

Project Development Challenges

March 14, 2008

Ethanol 2008: Emerging Issues Forum



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What's going on in the Ethanol Industry?

- Cost of corn is going up—How high?
- Price of ethanol has gone up—How high?
- Plant capital cost is going up
- Ethanol capacity exceeds demand
- Economy in general is down—How low?
- Financing is becoming very selective



Our Ethanol Projects:

Alcorn Energy and Hi-Line Ethanol

- **Features**

- -100 MMgpy output
- -Dry-mill, Corn
- -Gas-fired Boilers
- -Zero Liquid Discharge

- **Key Contracts and Strategic Relationships**

- Grain supply agreements in place
- Railroad access via short-line
- Ethanol off-take agreement in place
- Technology provider and constructor selected
- Land purchase under exclusive option



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What Should You Do To Get Their Attention?

- Develop a Sound Business Plan
- Obtain your Construction Air Permit
- Execute your Key Agreements
- Highlight the Features and Attributes that Make your Project Different (ie, Better!)
- Look ahead for ways to reduce risk/op expenses
- Think Outside the Traditional Financing Box
- Manage your Expectations



Thanks....And Good Luck!



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