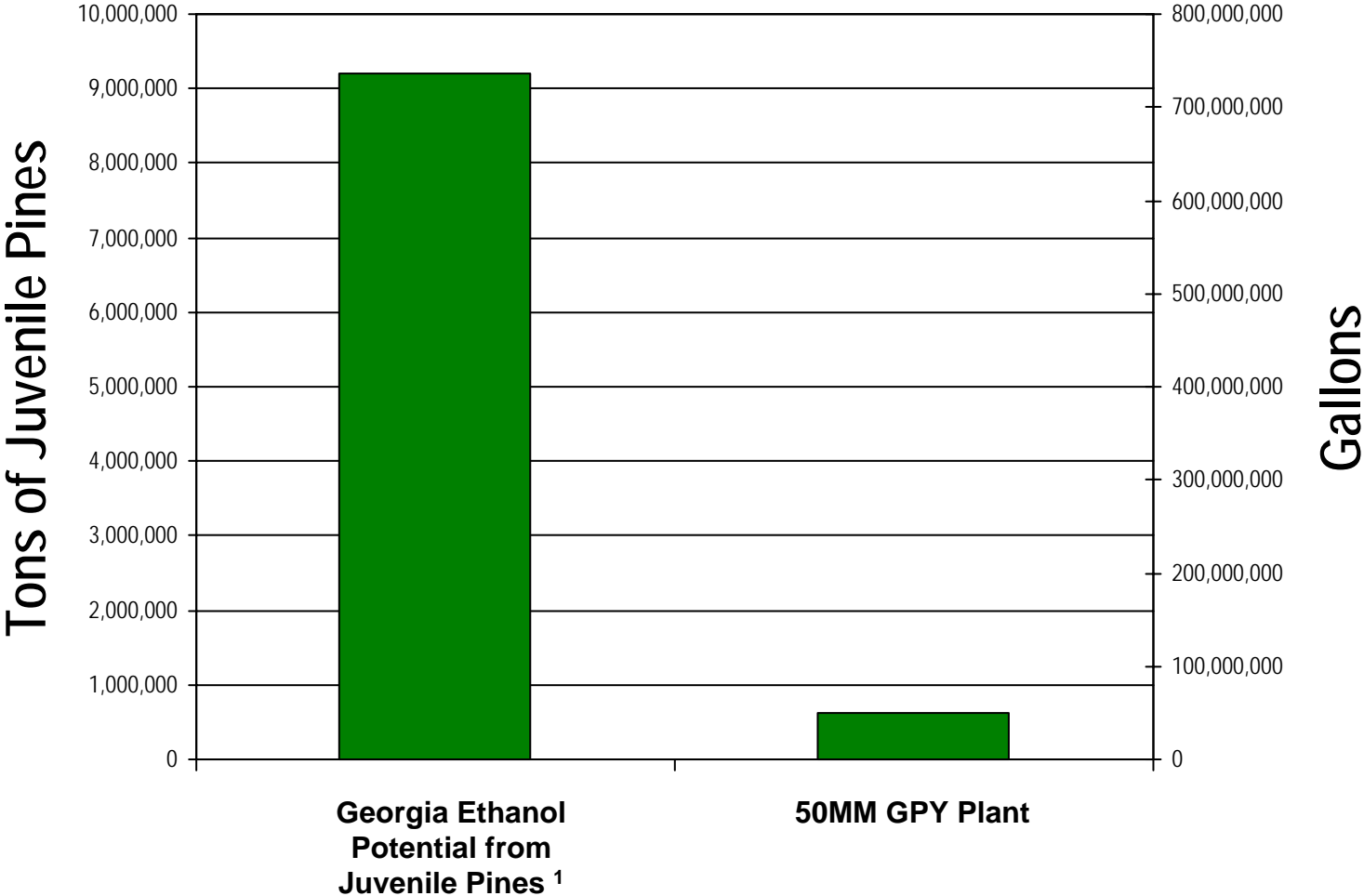
- National Security
- Environmental Stewardship
- Positive Economic Impact

Process Description



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Georgia Ethanol Potential Compared to Tons of Juvenile Pine



¹ Source: Georgia Forestry Commission