



## ***Finance Sector: Aggregating Capital for Scale Up Projects***

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Sustainable Maritime Fuels

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## Presentation Outline

- Overview of Westar
- Investment Trends & Opportunities
- Biofuels Finance Structures & Risks
- U.S. Financing Programs
- International Financing Opportunities
- Other International Programs

# Mission Statement

Westar Trade Resources is committed to assisting clients to develop sustainable businesses in three ways:

**Sustainable Ecology** - Providing solutions that protect, preserve and enhance the environment for the needs of today without detracting from the capability to provide for the needs of future generations.

**Sustainable Technology** - Developing new and improved sustainable technologies that can provide technical solutions for a wide range of problems and also create new opportunities.

**Sustainable Profitability** - Creating long-term financial stability by developing and executing cost-effective financing solutions, risk strategies, and an adequate capital base.



## Business development services include:

### **Planning**

Feasibility Studies  
Business Plans  
Site Selection  
Feedstock Sourcing  
Risk Assessment  
Business Development  
Studies

### **Developing**

Marketing Development  
Off-take Contracts  
Product Development  
International Marketing,  
Development & Financing

### **Financing**

Traditional Financing  
Non-Traditional Financing  
USDA & DOE Loan Guarantees  
Government Grants  
OPIC and Ex-Im Bank Financing  
Governmental Liaisons



## Westar Clients

ABENGOA BIOENERGY  
ABENGOA BIOENERGY BIOMASS OF KANSAS

BlueFire  
RENEWABLES



coskata

Enerkem

Imperium  
renewables

Primus Green Energy

Sapphire  
Energy

TERRABON

ZeaChem

Westar has assisted clients in obtaining over \$680 Million in financing.

# Key Client Sectors

## Technology Providers & Stakeholders

- Biofuels & Bioproducts
- Renewable Power
- Value-Added Agriculture
- Water Production & Recycling
- Smart Grid Technologies
- Sustainable Fiber Production
- Energy Efficiency Technologies
- Transformational Technologies

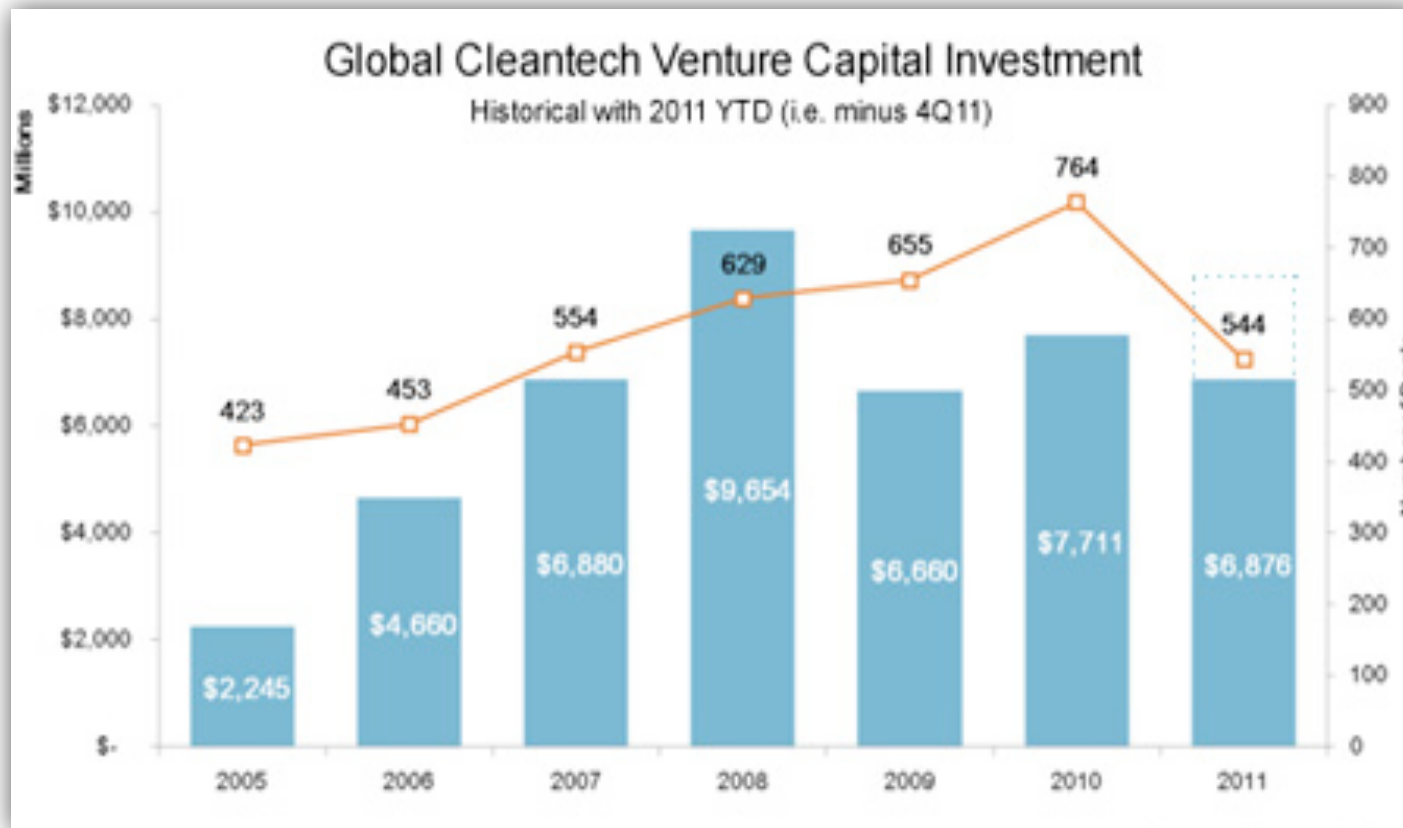
## Investors & Industry Stakeholders

- Traditional & Investment Banks
- Venture Capital Companies
- Multinational Corporation
- Family Office & Hedge Funds
- Oil & Gas Companies
- Food Production Companies
- Air Transport Companies
- Air, Land, & Water Fuel Users

## Banking & Finance Stakeholders

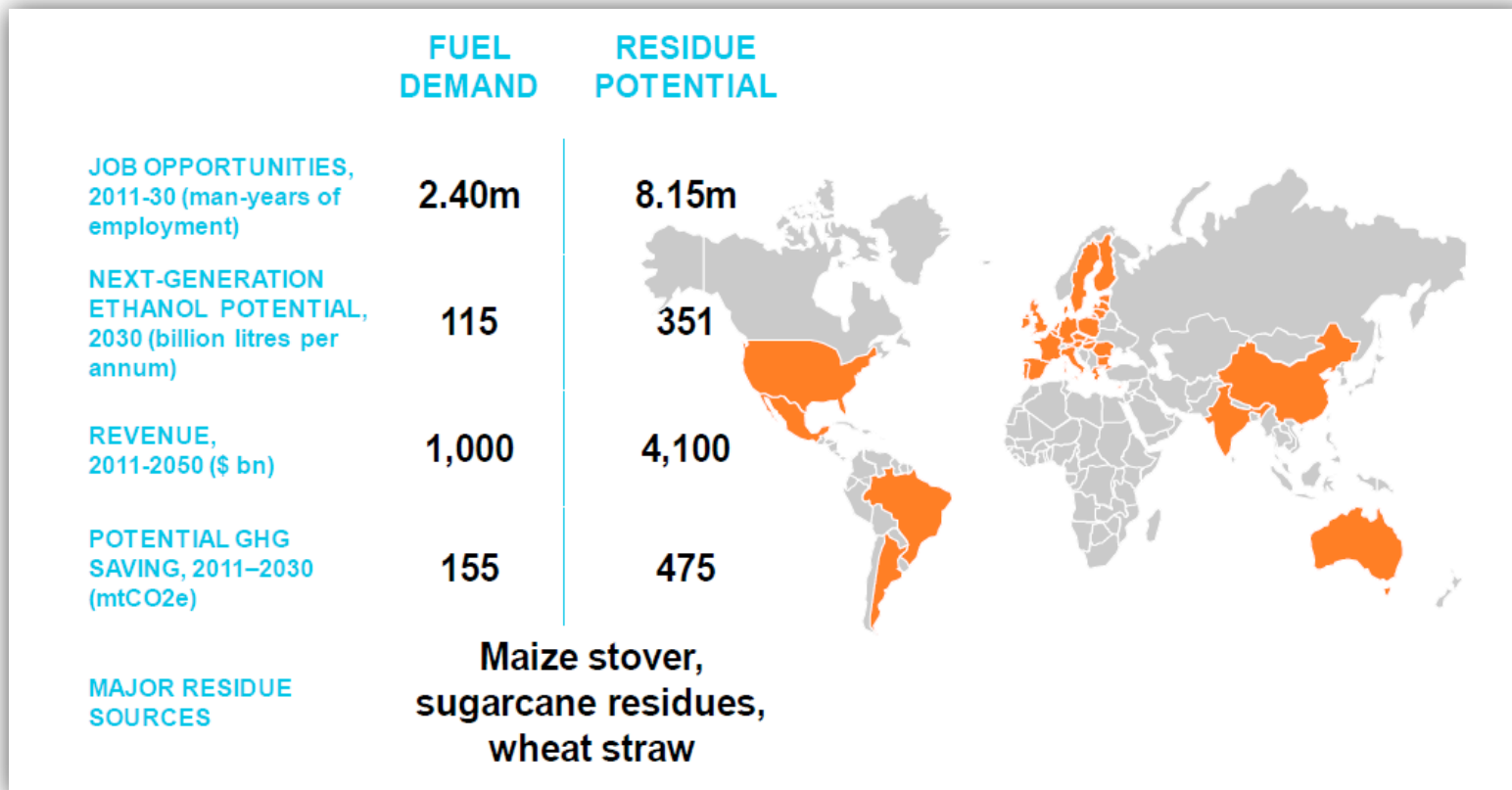
- State & Federally Chartered Banks
- Investment Banks
- Equity Providers
- Family Offices & Hedge Funds
- International Development Banks

## Global Cleantech Investments



Source: Kachan & Co.

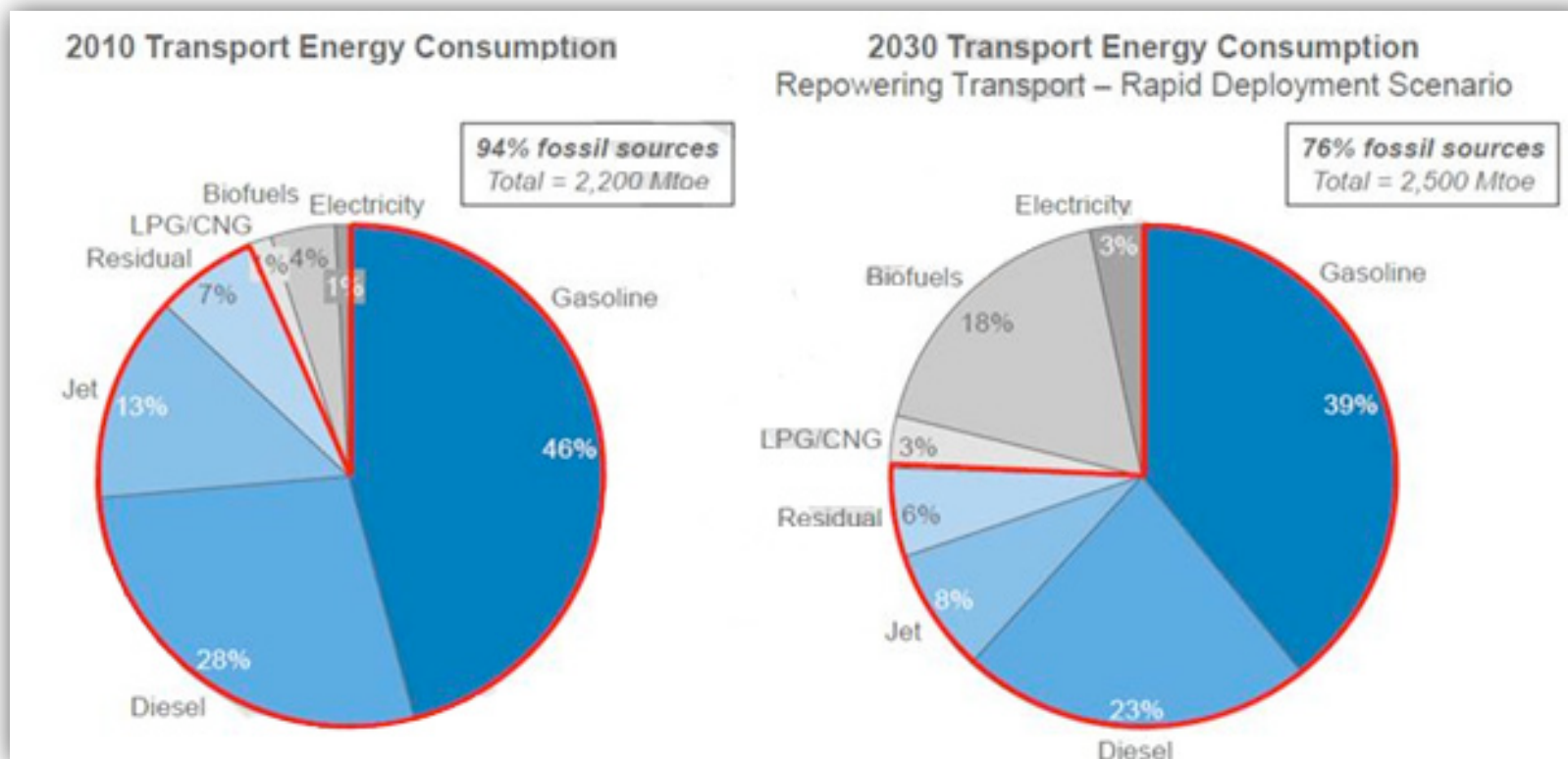
# Investment Trends & Opportunities



Source: Bloomberg New Energy Finance



# Transportation Energy Consumption Projections 2010-2030



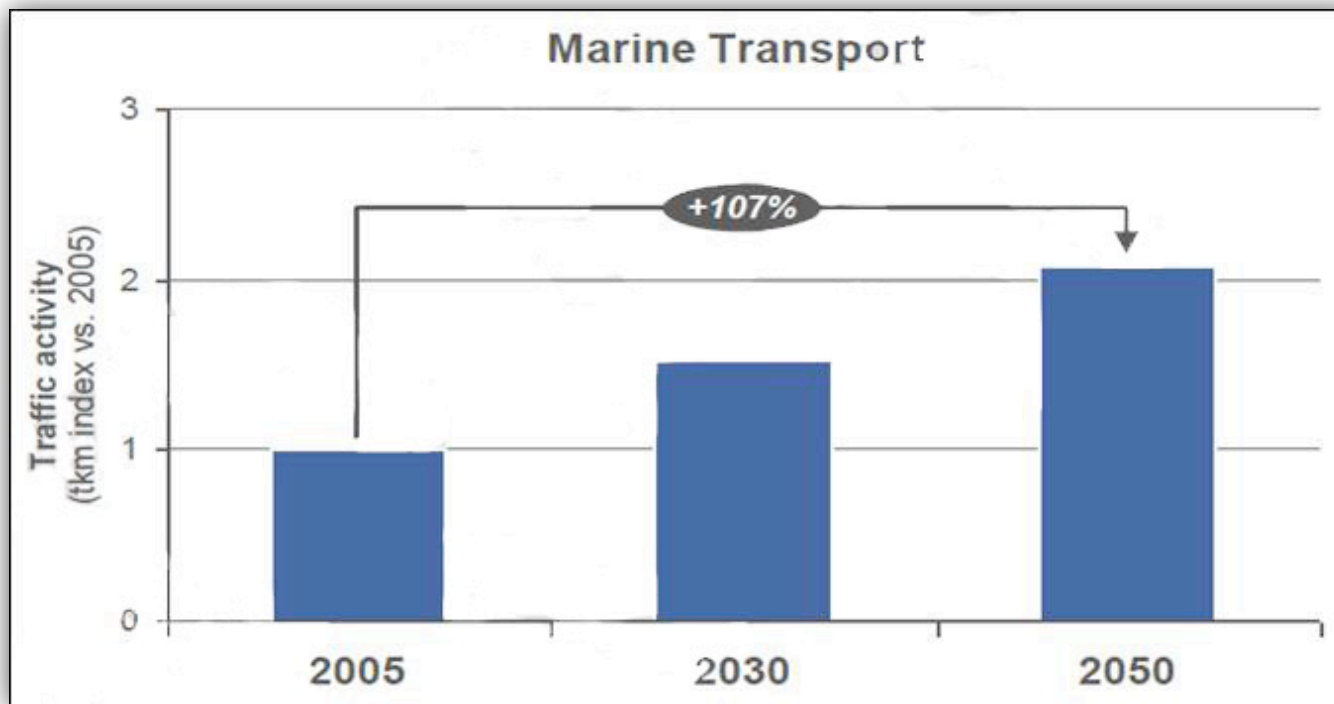
Source: World Economic Forum Report, "Sustainable Transportation Ecosystem."

# Stakeholders in the Transportation Sector



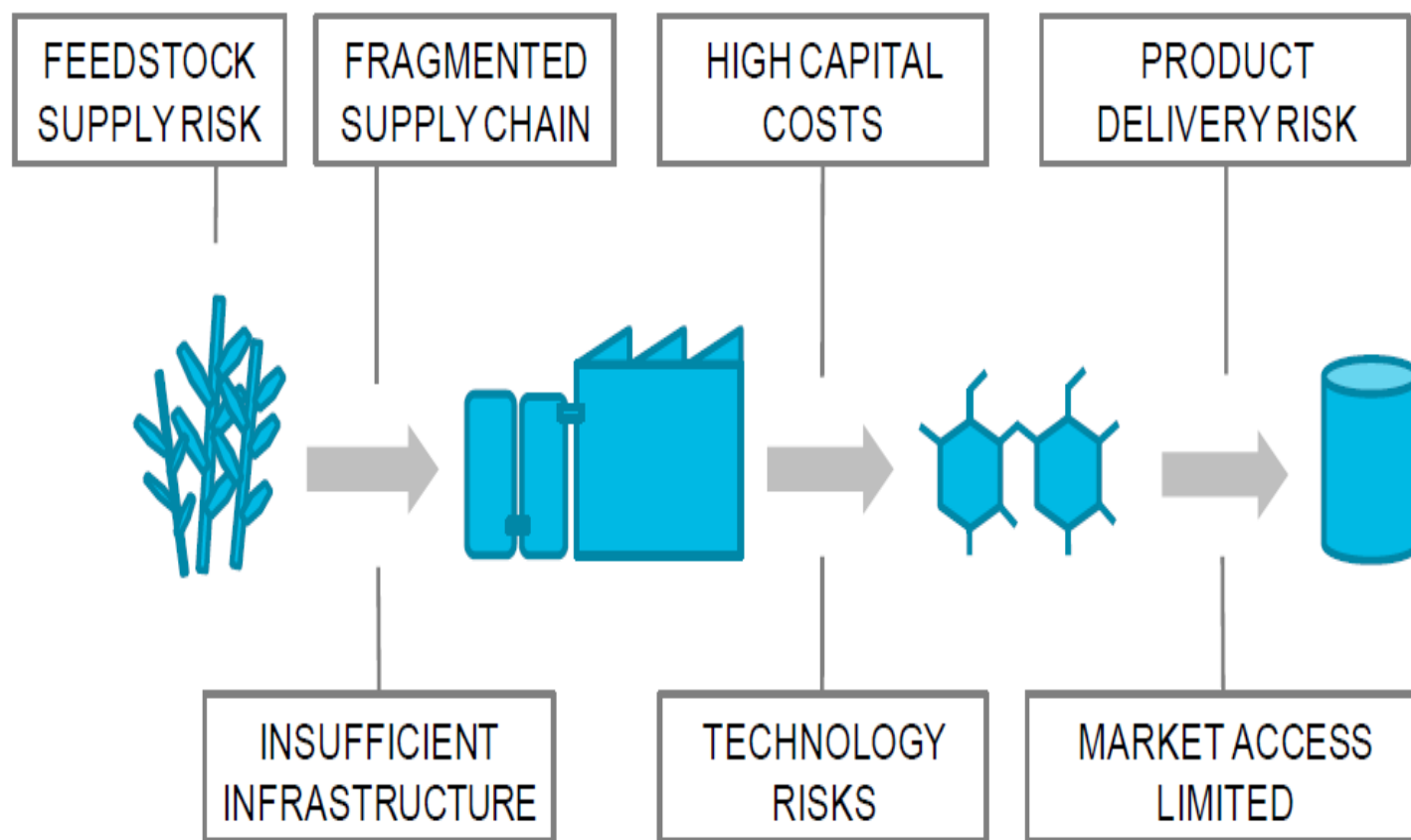
Source: World Economic Forum Report, "Sustainable Transportation Ecosystem."

# Marine Transport Growth Projections



Source: World Economic Forum Report, "Sustainable Transportation Ecosystem."

# Investment Risks



Source: Bloomberg New Energy Finance



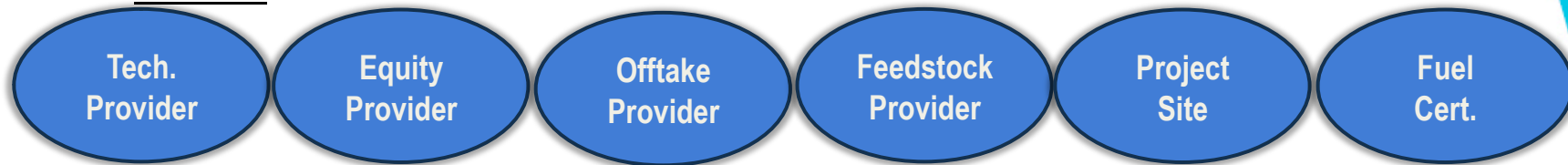
# Challenges in Alternative Fuels Financing

- Capital Cost of Commercial Facility
- Long-term Sales Contracts
- Long-term Supply Contracts
- Scale-up Risk
- ASTM Certification
- Bank Syndication
- Debt Interest Rate

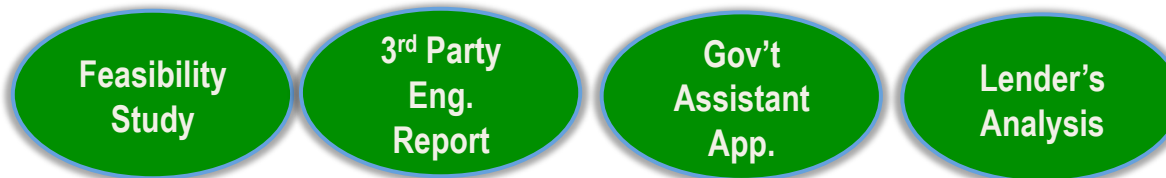


# Sample Biofuel Finance Structure

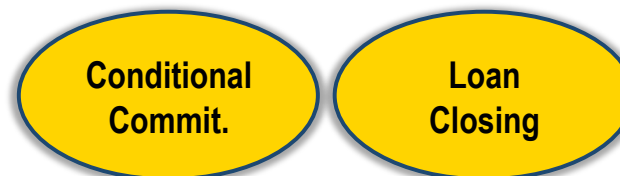
## Step One – Development Phase

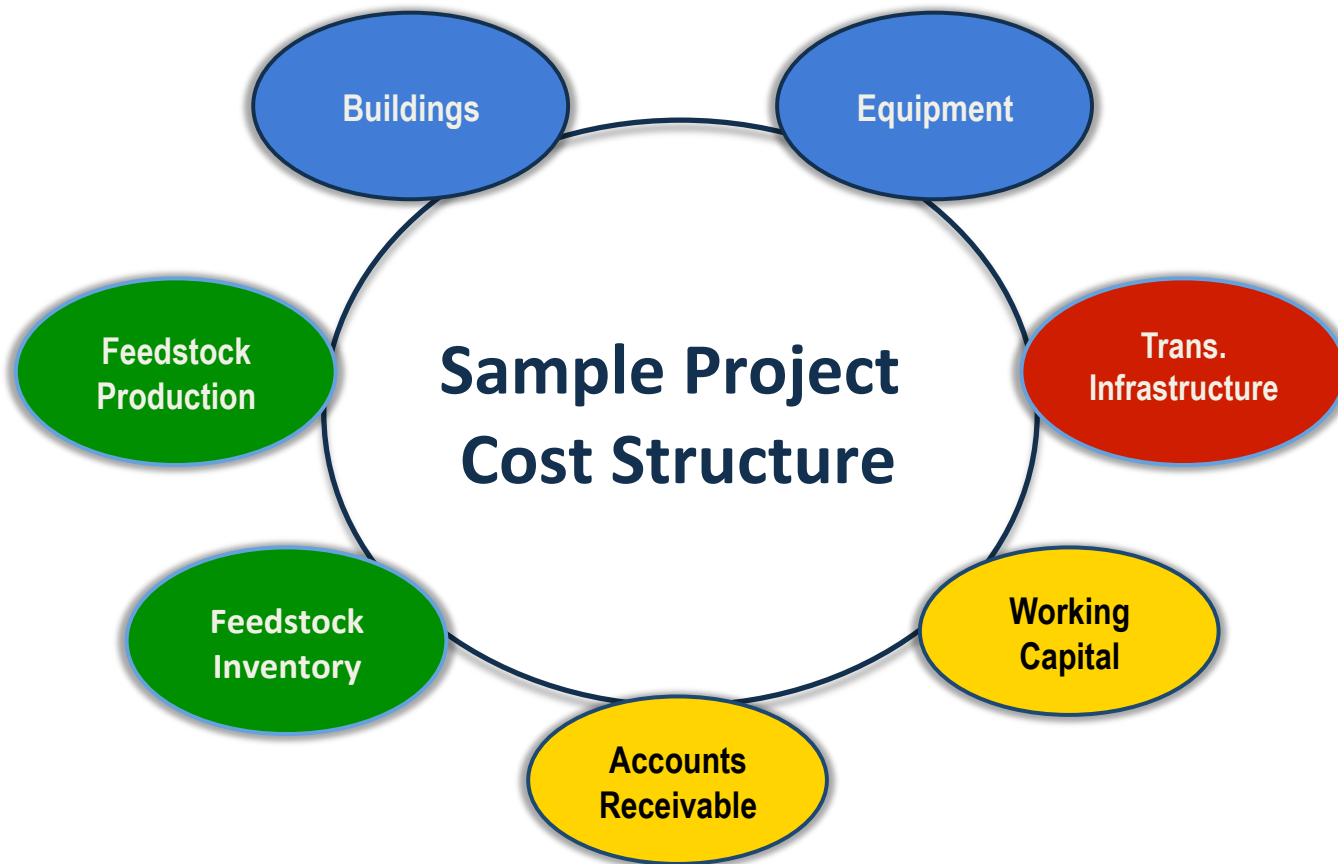


## Step Two – Evaluation Phase

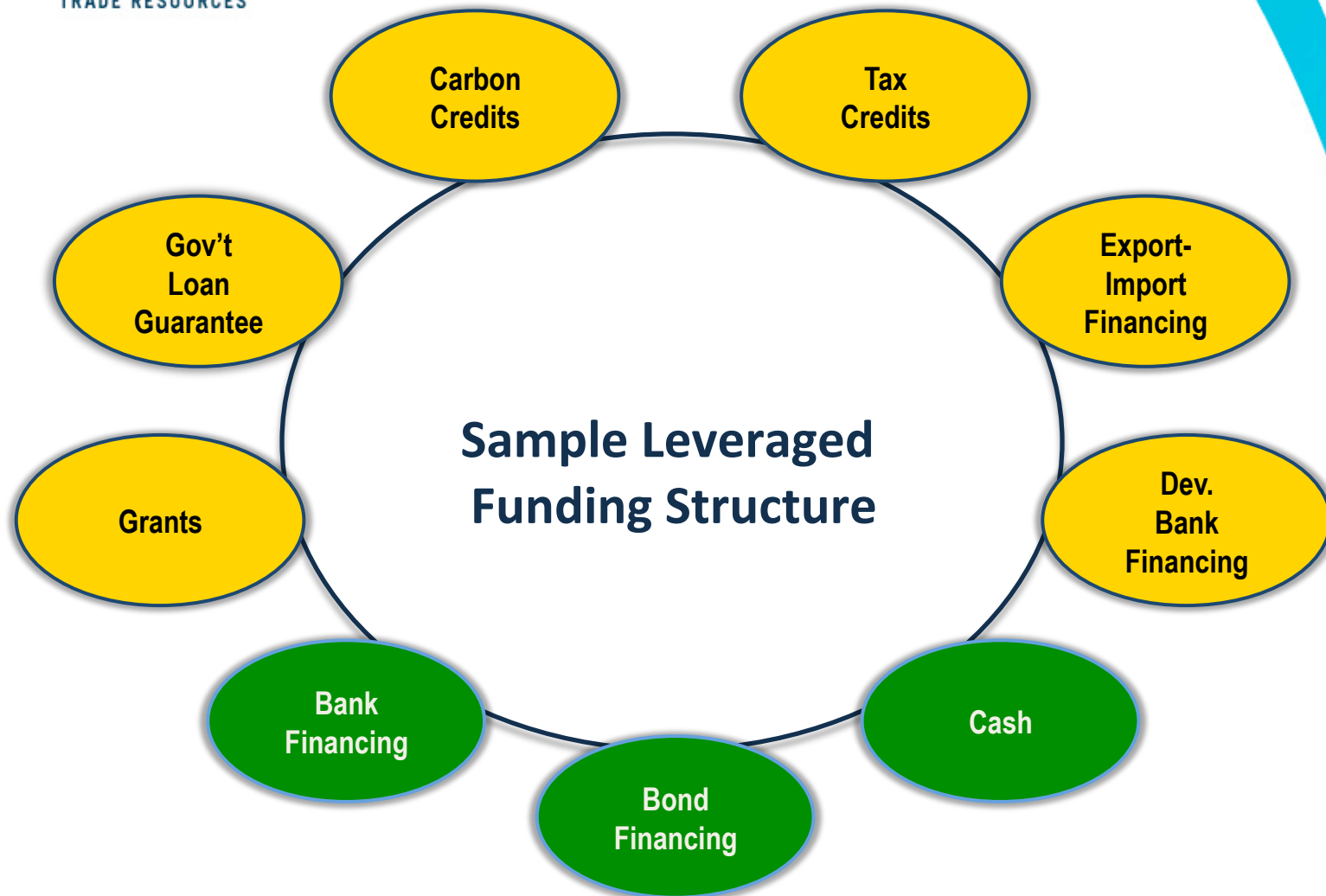


## Step Three – Lender & Government Approval













# U.S. Biofuels Financing

## USDA 9003 Program Highlights:

- 80% Loan Guarantee up to \$125 million
- Long-term financing up to 20 years
- Non-recourse financing
- Minimum of 20% equity contribution
- Lender of record must hold 7.5% of loan
- US and Foreign Ownership both qualify



# Export-Import Bank

## Medium and Long-Term Loan Guarantee

### **Program Highlights:**

- Up to 85% loan guarantee, no minimum or maximum limit to the size of the export sale that may be financed with Ex-Im Bank's loan guarantee.
- 15% down payment is required from the buyer
- Small business financing rose over 70% from \$3.3 billion in FY 2008 to \$6 billion in FY 2011
- Renewable-energy exports increased to \$726 million in FY 2011 from \$30 million in FY 2008

### **Eligibility Requirements:**

- Products must be shipped from the U.S. to a foreign buyer.
- Ex-Im Bank cannot support exports of military or defense products and services (with some exceptions).



# Overseas Private Investment Corporation

## Medium & Long-Term Financing

### **Program Highlights:**

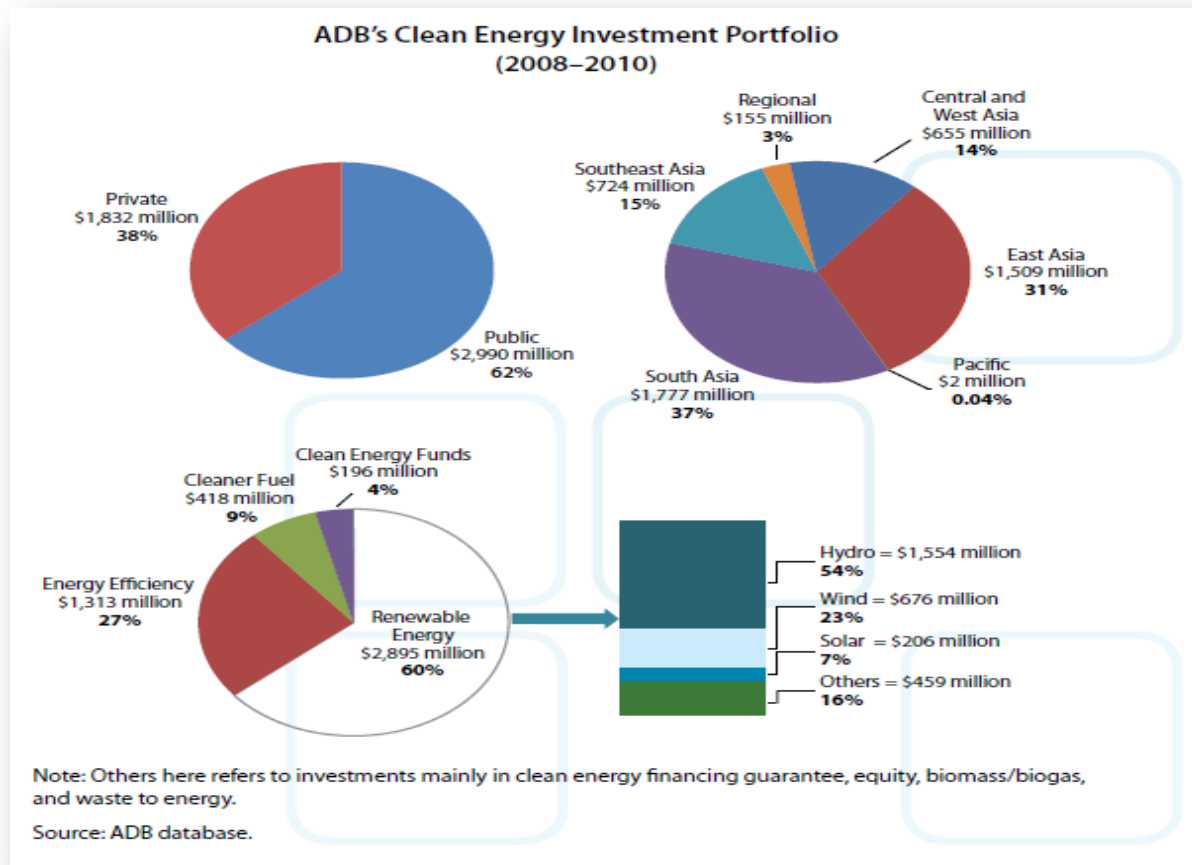
- 50-65% possible OPIC participation for a new venture and Up to 75% possible OPIC participation for an expansion in emerging markets of a successful existing operation
- Loans from \$100,000 up to \$250 million per project
- Direct loans and investment guaranties – Direct loans available to U.S. firms with under
- \$250 million in sales or \$67 million in net worth
- Medium to long-term funding: Minimum 3-5 years and up to 15-20 years

### **Eligibility Requirements:**

- Financially and commercially-sound project producing an adequate cash flow
- 25% U.S.-ownership
- Sufficient equity
- Track record of success in the same or similar industry

# Asian Development Bank

## Clean Energy Program



### Program Highlights

- 27% of total loans in ADB fund go to clean energy components
- \$2 Billion investment target by 2012
- Applications reviewed in 6 batches: Jan., Mar., May, Jul., Sept., and Nov.
- Eligible activities: biomass, biofuel, biogas, rural electrification and energy access, distributed energy production, waste-to-energy projects and other clean energy technologies



## Other International Financing Programs

- Inter-American Development Bank
- Sustainable European Investment Bank
- Australia Export Finance and Insurance Corporation
- Bancomext – Mexico National Export Bank
- India Export-Import Bank
- EKF – Denmark Export Credit Agency
- Export Development Canada
- Export-Import Bank of Korea



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