



The Project Finance Market – Is it Open for Biofuels?

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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



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

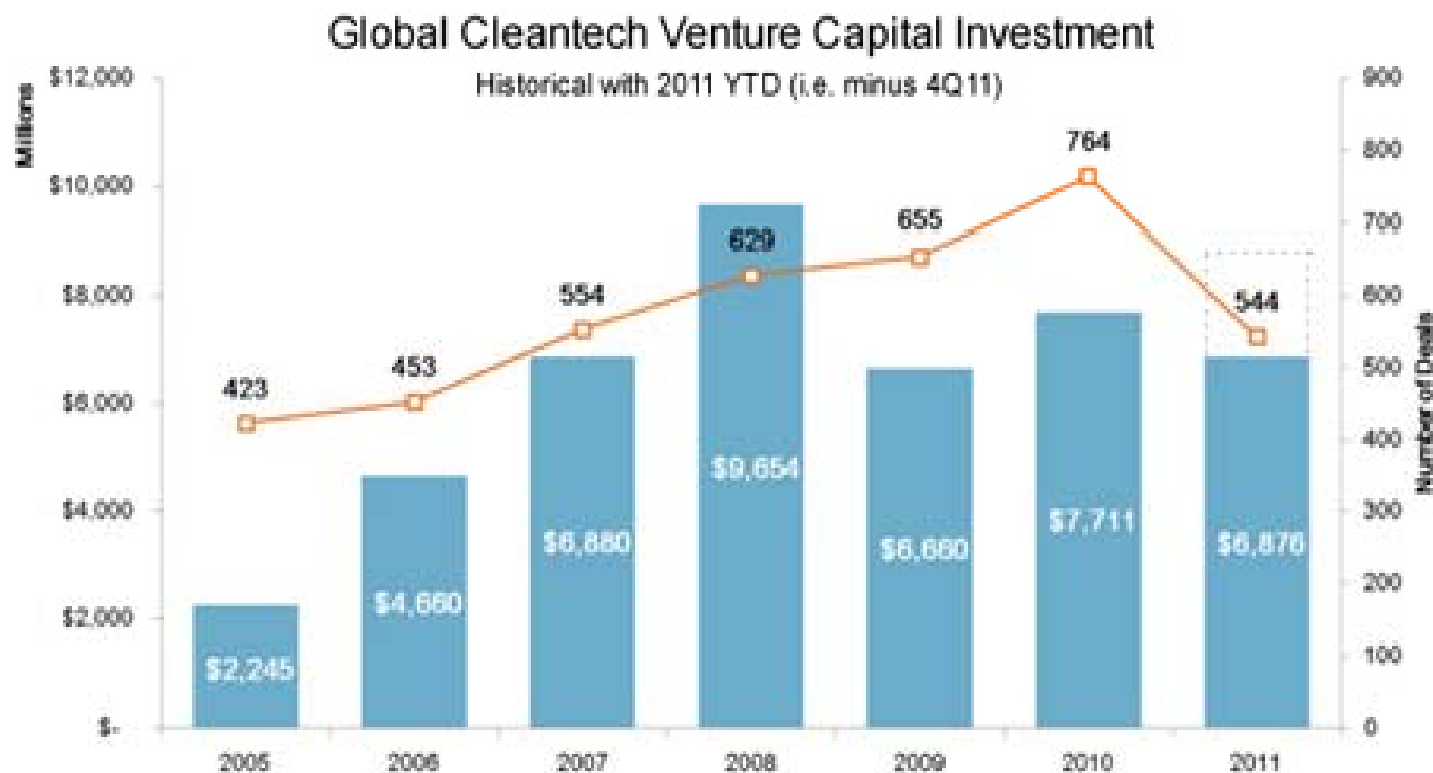
Investors & Industry Stakeholders

- 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

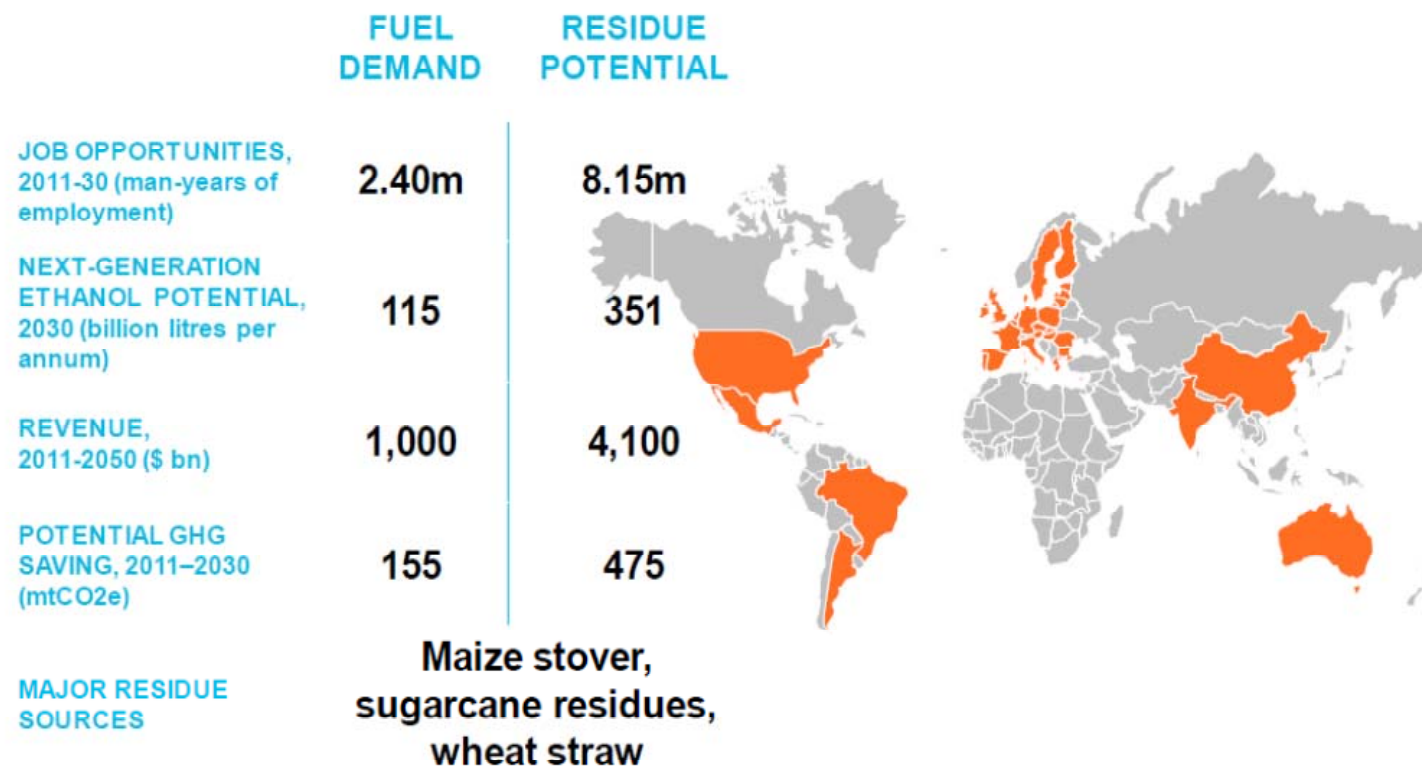
- State & Federally Chartered Banks
- Investment Banks
- Equity Providers
- Family Offices & Hedge Funds
- International Development Banks

Global Cleantech Investments



Source: Kachan & Co.

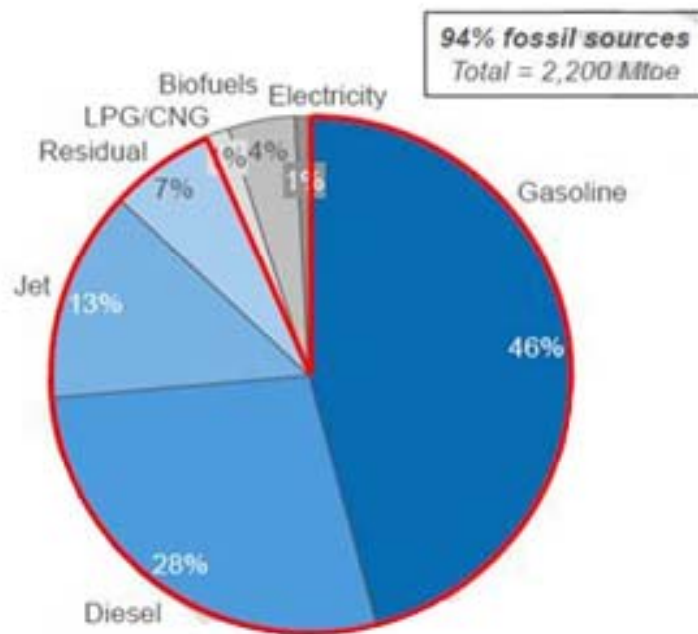
Investment Trends & Opportunities



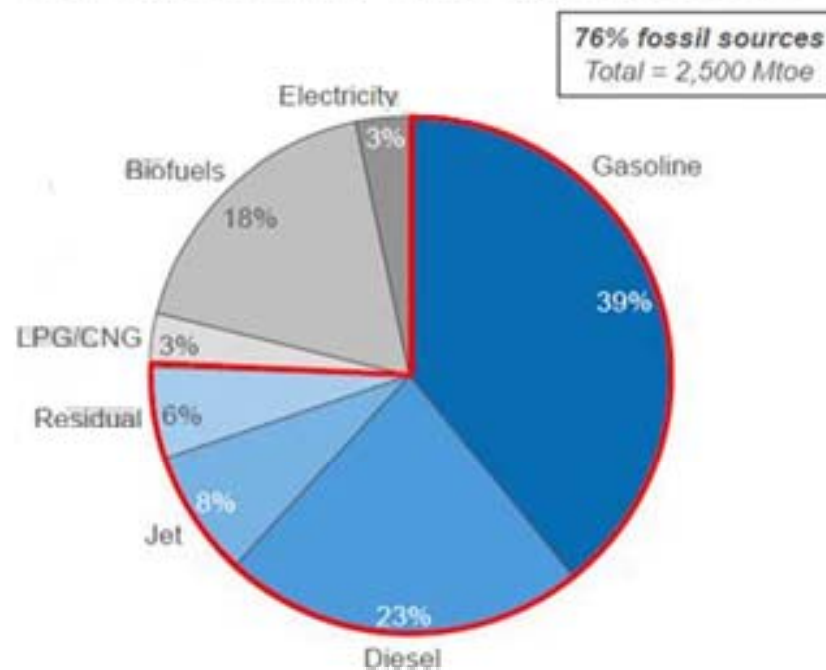
Source: Bloomberg New Energy Finance

Transportation Energy Consumption Projections 2010-2030

2010 Transport Energy Consumption

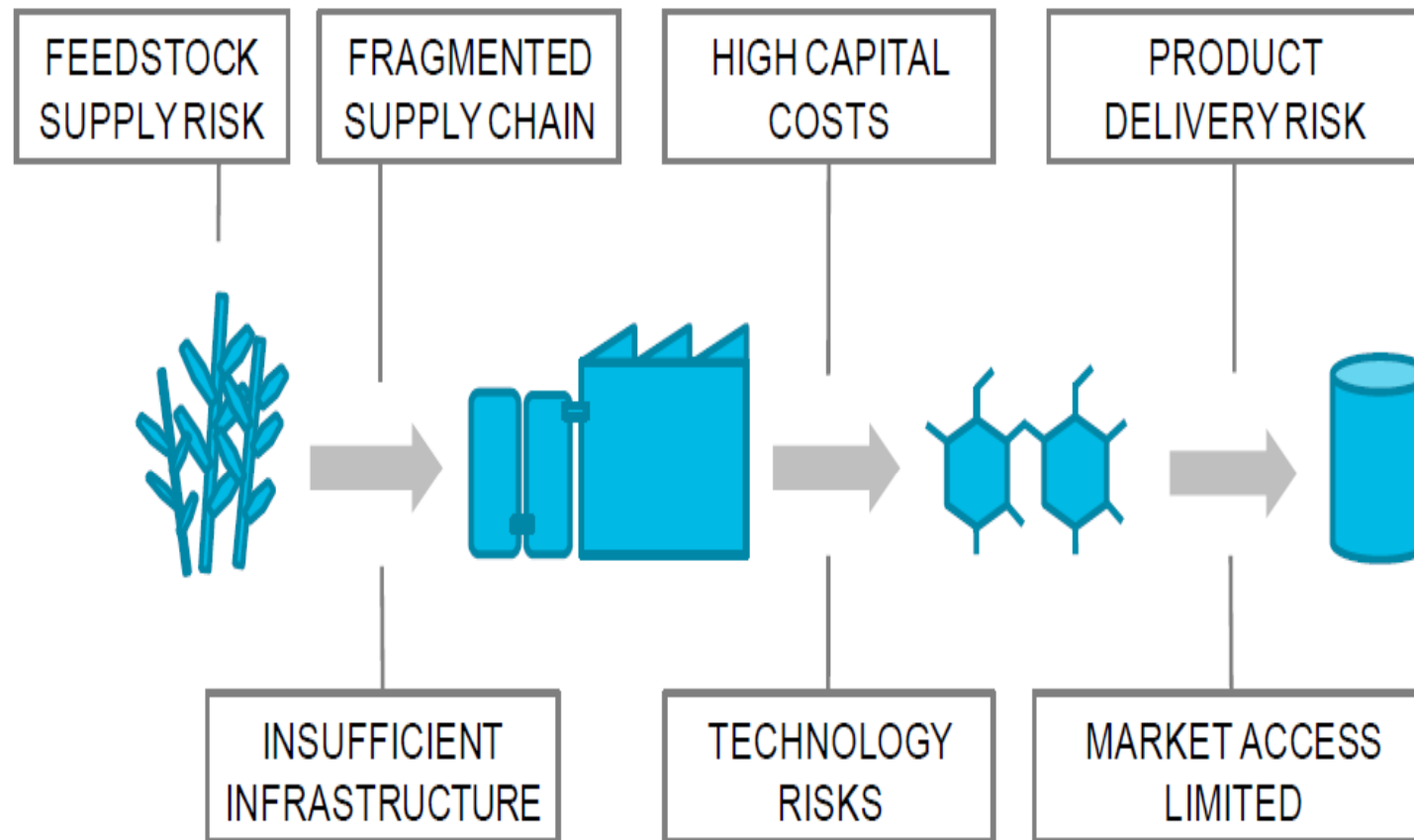


2030 Transport Energy Consumption
Repowering Transport – Rapid Deployment Scenario



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

Investment Risks



Source: Bloomberg New Energy Finance



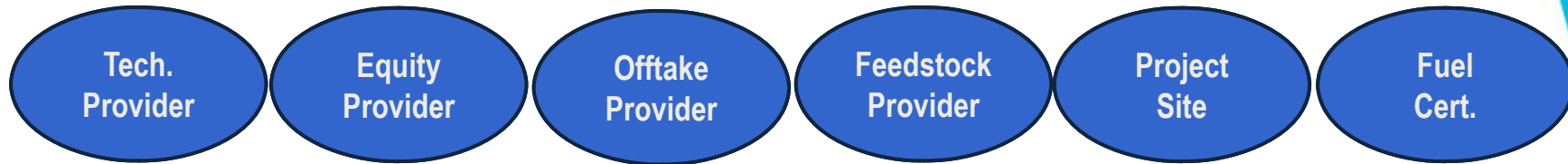
Challenges in Alternative Fuels Financing

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

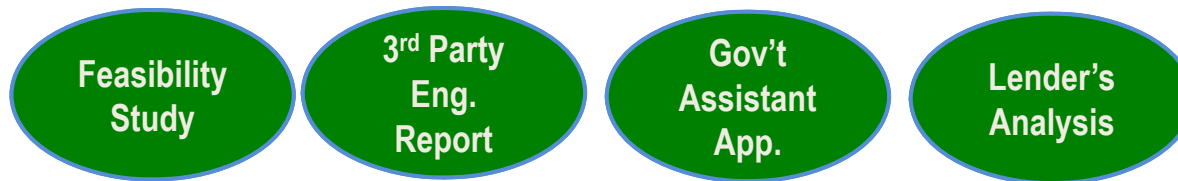


Sample Biofuel Finance Structure

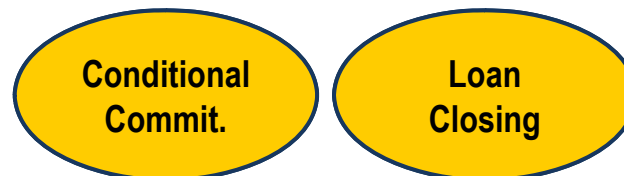
Step One – Development Phase

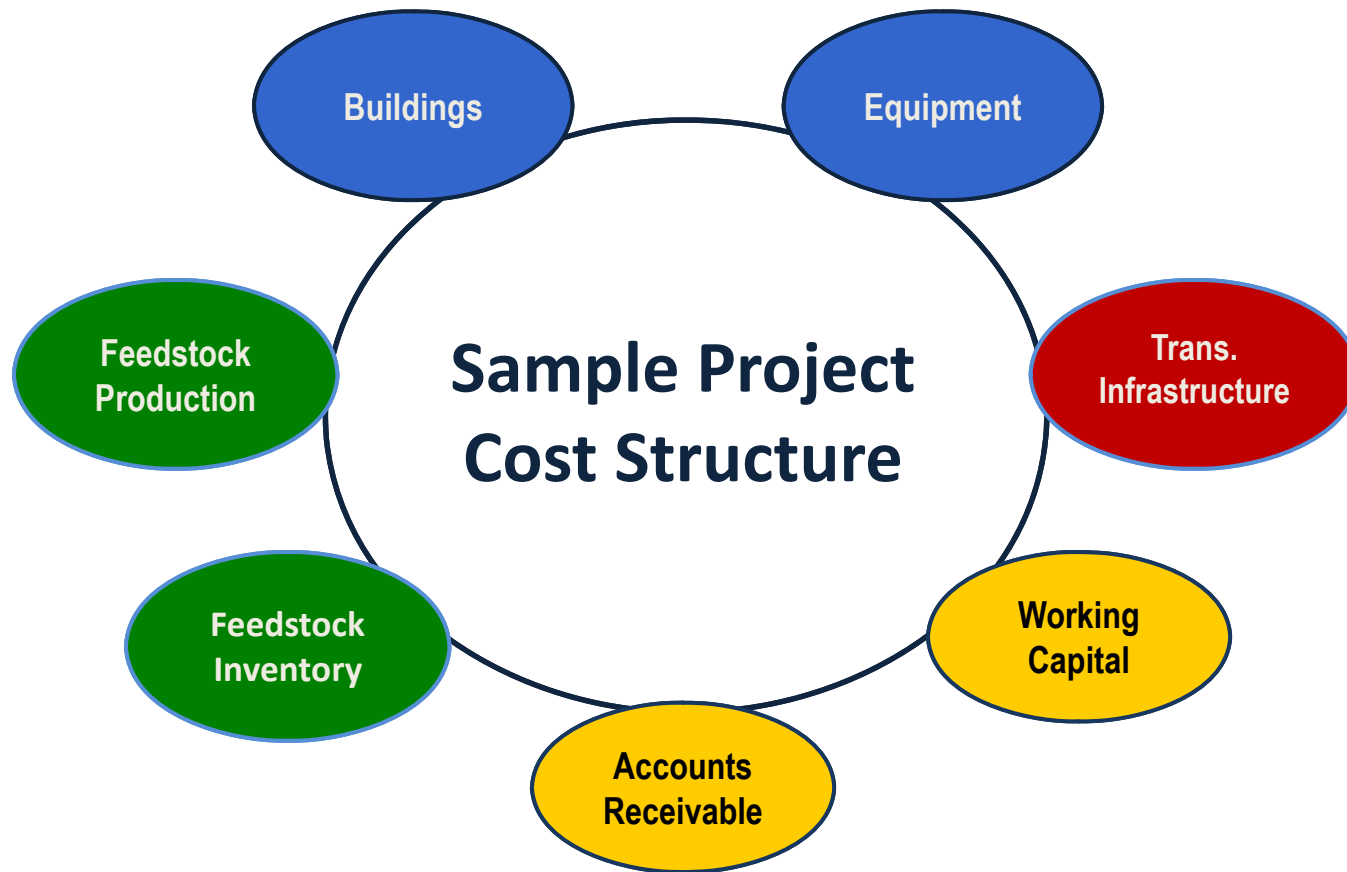


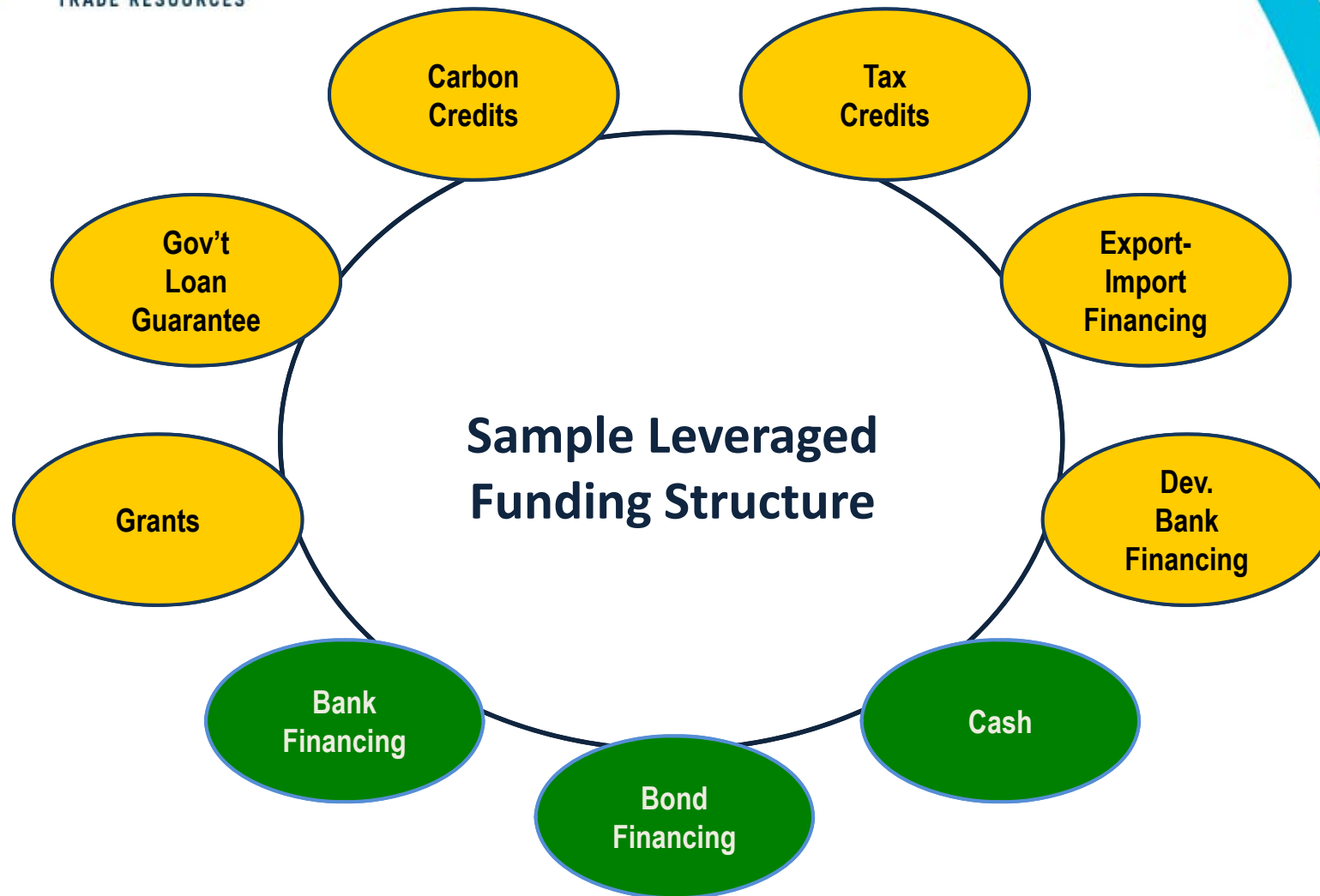
Step Two – Evaluation Phase



Step Three – Lender & Government Approval









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

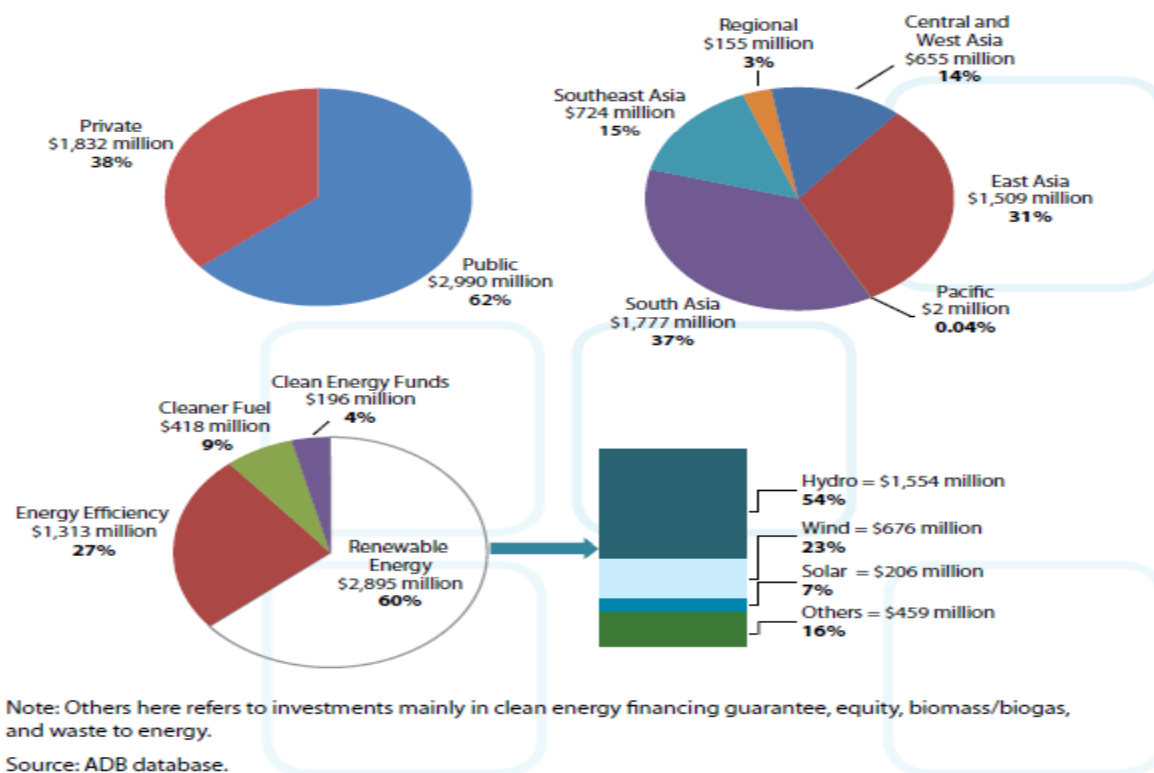
Eligibility Requirements:

- 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

ADB's Clean Energy Investment Portfolio
(2008–2010)



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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