

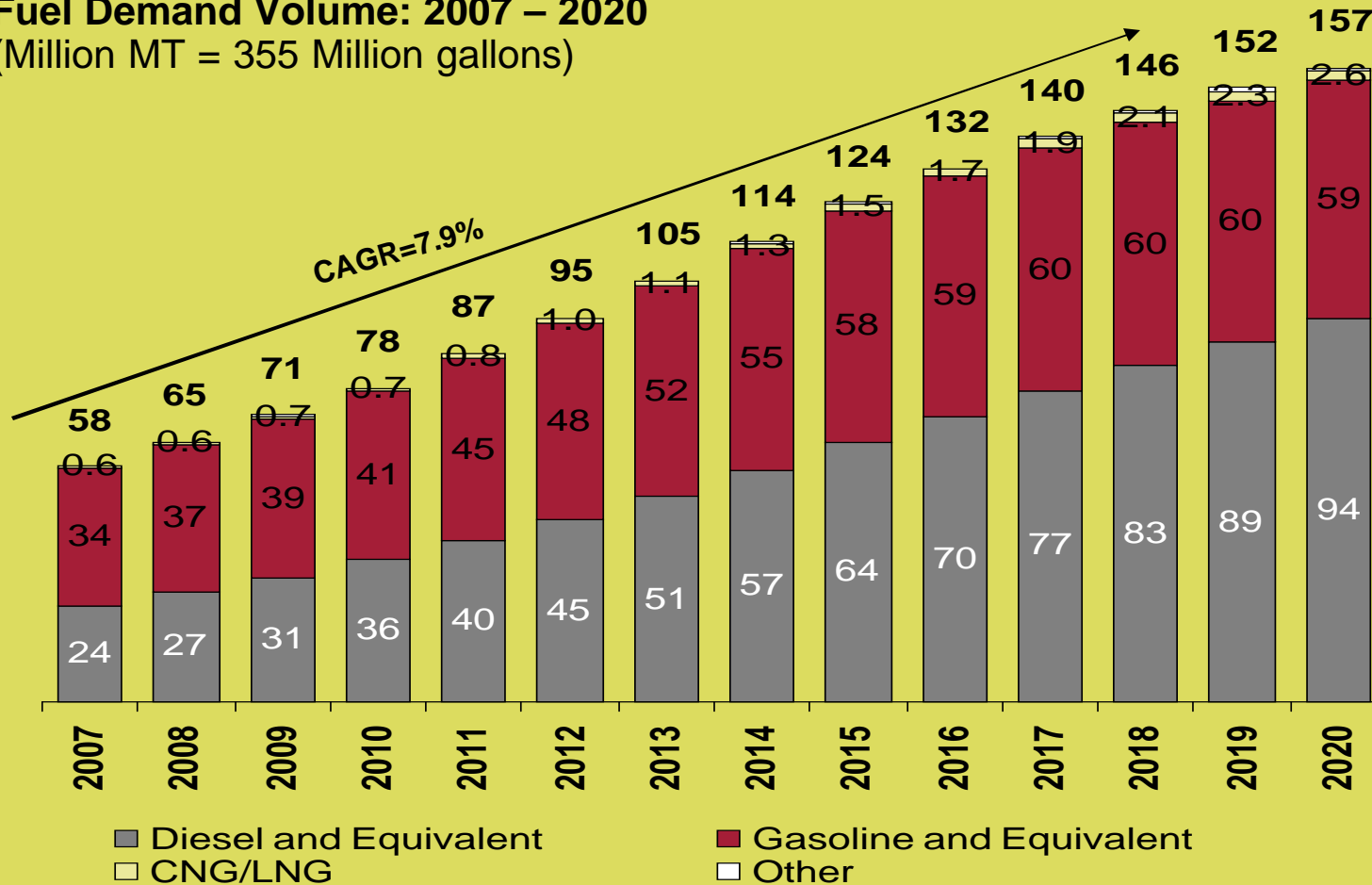


China Ethanol Industry Overview

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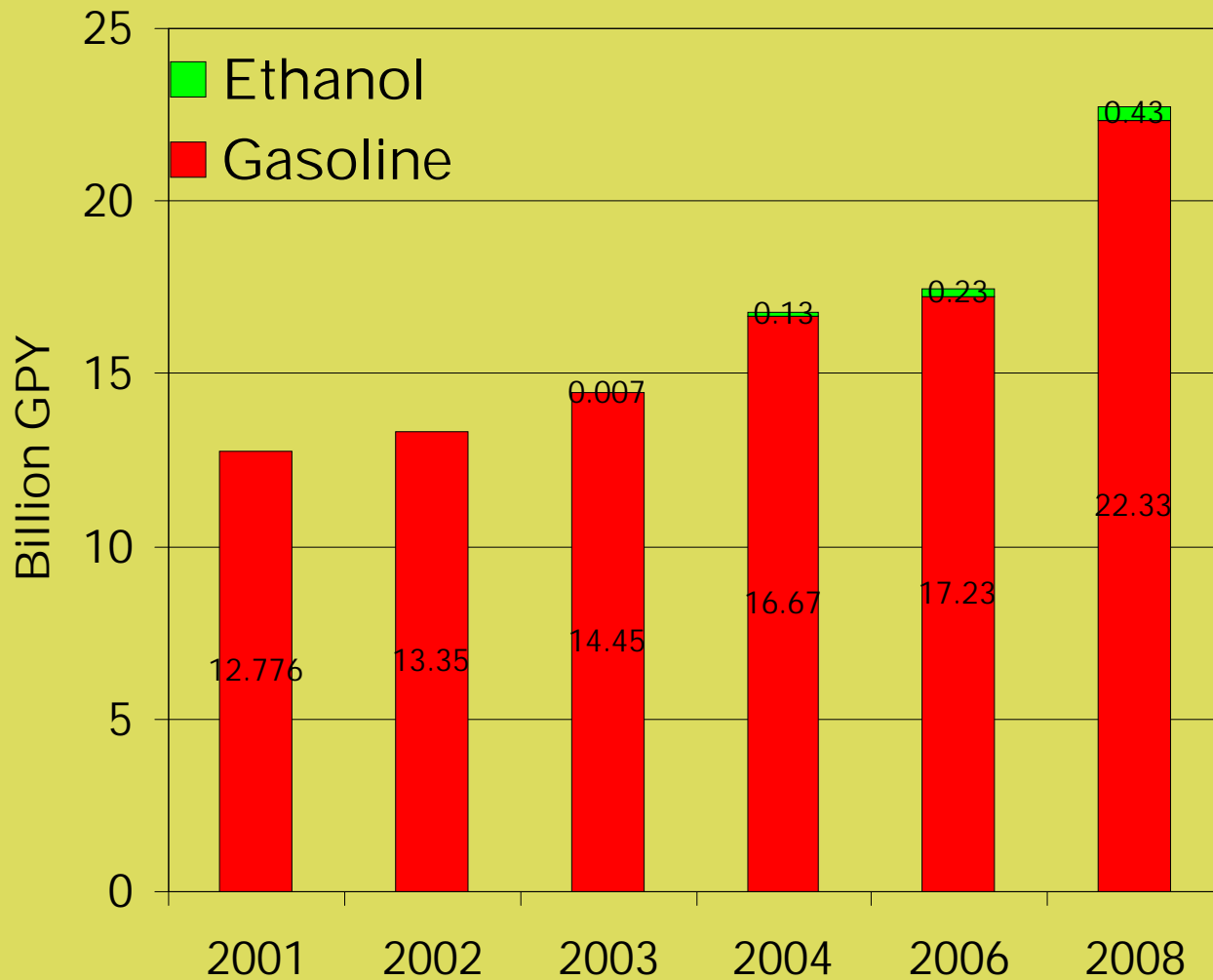
China Fuel Consumption Forecast

Fuel Demand Volume: 2007 – 2020
 (Million MT = 355 Million gallons)



Source: A.T. Kearney analysis

China Gasoline and EtOH Consumption

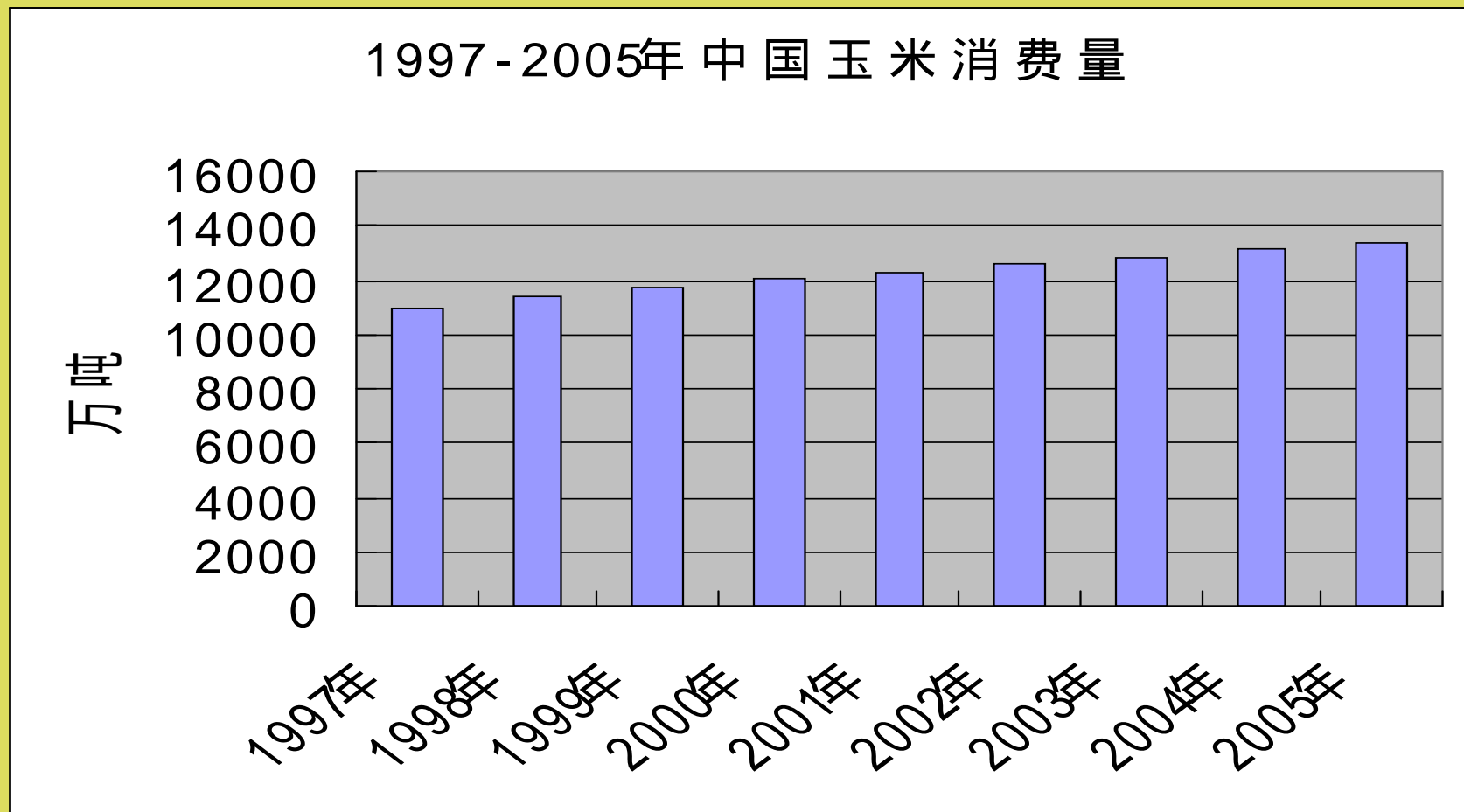


20% of all gasoline contained 10% EtOH in 2006!

CAGR 2001-2008 is 12%/year

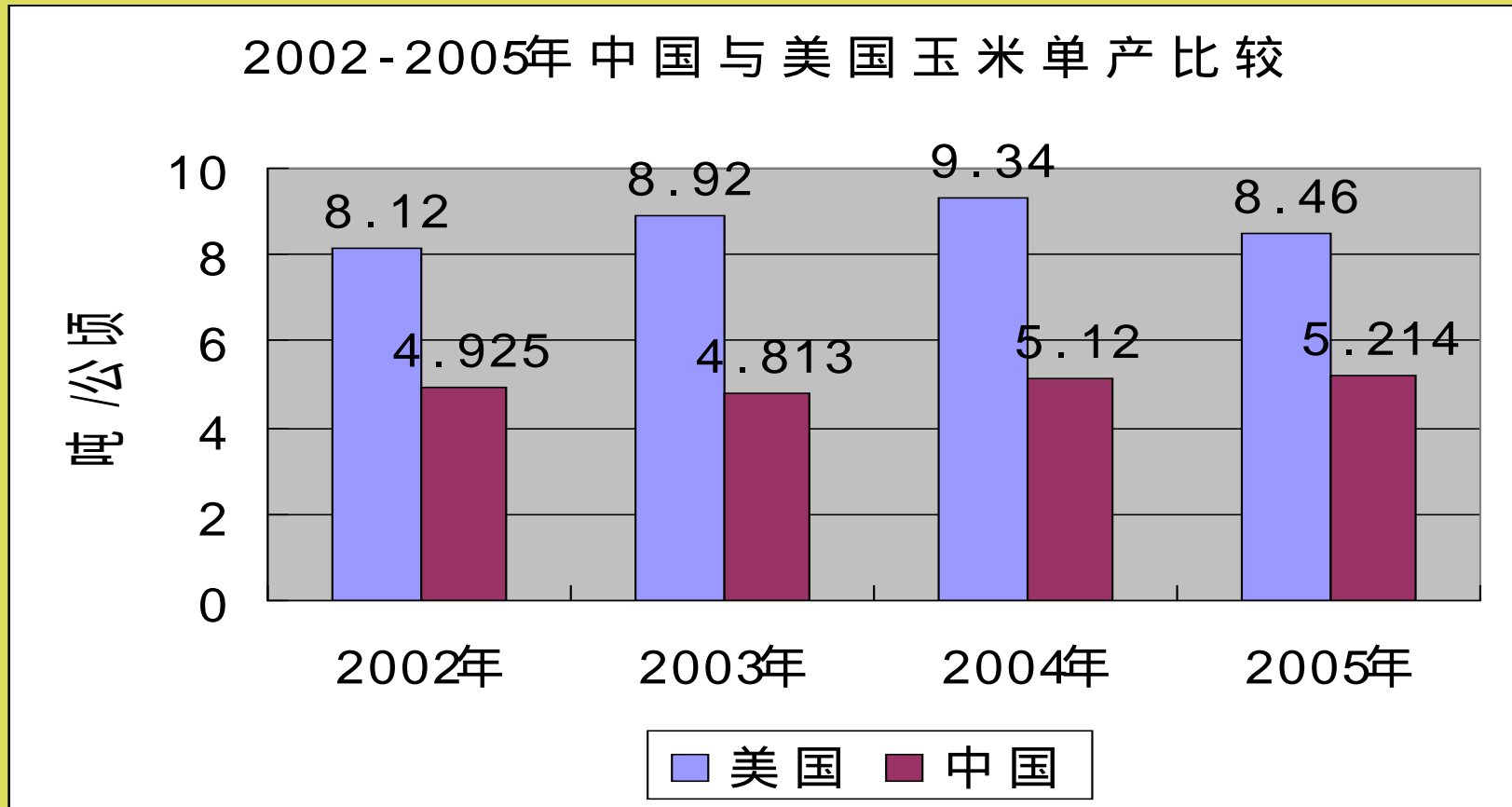
Consumption is rising 2%/yr

1997-2005 China Corn Consumption (0000 MT)



China's corn yield is <60% of the U.S.

2002 -2005 Corn Yield Comparison: USA vs. China (MT/Hectare)

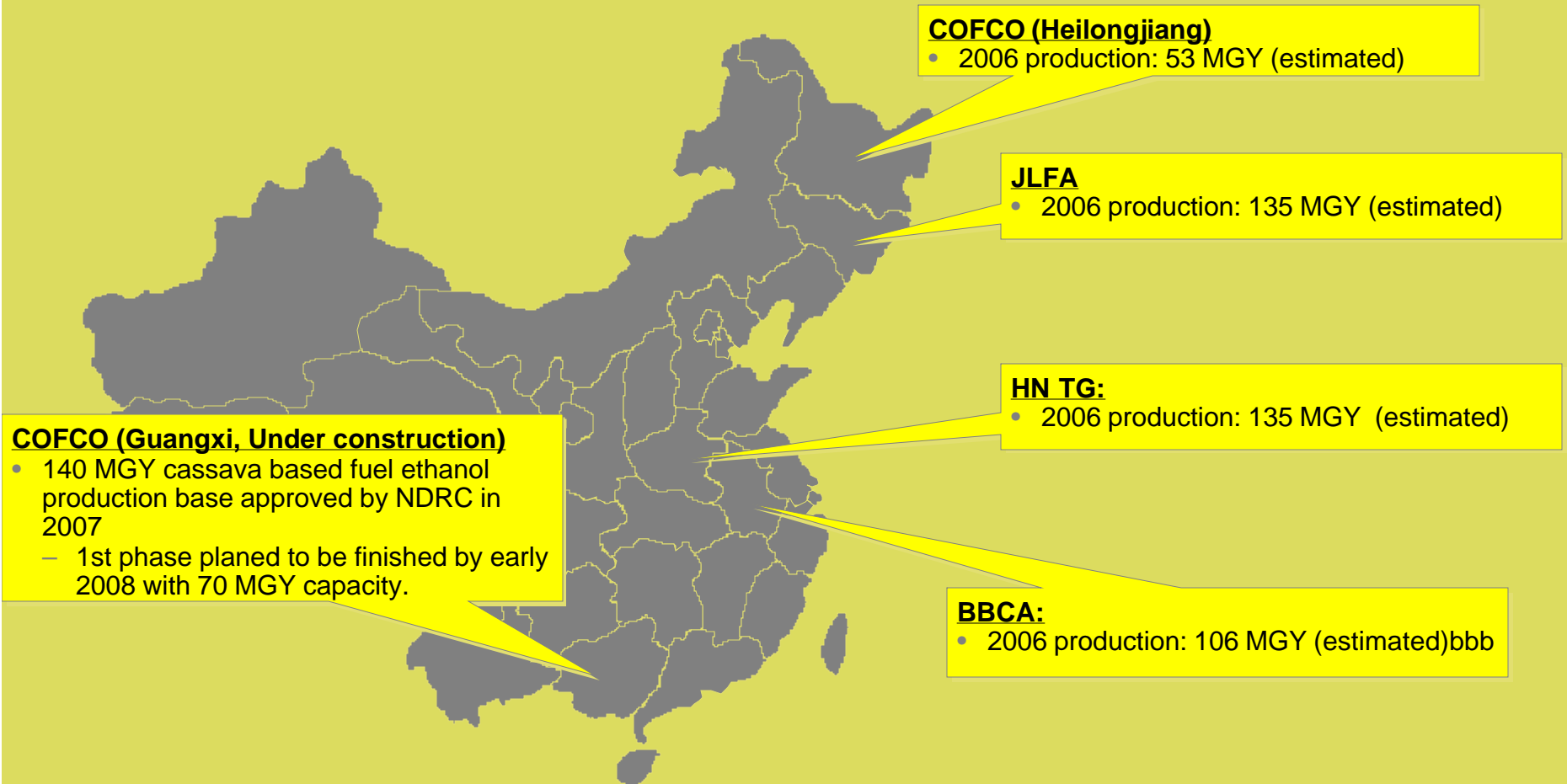


China Fuel Facts

- China's current national strategic oil reserve can only supply the country for 21 days, compared with the United States at approximately 158 days.
- As global oil price rises, China's increasing dependence on imported oil (from 28% in 2001 to 43% in 2005) has captured the government's attention for the country's energy security
- Current production capacity in 2007 is approx 500 MGY, but it is only about 85% utilized due to high corn and production costs.
- The first cassava based fuel ethanol facility with the capacity of 140 MGY is under construction in Guangxi
- New programs for fuel ethanol from sweet sorghum are planned in Shandong, Heilongjiang, Inner Mongolia and Xinjiang, with each one's capacity ranging from 17 to 35 MGY



10% Ethanol Production



What's the future hold?

- No more 1st generation corn-based ethanol
- Development of 1.5th generation cassava and sweet potato ethanol to bridge to the 2nd generation...
- Cellulosic ethanol
 - China's advantages and motivators:
 - Rapidly growing need for fuels
 - Limited cropland and water resources
 - Corn stover already collected from fields