



FARMERS GASOLINE EXECUTIVE SUMMARY

Danish Biomethanol ApS (Farmers Gasoline ApS) CVR-no: 35234276 is a private limited company founded with the purpose of producing and selling biomethanol. It will cost approximately DKK 260 million to erect the technical facilities and in order to meet this investment the company needs a substantial capital injection in the range DKK of 50 - 100 million in equity and the rest as loans.

In the EU, the use of non-fossil fuel for transport is mandatory and the requirement rises to 10 % calculated as energy in 2020. It has created a huge market for renewable alcohol. At the same time, the EU has decided that the increase should be achieved by the use of so-called second-generation fuel.

The EU requirements are met by application of livestock manure and straw as the only raw materials - and nothing else - for the manufacture of biogas and by refining this gas in the final methanol synthesis.

By building neighboring biogas and methanol works at ESØ 90 I/S, DK 6880 Tarm an industrial symbiosis and an optimal energy household is achieved. Taking advantage of the neighborship an internal rate of return on total investment will be in the range of 12-15 % pa.

Both the operation of the technical facilities and the sale of biomethanol is outsourced on an Operation and Maintenance (O&M) contract and a Sales and Marketing Outsourcing Agreement. Early start of sales of purchased methanol already during the pre-production phase is attractive.

The planned biorefinery is based on proven technology. It remains to form an investor team - preferably with a lead investor. This task will be resolved by the shareholders of the Company supported by Deloitte Financial Advisory Services.

ANCHOR BUDGET

	MDKK
Investment	
Technical facilities for biogas and methanol synthesis	216
Straw briquetting	15
Upgrading to national gas grid specifications	24
Common tank yard in Grenaa, part of shared investment	5
Total investment	260
Operation	
Staff incl. management	7,1
Administration	1,1
Feedstock (straw)	14,6
Feedstock transportation, DKK 25/t	6,6
Maintenance, 3% of investment	7,8
Electricity	5,7
Utilities, connection gas grid	1,0
Depreciation, linear over 20 year's	13,0
Operational cost	56,9
Turnover	
Biogas (briquetting gain), sales and remuneration	6,3
Biogas upgrading remuneration	36,6
Methanol sales	47,5
Turnover total	90,4
Gross profit	33,5
Internal Rate on Investment, IRR%	13 %

PRE-OPERATIONAL BUDGET

- Business Case and Investor Material
- Life Cycle Assessment (LCA) for Biogas to Methanol
- Environmental Applications, EIA, local plan and building permits
- Daily operation
- Pre-production marketing
- Drafting Operation and Marketing Outsourcing Contracts

VENTURE CAPITAL

Venture capital in the range of two to three million DKK for implementation of the pre-operational budget is to be financed with subordinated loans, promissory notes or bonds.

July 29, 2014.