

Medicine Bow Fuel & Power LLC

Presentation to Wyoming Infrastructure Authority

January 31st, 2012

General Disclaimer

The materials attached hereto are being provided to you at your request for the sole purpose of your evaluation of a project (the “Project”) related to DKRW Advanced Fuels, LLC or one or more of its subsidiaries (collectively, the “Company”). The Overview is not intended for, and should not be, distributed to any person that is not directly affiliated with your organization and for who access to the Overview is not reasonably required in order to assist you in your evaluation of the Project.

The Overview should not be considered a comprehensive description of all of the factors required to evaluate the Project, including, without limitation, the risks associated with the Project. Any recipient of the Overview should conduct its own independent analysis of the Project and the data contained or referred to in the Overview. The calculations and conclusions included in the Overview are based on assumptions made by the Company. These assumptions are in certain cases highly subjective and based on internal research and analytics that may not be reliable. Any deviation from the assumptions relied upon in the preparation of the Overview (whether or not such deviation is material in of itself) could materially alter the conclusions reached in the Overview. The recipient should consider its own assessment of the relevance of any mitigating factors relative to actual risks. The Overview should not be considered a recommendation to purchase or sell any security or take part in any transaction and may not be relied on in any manner as legal, tax or investment advice.

The Overview contains estimates and projected returns used by the Company in connection with its assessment of the Project, which are based on internal underwriting assumptions developed by the Company. It is not possible to accurately make estimates or to accurately predict or project returns for any investment and you should not consider the estimates or the projected returns as indicative of what your returns will be in connection with any investment that you may be permitted to make in the Project. It is possible that you may experience a loss as a result of your decision to invest in the Project, to the extent that you are permitted to so invest.

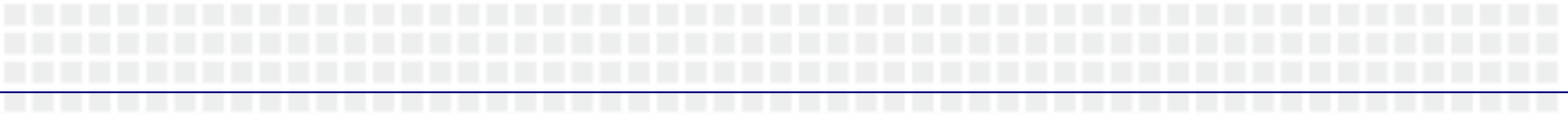
Certain information contained in the Overview (including financial information and projections) has been obtained from published and non-published sources, and may constitute “forward-looking statements.” Such forward-looking statements are generally identified by the use of words such as “outlook,” “believe,” “expect,” “potential,” “continue,” “may,” “will,” “should,” “could,” “would,” “seek,” “approximately,” “predict,” “intend,” “plan,” “estimate,” “anticipate,” “opportunity,” “pipeline,” “comfortable,” “assume,” “remain,” “maintain,” “sustain,” “achieve” or the negative version of those words or other comparable words.

Any forward-looking statements contained in the Overview are based upon historical information and on plans, estimates and expectations. The inclusion of this or other forward-looking information should not be regarded as a representation by the Company or any other person that the future plans, estimates or expectations contemplated will be achieved. Such forward-looking statements are subject to various risks, uncertainties and assumptions, including but not limited to future operating results, global economic, business and market conditions as well as other conditions impacting the industry in which the Company operates.

If one or more of these or other risks or uncertainties materialize, or if the assumptions or estimates prove to be incorrect, the actual results may vary materially from those indicated in the Overview. There can be no assurance that an investor’s capital will be returned or that it will receive the returns projected in these materials. These factors are not and should not be construed as exhaustive. Any forward-looking statements contained in the Overview are made only as of the date of the Overview. Neither the Company nor any of their respective members, partners or affiliates undertakes any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Agenda

- Medicine Bow Project Overview
- Project Financing Summary
- Project Benefits to Wyoming
- Summary & Conclusions



Medicine Bow Project Overview

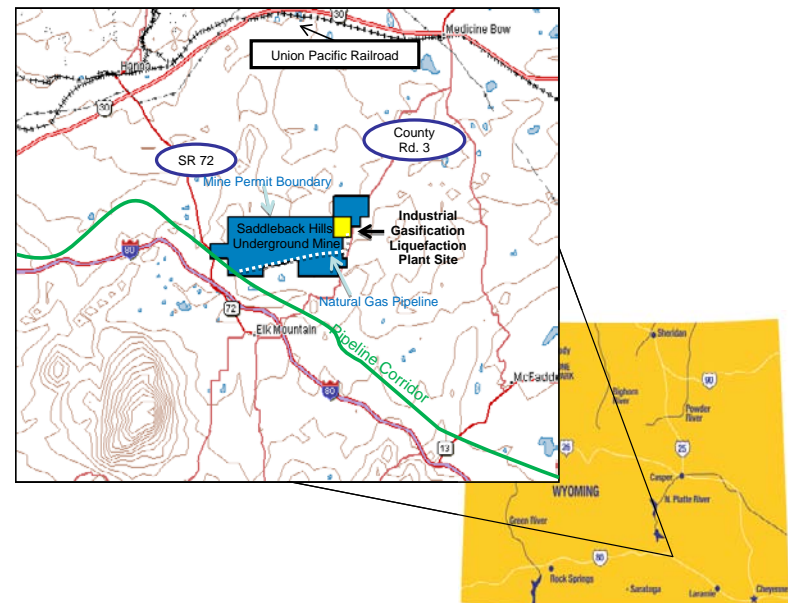
Medicine Bow Project Summary

Summary

Expected Cost	\$1.7-\$2.0 billion
Location	Medicine Bow, Wyoming
Expected Production	<ul style="list-style-type: none"> • 10,600 bpd of gasoline and LPGs per phase
Technology	<ul style="list-style-type: none"> • GE 900 ft³ Quench gasifiers • UOP Selexol and Sulfur Recovery • Davy Methanol Synthesis • ExxonMobil Methanol-to-Gasoline
Construction Period	42 months from Financial Close
Anticipated COD	December 1, 2015
EPC Contractor	Major EPC Contractor
O&M Provider	Renowned Operator
Coal Feedstock	Arch Coal Inc. ("Arch")
Gasoline Offtaker	Vitol, Inc.
CO₂ Offtaker	Denbury Onshore LLC ("Denbury")
Electricity Provider	Carbon Power and Light, Inc.
Gasoline Pipeline	Major pipeline company
Lender's Engineer	R.W. Beck
Owner's Engineer	Granherne (KBR)

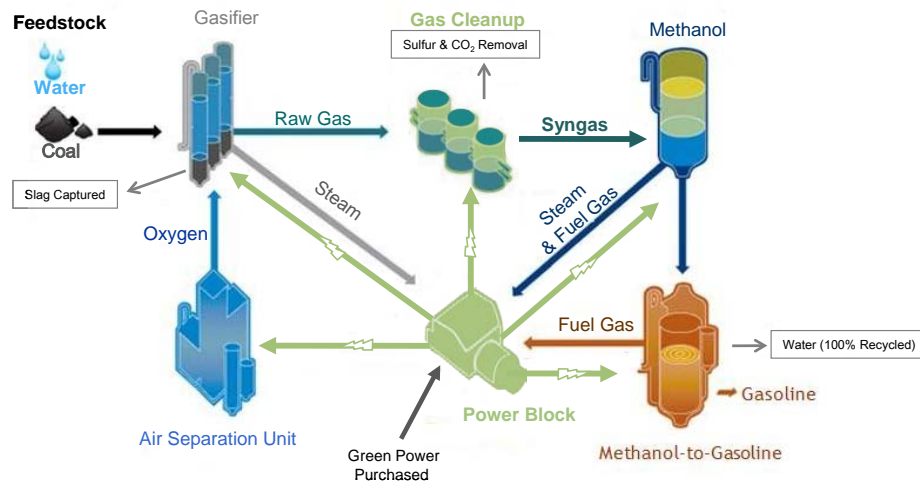
Site Description

- Located on approximately 200 acres near the town of Medicine Bow, Wyoming in southeastern Carbon County
- Adjacent to the Elk Mountain Mine, a surface coal mine owned and operated by Arch, and a 180 million ton underground coal reserve known as the Saddleback Hills Mine, also owned by Arch
 - Amount and quality of coal has been confirmed by several reputable coal engineering firms, including Weir International
- Produced gasoline to be transported by pipeline to the Denver area



Medicine Bow Technology

Process



- Gasifier consumes approximately 4,400 stpd of coal, combining a coal/water slurry and oxygen to produce syngas
- The syngas is purified through several steps, including passing through activated carbon beds designed to remove mercury
- The gas flows to the Selexol exchanger and passes through two absorbers removing hydrogen sulfide and carbon dioxide
- Feed gas enters converters where it flows over a methanol synthesis catalyst causing methanol to condense out

Integration Risk Mitigants

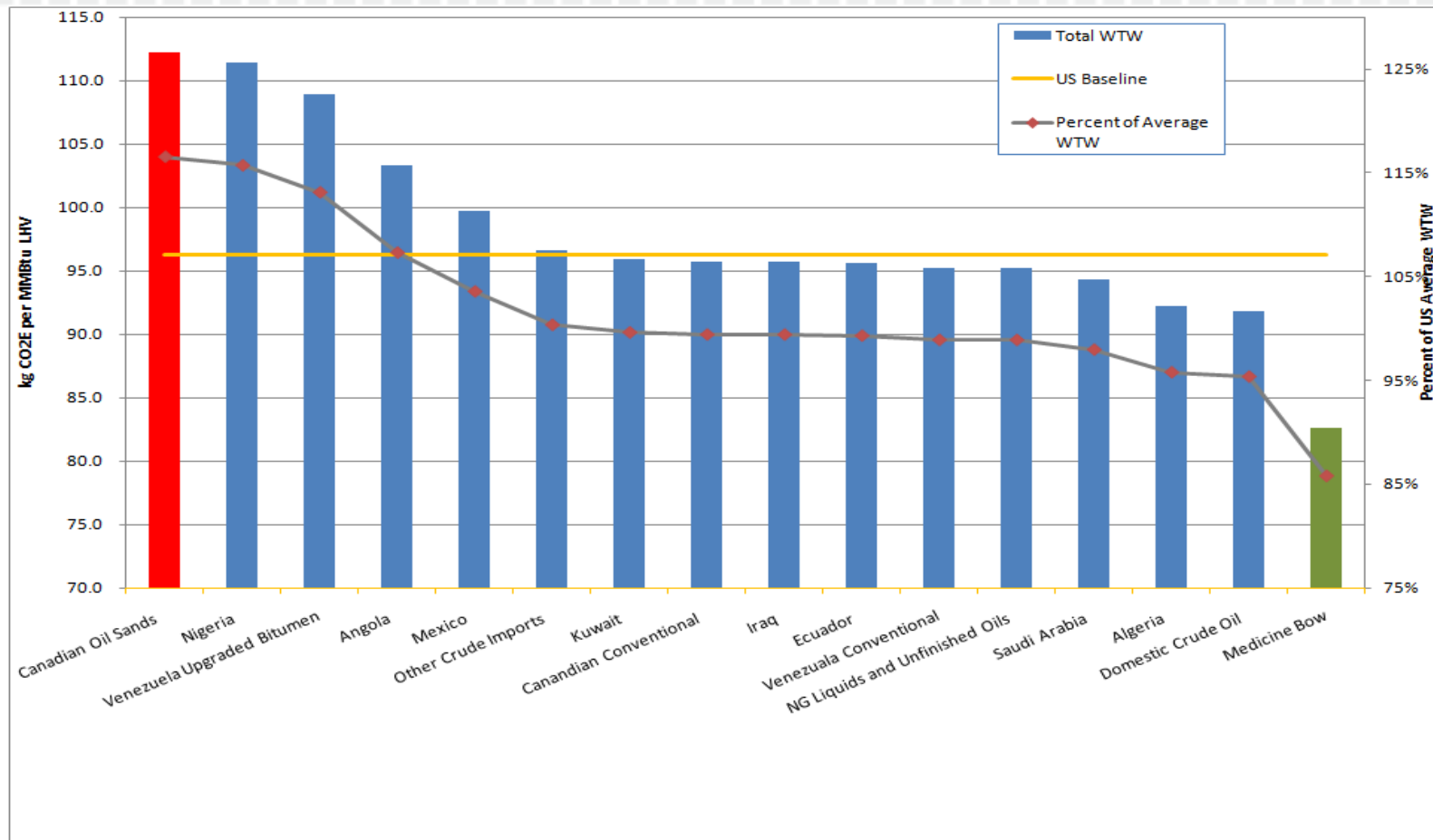
- Project utilizes mature, proven technologies from reputable providers to create the first major IGL facility in the U.S.
 - Each technology is sufficiently mature at the appropriate scale
 - The JAMG project in China began commercial operations in 2009 and is currently producing 2,500 bpd of gasoline from coal
- Several steps performed to ensure the Project is designed properly
 - Critical conversion processes modeled by technology licensors
 - Each technology supplier has provided a detailed, tailored process design package for the related equipment
 - Kvaerner worked closely with licensors during the FEED process
 - Each licensor will have teams present during commissioning and startup; performance tests will verify guarantee limits

Advantages

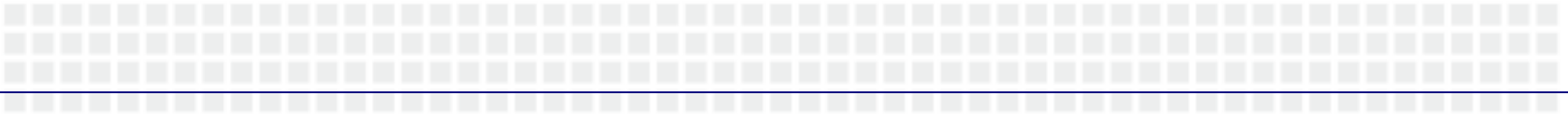
- IGL technology can capture CO₂ cost effectively
 - 95% of the CO₂ is extracted during the gas clean up phase
- Produces a better CO₂ footprint than traditional refining
- IGL products are clean and processes conserve water
- Takes advantage of U.S. coal reserves

Processes have operated at commercial scale and have been vetted as a whole by R.W. Beck

Low Wells-to-Wheels CO₂ Emissions Profile



Medicine Bow “Well-to-Wheels” CO₂ emissions are better on a lifecycle basis than all other US refining alternatives. Compared to the marginal alternative, Canadian Oil Sands, Medicine Bow in Phase 1 will save 11.7 million tons of CO₂ emissions over the life of the Project.



Project Financing Plan

Proposed Financing Plan

- Private Bank Debt: \$800mm-\$1,100mm
- Tax Exempt Private Activity Bonds \$245mm
- Industrial Development Bonds Up to \$300mm
- Equity Remaining Amount

Final debt and equity package subject to firm commitments from all sources at financial close.

Tax Exempt Private Activity Bonds

- Recently, the State has been allocated each year approximately \$275mm of federal tax exempt bond cap to be allocated to projects in Wyoming
- Projects that have certain “tax exempt” capital spending requirements are eligible to receive an allocation of this bond cap
- The Medicine Bow Project has approximately \$245mm of expenditures in the “solid waste disposal facility” category that qualify for this cap
- These bonds are based on the credit of the project --- not the county --- and are sold in the private bond market and go through due diligence by the bond buyer’s and their investment bankers
- The project is requesting through a resolution by the County that the State allocate \$245mm of this cap to the project (W.S. 9-1-219(a) and Rules of the Governor’s Office)

Industrial Development Bonds

- The State has an Industrial Development Bond program to purchase bonds from projects in Wyoming to support the development of business in the State and create employment opportunities in Wyoming (W.S. 9-4-715(m))
- These bonds would be purchased by the State from the State Mineral's Trust
- The bond application is reviewed by the Wyoming Business Council who will then make a recommendation to the State Treasurer, the Governor and Attorney General. These offices may conduct additional due diligence once they receive the recommendation.
- The bonds will be issued by the county, but based solely on the credit worthiness of the project.
- The legislation provides for a cap \$600mm of state funds to allocated for this purpose
- The resolution being considered by the county, would authorize the county to issue up to \$300mm of Industrial Development Bonds for the project



Project Benefits to Wyoming

Commercial Clean Coal Industry Benefits to Wyoming

- Value added to Wyoming's most abundant energy resource
 - Increases the value of the coal resource in Wyoming
 - Leads to investment in the State to add value to coal
- Provides quality employment and career opportunities for Wyoming citizens
 - MBFP integrated CTL facility alone will provide 415 permanent jobs
- Preserves and enhances the Wyoming coal industry
 - Introduces a new market for Wyoming coal
 - CTL projects will directly link coal's value to oil
- Broadens the research and development platform within the state
 - Potential collaboration with the University of Wyoming
 - Creates and preserves a 21st century “brain trust” and technology use throughout Wyoming
- Builds upon an energy industry in which Wyoming is already a major player
 - Expands Wyoming production of refined transport fuels
 - Utilization of CO₂ for EOR expands Wyoming oil production from existing fields

Medicine Bow Project: Direct Benefits to Wyoming

Type of Benefit	Estimated Amount (\$mm)
Coal Severance Taxes	\$86.2
Coal Ad Valorem Taxes	\$136.8
Property Taxes	\$137.5
Oil Severance Taxes	\$307.4
Payrolls	\$703.2
Total	<u>\$1,371.1</u>

These benefits include only direct benefits and do not include benefits from multiplier effects such as employment and income from support industries such as housing

Medicine Bow Project: Estimated Job Creation

	Construction	Operation
CTL Facility	1,650	200
Coal Mine	205	192
Related Infrastructure	360	23
Total	2,215	415

2215 Construction jobs and 415 full time jobs



Summary & Conclusions

Why Wyoming Should Bring The Clean Coal Industry to America

- Economic forces: Escalating oil prices
 - Competitively priced liquids transport fuels
 - Downward pressure on oil prices
- Environmental benefits and opportunities
 - Cleaner gasoline is produced with Coal-to-Liquids (CTL)
 - CO₂ captured and used safely
- America's security: National and economic security
 - A stronger American energy future, less dependent on foreign imports
 - Vital for both our national security and our economic security
- The smart and strategic use of America's coal
 - America's secure supply of coal: 26% of the world's coal supply means that we must use Advanced Fuel Technology for conversion to domestic fuel supplies, cleanly and strategically

