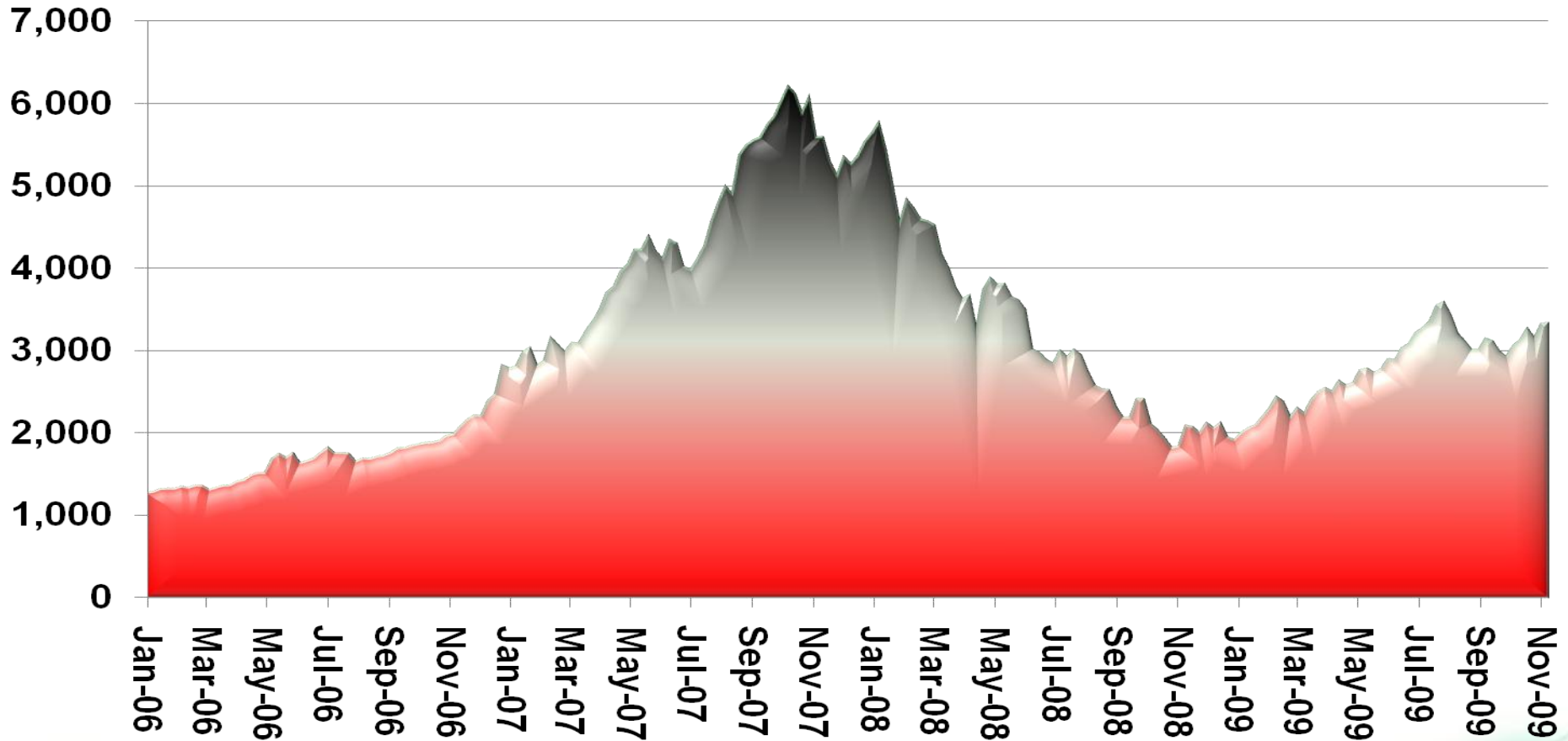


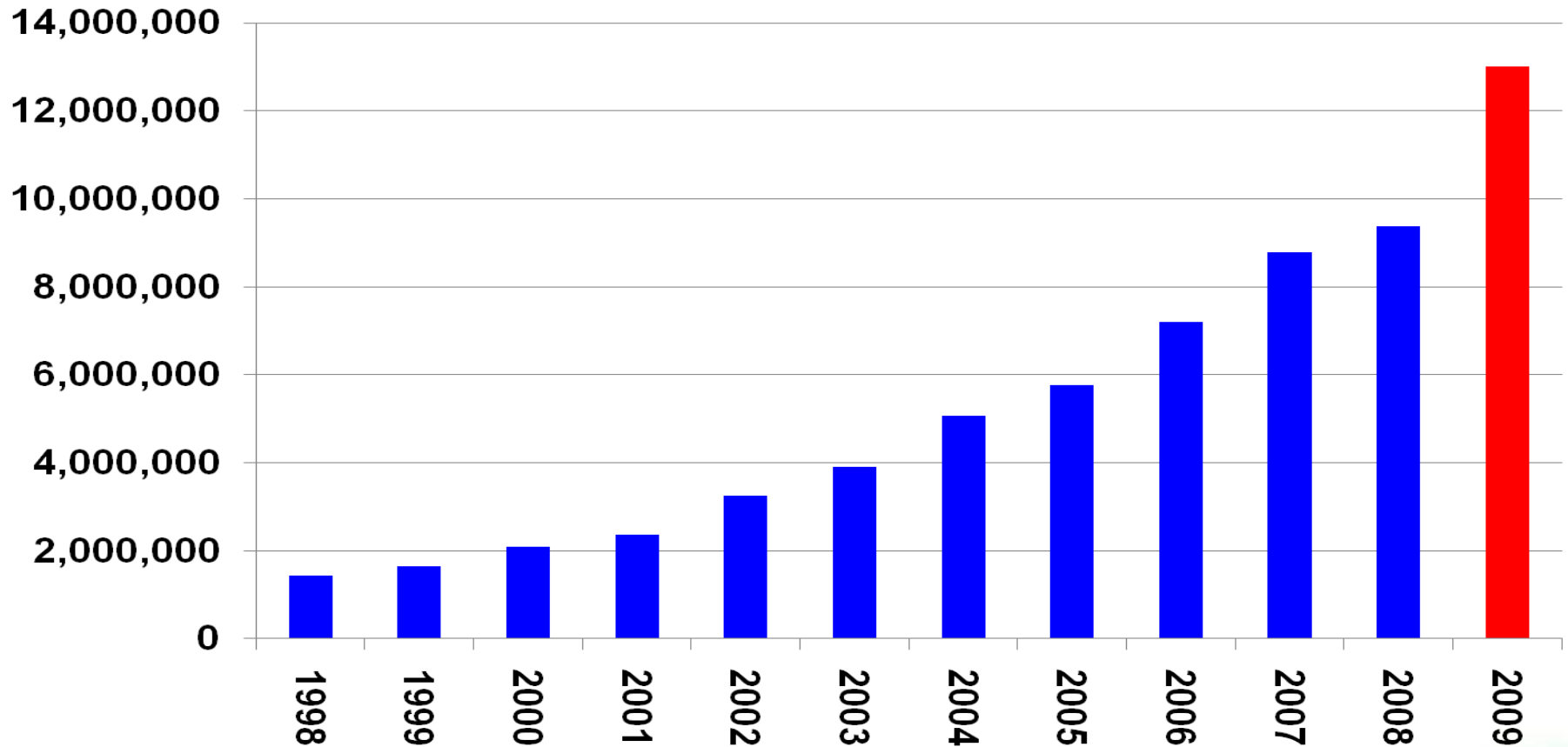
Legislative/Regulatory Environment

- Congressional Reform of Financial Regulatory System
 - Support increased transparency, more reporting
 - Concerns about *bona fide* hedge definition; treatment of ag swaps; how increased government oversight is funded
- CFTC – Activist Approach
 - Encouraged Limit on Number of Certificates Held for Non-Commercial Purposes
 - Withdrew Hedge Exemptions for Two Financial Firms
 - Active Role in Wheat Contract Performance Discussions
- CFTC – Possible Future Action
 - Consideration of Withdrawing/Changing Swap Policy
 - Considering Speculative Limits on Energy Trading

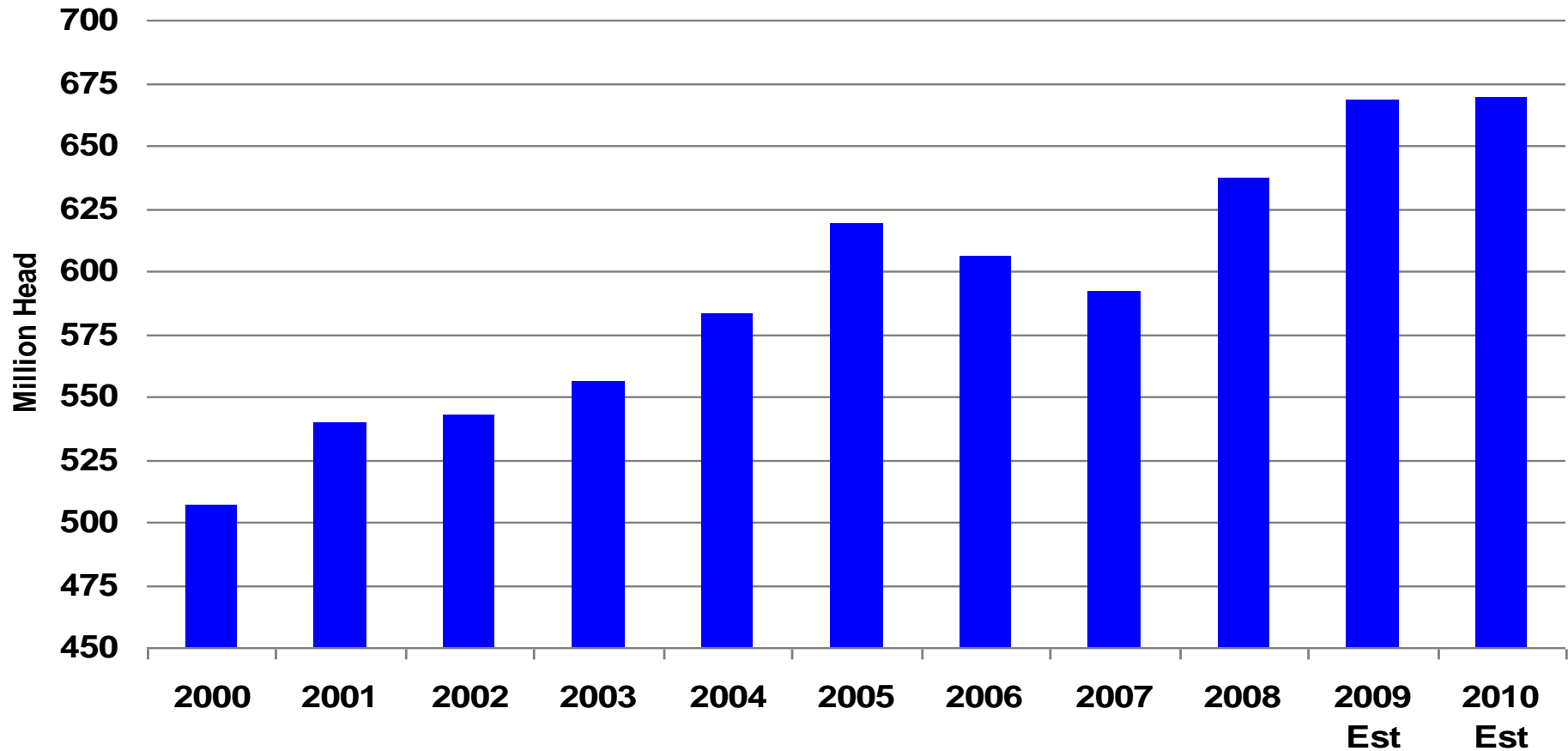
Shanghai Stock Index



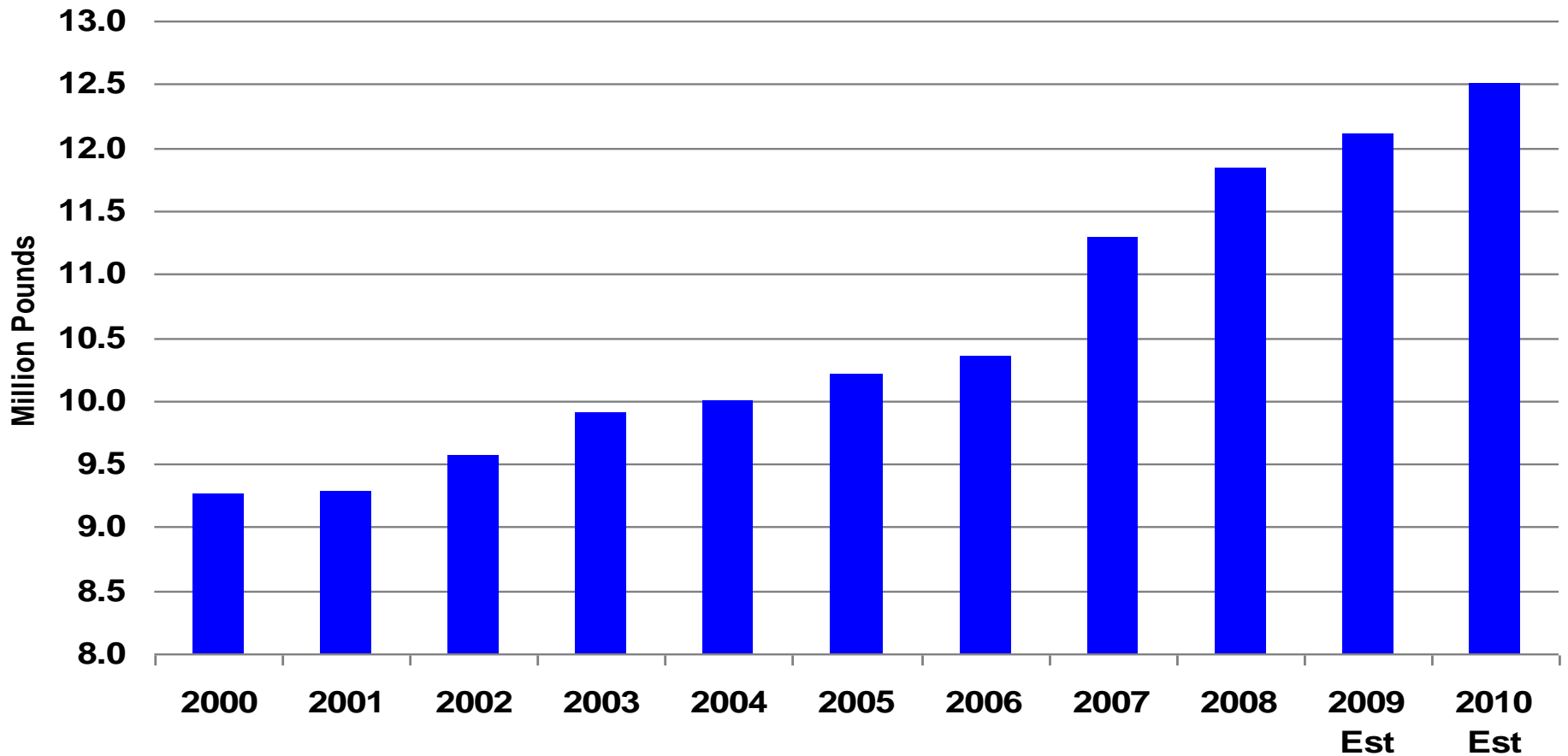
China Auto Sales – 1.09 Mil Cars Per Month



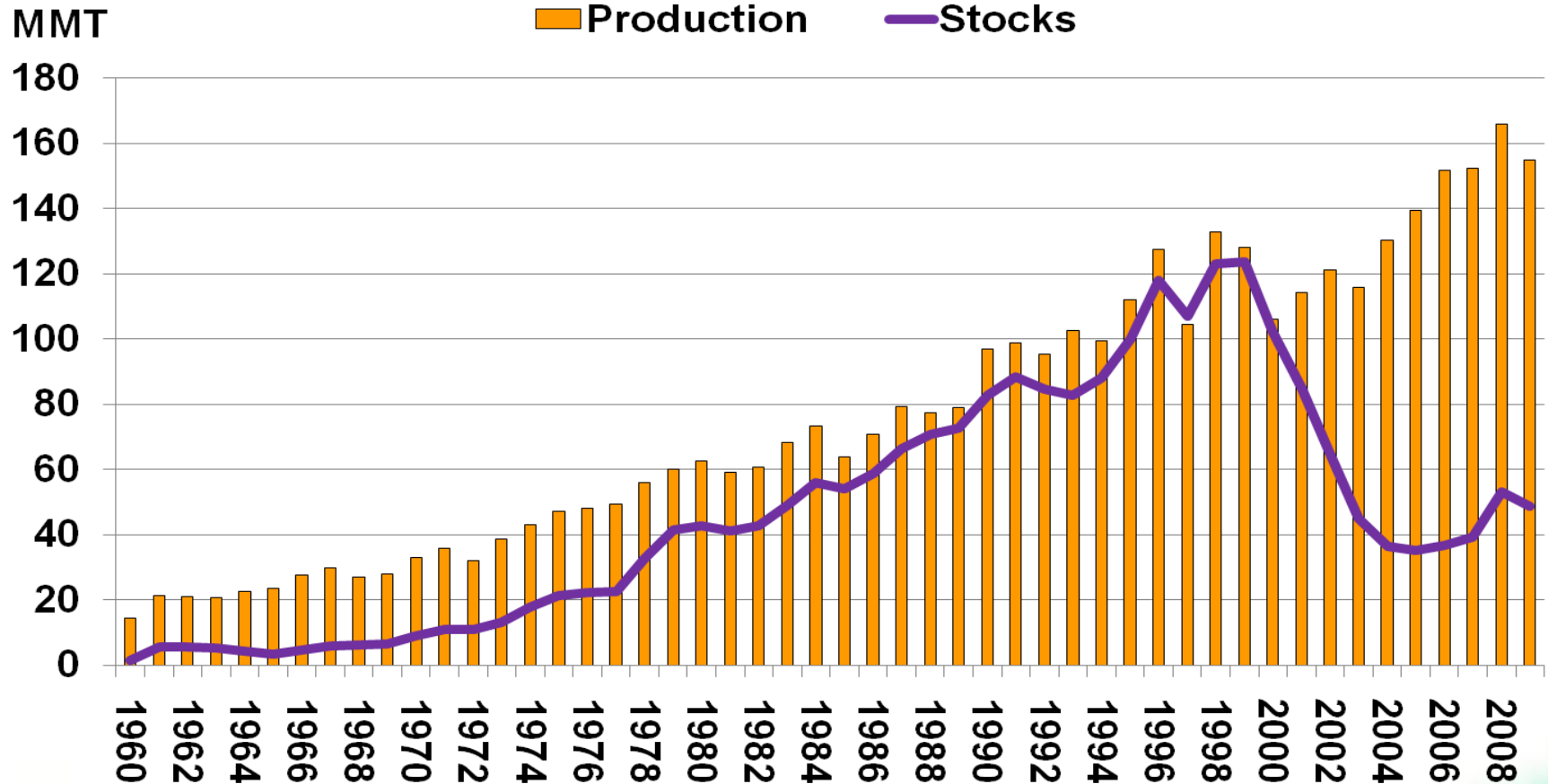
China Swine Total Production



China Poultry Total Production



Chinese Corn Production, Ending Stocks



LCFS Summary

- By 2011, most Midwest corn ethanol will not allow regulated parties to achieve required GHG reductions using an E10 blend
- Midwest Exceptions
 - Dry mills using natural gas producing wet distillers (compliant through 2012)
 - Dry mills using 80% natural gas and 20% biomass producing wet distillers (compliant through 2012)
- California Exceptions
 - Dry mills using natural gas producing dried distillers (compliant through 2012)
 - Dry mills using natural gas producing wet distillers (compliant through 2012)
- Brazilian Cane Ethanol
 - Average can ethanol compliant through 2014
 - Best cane ethanol (mechanically harvested) compliant through 2016
- E15 approval extends viability of some pathways by one year
- By 2017, ethanol CI value of 48 gCO₂e/MJ or less is necessary at E10
- By 2020, required GHG reduction is impossible to achieve with any form of ethanol (even cellulosic) at E10 level

LCFS Legal Action

- **Federal Lawsuit filed by RFA/Growth Energy**
 - The LCFS violates the Commerce Clause of the U.S Constitution
 - The LCFS is preempted by Section 211 (o) of the Clean Air Act (the Renewable Fuel Program)
- **State Court Case filed by POET/California Resident**
 - CARB failed to respond adequately to environmental comments

RFS2 Recap

- Renewable fuel volume increased to 36 billion gallons
- 4 categories of renewable fuel: cellulosic bio-fuel, biomass-based diesel, advanced bio-fuel, total renewable fuel
- Restricts feed-stocks and land types that can be used to produce renewable fuels
- Redefines renewable fuels to include minimum lifecycle GHG reduction thresholds and grandfathering of volume from certain facilities
- Includes types of waivers and EPA generated credits for cellulosic bio-fuel

VEETC and Import Tariff

- VEETC credit of \$.45 expires December 31, 2010
- Import Tariff of \$.54 expires December 31, 2010

E15 Waiver

- On November 30th, 2009 EPA responded to a waiver request for the allowance of up to 15% Ethanol in conventional gasoline
- EPA delayed a formal decision on E15 until sometime in late 2010
- EPA is considering approval of E15 only for vehicle model year 2001 and newer
- E15 with a 2001 model year restriction limits usage to roughly 60% of the American passenger and light duty truck fleets
- E15 in only MY2001 and newer vehicles would do little to raise the “blend wall”
- Such a bifurcation would create unnecessary and burdensome requirements for fuel retailers, as well as confusion for consumers