

The logo for SG Preston, featuring a stylized 'S' and 'P' intertwined in shades of blue, orange, and yellow.

SG Preston

Helping bioenergy work smarter

ABLC 2016

INTRODUCING A NEW DEVELOPMENT PARADIGM TO
BIOFUELS - FROM FEEDSTOCK TO ACTIVATION

SGP BIOFUELS' DEVELOPMENT PROGRAM

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The Bio-Fuel Development Challenge

Lack of integration of critical components results in projects that cannot deliver for all stakeholders

Delivering a price competitive and profitable renewable fuel requires command of all incremental input costs and mechanisms that result in the development of that final product. To-date, the lack of success in developing these renewable fuels has resulted from a lack of command where it matters most.

Feedstock:

- ❑ Overreliance on commodity brokers/suppliers whose pricing models are designed to erode incentives, such as RIN value, and therefore make finished products vulnerable to commodity price changes, and therefore unstable for the producer and unstable for the Offtaker.

Logistics:

- ❑ Lack of focus on integrating feedstock development with logistics platforms results in increased costs – the “where” still matters, and volume is paramount to pricing success

Technology:

- ❑ Overreliance on innovation and R&D dealing with technologies unproven at commercial scale, and lacking balance sheet support for errors.

Engineering & Construction:

- ❑ Unwillingness of major, credit worthy EPC contractors to offer guarantees for project performance.

Offtakers:

- ❑ Offtake agreements oftentimes do not match the terms of the feedstock and financing profile, and therefore makes financing and economics of these projects difficult.

The SGP Solution – An Integrated System

SGP's biofuel platform is designed with integration of critical components at its core, resulting in projects that are designed to deliver for all stakeholders

SGP's integrated platform considers all critical components of the development value chain from farm to flight, that will deliver a price competitive and profitable renewable fuel.

Feedstock:

❑ Contracted for “master seed” development based on SGP's development schedule and supported by SGP's unique farmer recruitment and growing program. Crushing and sale of secondary by-products (meal) not used in our system are contracted for with established platforms.

Logistics:

❑ Identified and qualified 5 facility sites, based on logistics access, each with ability to support 2 facilities. All sites are supported by road, rail, and in some cases, water transport access for feedstock and finished fuel.

Technology:

❑ SGP is not a technology company, but instead relies on licensing technologies proven at commercial scale and backed by significant balance sheet guarantees.

Engineering & Construction:

❑ Engaged credit worthy EPC with guarantees for project performance to focus on rapid replicability and deployment.

❑ **SUSTAINABILITY – A KEY FOCUS**

❑ Must consider social, environmental and economic stakeholders

SG Preston: our Value Add to Clients

*SG Preston's integrated model resonates with direct impact throughout the entire supply chain; activating infrastructure, industry and communities by **Helping Bioenergy Work Smarter.***

	Traditional Development Model				SG Preston
	Technology Only Developer	Feedstock Only Developer	Logistics Only Developer	Development Only Developer	
Technology	X	Not Integrated	Not Integrated	Not Integrated	Fully Integrated Proven at commercial scale Guaranteed for performance
Feedstock	Not Integrated	X	Not Integrated	Not Integrated	Fully Integrated Predictable
Logistics	Not Integrated	Not Integrated	X	Not Integrated	Fully Integrated
Development	Not Integrated	Not Integrated	Not Integrated	X	Fully Integrated Turnkey Guaranteed for price Guaranteed for performance
Finished Product	Not Integrated	Not Integrated	Not Integrated	Not Integrated	Fully Integrated Guaranteed for performance Certified compliant
Pricing	Not Integrated Unpredictable	Not Integrated Unpredictable	Not Integrated Unpredictable	Not Integrated Unpredictable	Fully Integrated Fixed
Market Impact	Not Integrated	Not Integrated	Not Integrated	Not Integrated	Fully Integrated Meets volume demand Re-activates dormant infrastructure (rail, ports, etc) Infuses predictability
Community Impact	Not Integrated	Not Integrated	Not Integrated	Not Integrated	Fully Integrated Revitalizes idle farming
Environmental Impact	Not Integrated	Not Integrated	Not Integrated	Not Integrated	Fully Integrated 65-85% carbon reduction
IMPACT	LIMITED UNPREDICTABLE	LIMITED UNPREDICTABLE	LIMITED UNPREDICTABLE	LIMITED UNPREDICTABLE	BEST PRICE PREDICTIBLE VALUE ADDED