

PacificAg



Leading From Experience



ABLC Feedstocks 2016

A green tractor with large yellow wheels is shown in a field. The tractor is moving from left to right, leaving a trail of disturbed soil behind it. The background is a clear blue sky.

- Good news for the bio-economy
 - De-risking the feedstock supply chain
- Pacific Ag
 - Market position and arc
 - Points of differentiation
- Pacific Ag as project partner
- Timing matters

Good News



Good news for the bio-economy

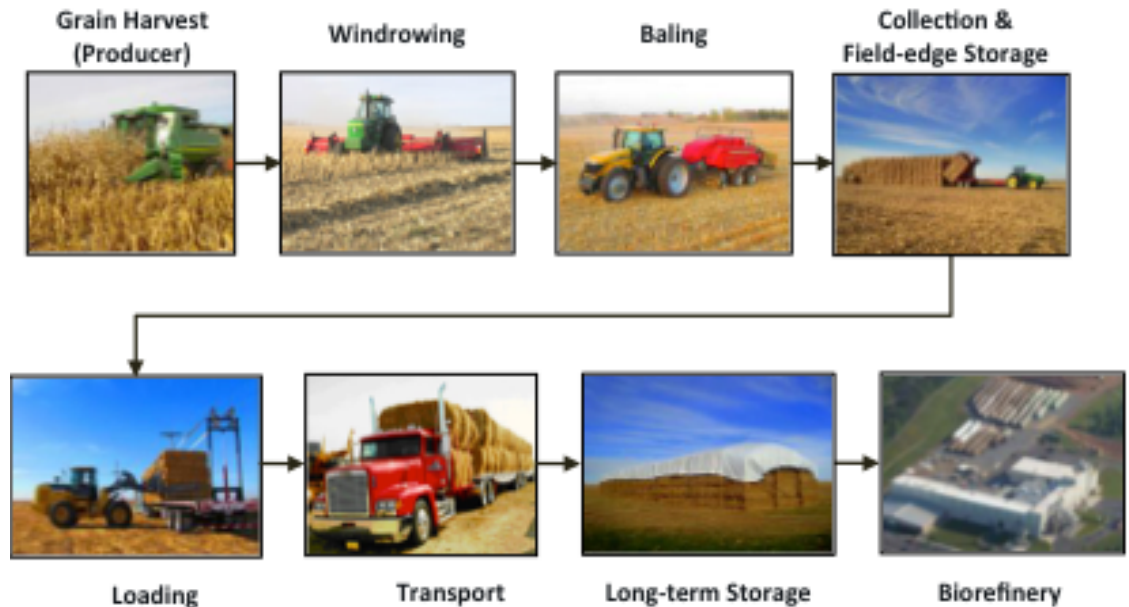
- De-risked the feedstock supply chain
- Validated the volumes



De-risked the feedstock supply chain

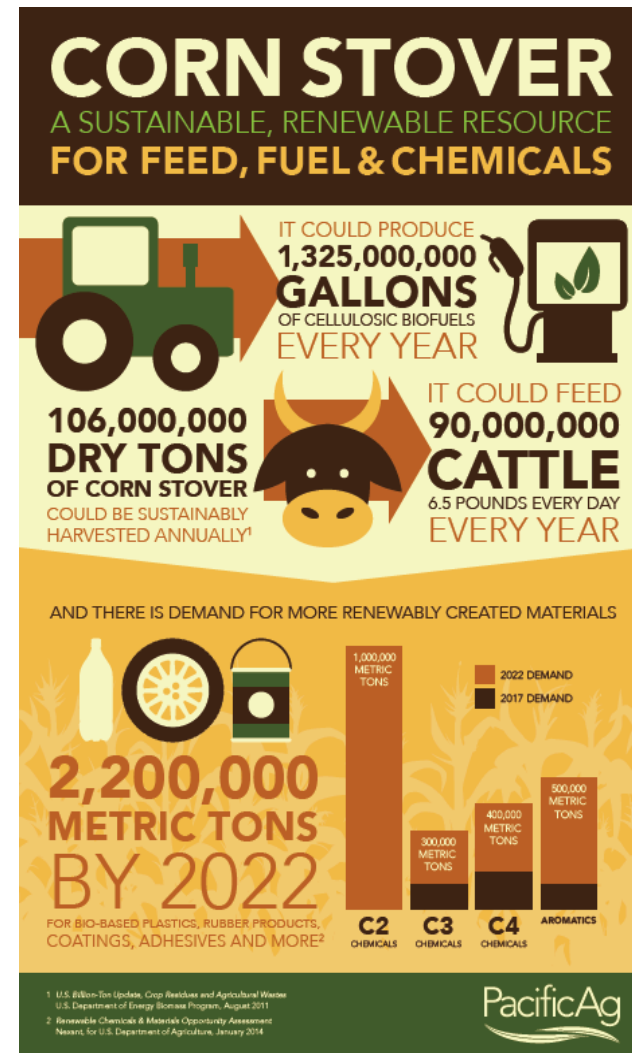
What we've learned:

- Feedstock cost targets
 - ✓ Development and operation
- Grower adoption and value proposition
 - ✓ Building the top of the supply chain: access to acres
- Best practices – learning curve benefits
 - ✓ Training, equipment performance, logistics, storage, trucking
- Innovation – identifying opportunities
 - ✓ Equipment improvements



Validated Sustainable Supply

- Sustainable volumes
- Location of high concentration areas
- Identified lowest operating costs areas
 - ✓ Identified significant costs differences by region
- Providing guidance for commercial partners
 - ✓ Supply chain development take time



Pacific Ag Background



For 6 years we have been consistently building a balance sheet, a sustainable ROI, and a national feedstock and market map that now includes over 700 growers, 300 employees, and 100 customers. Even as we have negotiated some significant unevenness in bioenergy recently.

Business Model - Controlled Supply Chain



Grower Benefits:

- Creates new revenue stream for growers – unlocking value
- Solves excess residue issues
- Connection to markets
- High service and sustainability focus

Customer Benefits:

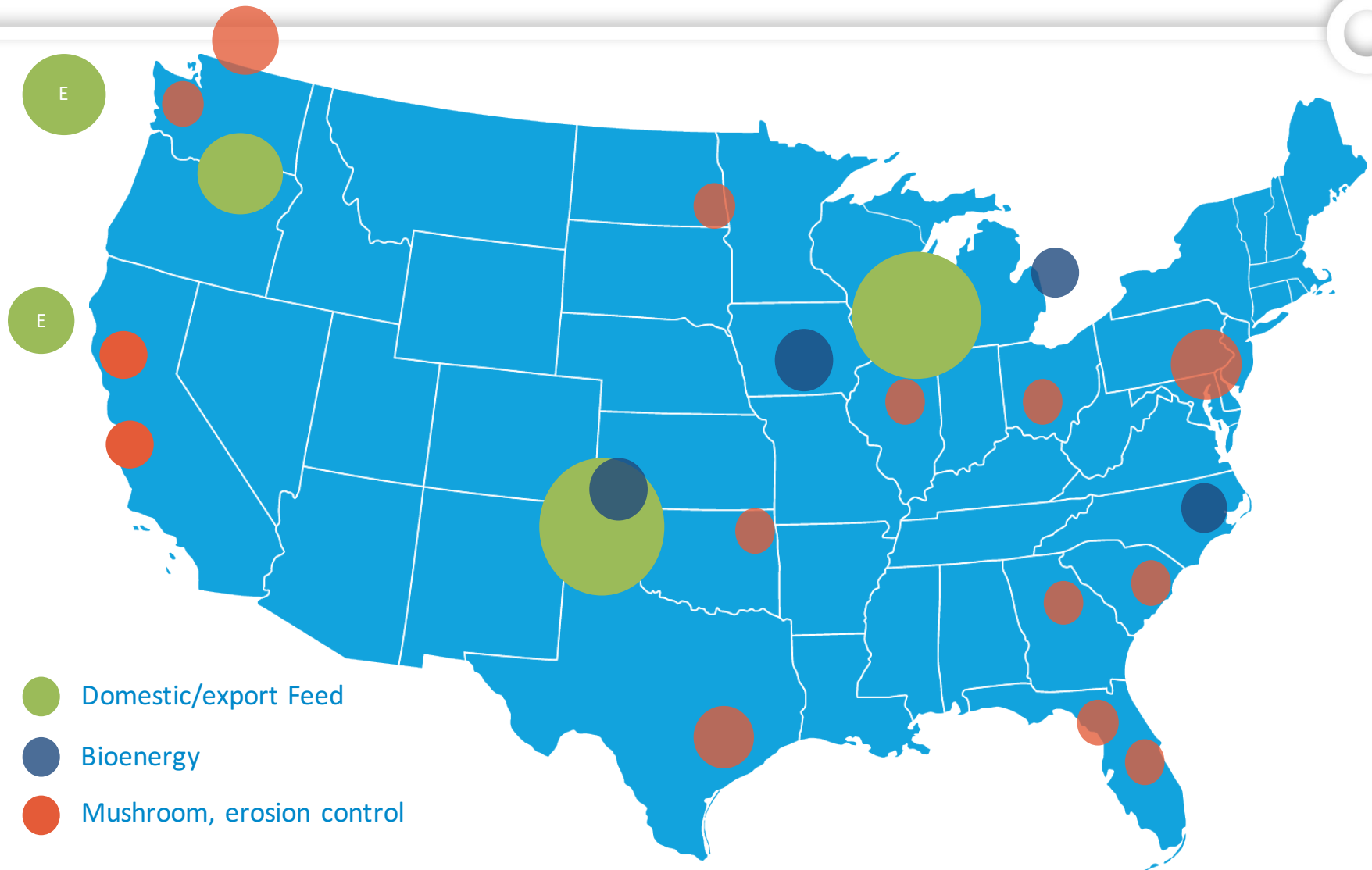
- Single point of contact/accountability
- Experience and scale bring economies
- Consistent supply, price and quality
- Specialization promotes innovation
- Security of supply enables growth
- Supply traceability and harvest sustainability

Pacific Ag's Market Position

- We are the agricultural residue company
- We harvest crop residues and purpose grown crops
- We are a logistics company
- We are a cellulosic supply chain company, shaped more and more by our diversified supply customers across an increasingly national footprint, that positions us to serve the imminent needs of the bio-economy sector.



Diverse, National Demand and Logistics



Lean Mobile Manufacturing



- **Purchasing Power:** Own and operate the largest fleet of biomass equipment in the nation
 - Key vendor partners
 - Long term partnerships and size provide competitive advantages
- **Utilization:** National operating footprint, 8 months per year
- **Experience:** Crew chiefs and operator bring years of experience



Supply & Logistics Technology: PowerStock Pro™

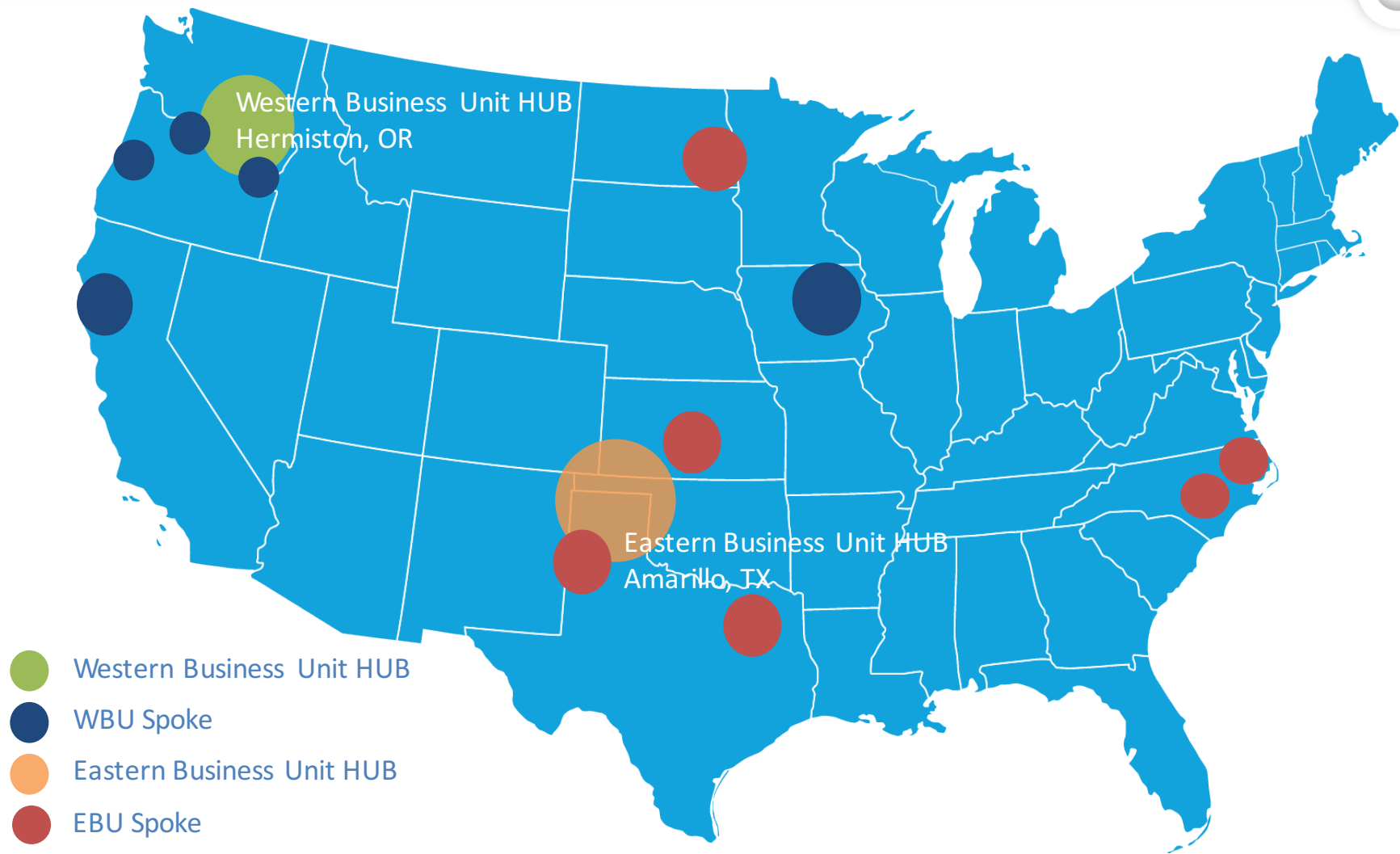
- Complete Inventory Management
 - Integrate and manage every aspect of the supply chain
 - Grower contracts to GIS enables field mapping
 - Harvesting performance and logistics
 - Equipment deployment and inventory management
 - Reporting capabilities to match stakeholder needs
 - Shipments and scheduling
- New Logistics LLC

3 Keys to Supply Chain Confidence

- Growing National Supply Footprint
- Partnership Approach
- Timing Matters




1 Growing National Supply Footprint



2 Project Partnership

- Identify low cost supply with you
- Strengthen project development by our participation and balance sheet
- Comprehensive feedstock solution provider

3 Timing Matters

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- There is an enormous resource
 - There are important cost differences among resource areas
 - The lowest cost feedstock will be exploited first
 - Many markets are poised to utilize this resource

Explore your needs with us as soon as possible



Thank you

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