

U.S. Biofuels IndustryCapital Markets Perspective

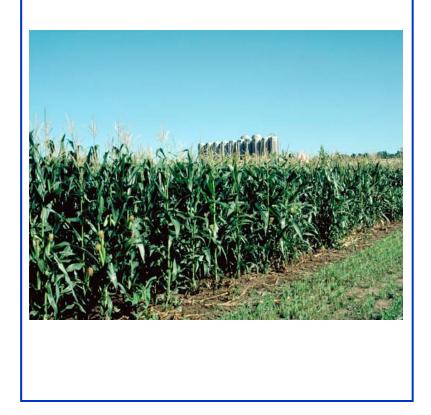
June 2006

Courtney Tuttle

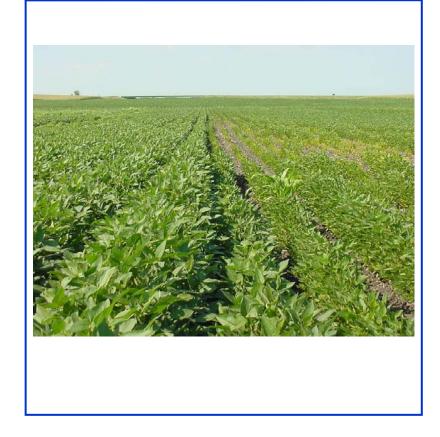


Biofuels in the United States

Ethanol



Biodiesel



2004

Regulatory Framework

- Clean Air Act
- MTBE Ban in CA
- Subsidies

Public Awareness

- Greenhouse Effect
- Energy Security

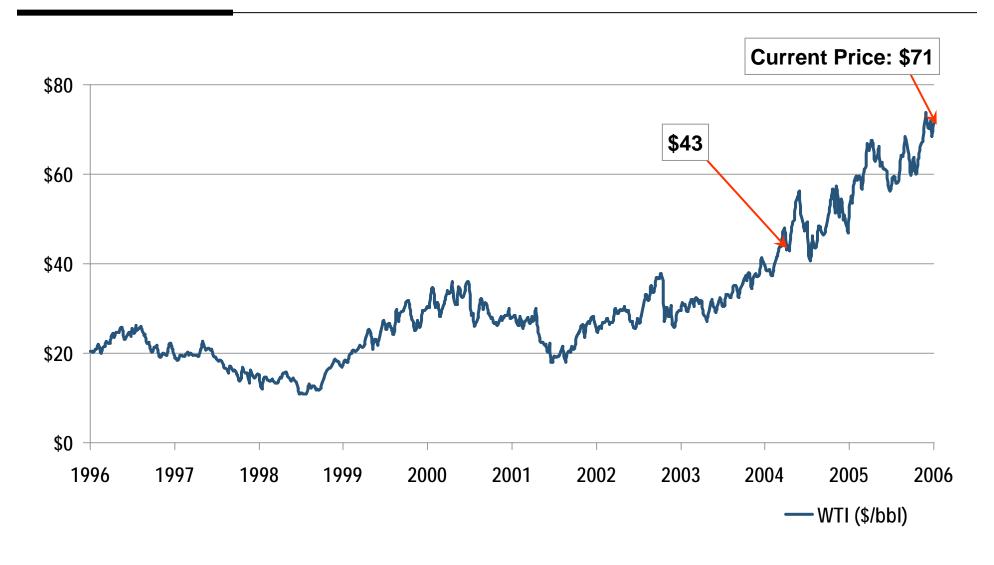
Economic Reality

Average Crude Price \$43

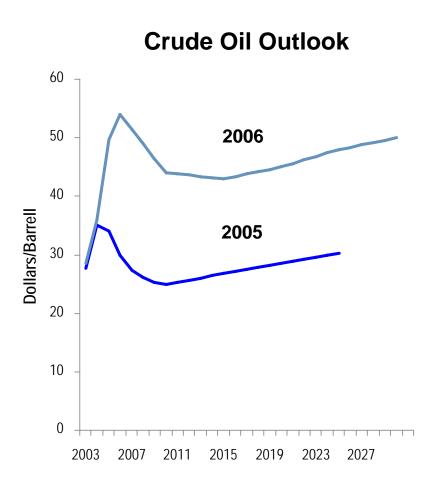


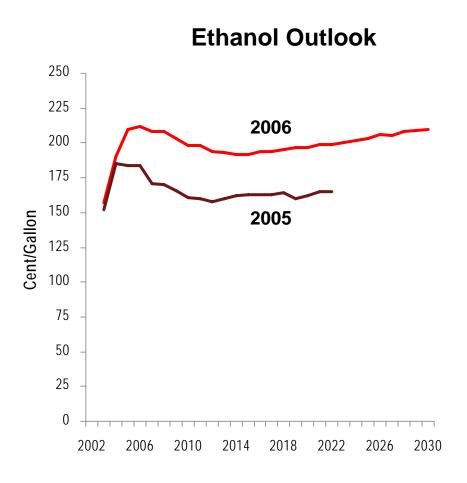
- \$0 institutional debt
 - \$0 public equity

The Price of Crude Oil



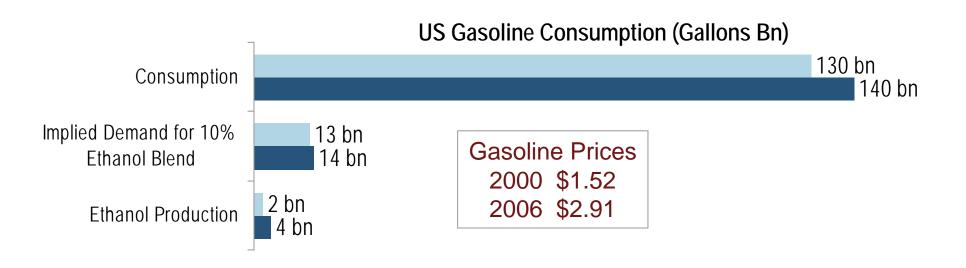
EIA Changing Price Outlook

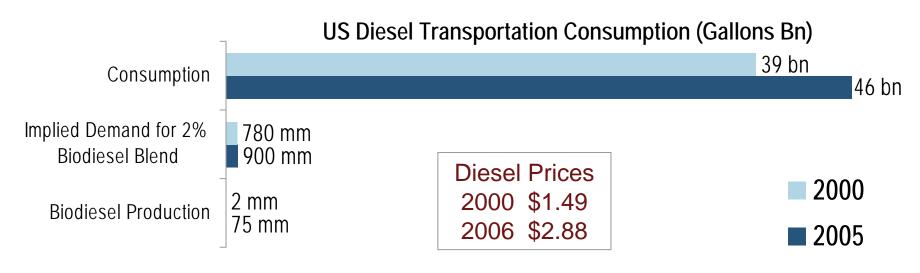




Source: Energy Information Administration

Biofuel Potential Demand





Source: Energy Information Administration, Renewable Fuels Association and National Biodiesel Board

Today

Regulatory Framework

- RFS
- MTBE ban in almost half of US states
- Subsidies

Public Awareness

- Greenhouse Effect
- Energy Security
- Katrina = awareness of refining constraint

Economic Reality

Crude Currently over \$70

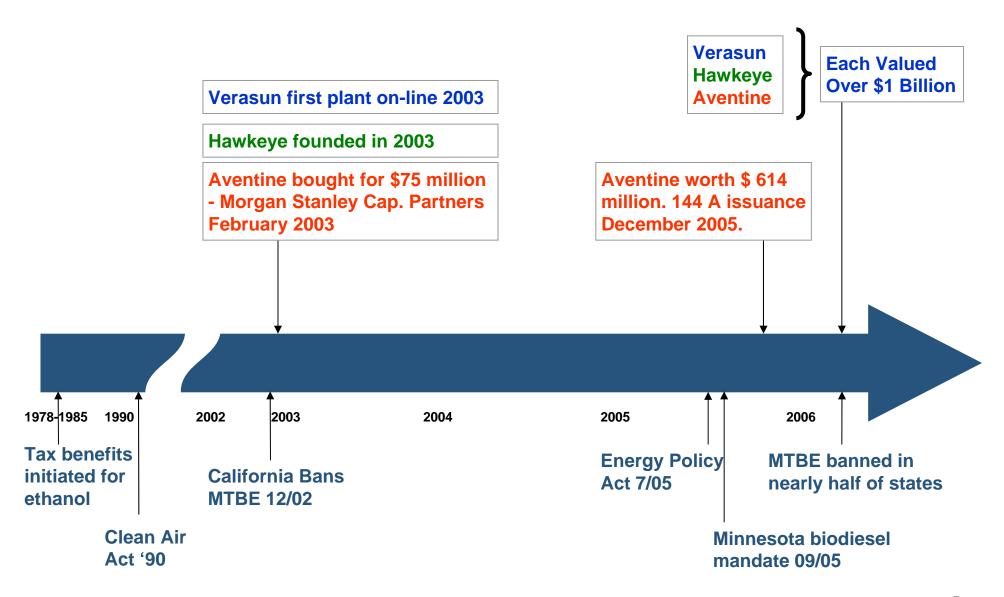


Institutional Investment

- \$1.5bn institutional debt
- \$5bn public equity



Milestones



Investor Dialogue

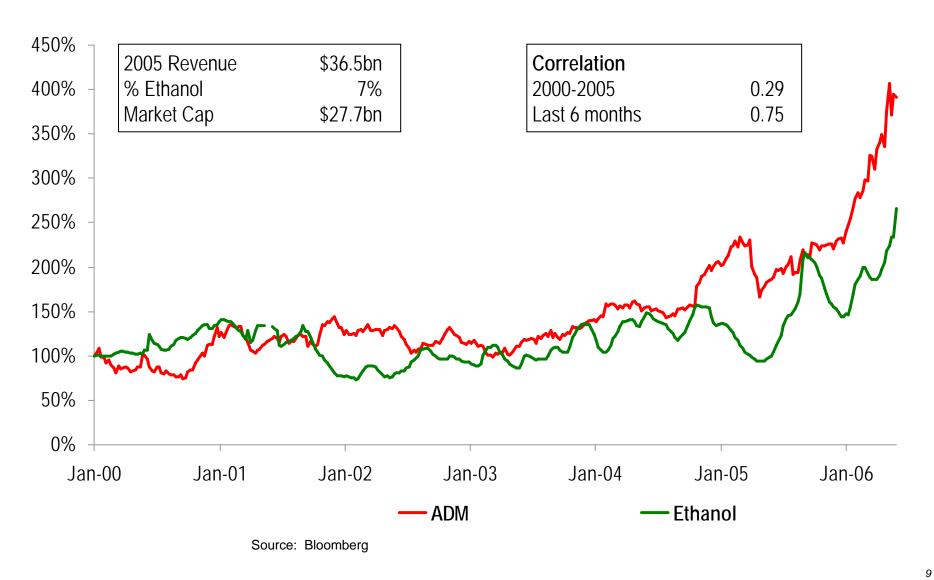
2004

- What is ethanol?
- Commodity risk
- Construction risk
- Reliance on subsidies

2006

- Time to market
- Logistics availability
- Location of facilities
- Management team

ADM Stock vs. Ethanol



Outlook

- Production base to grow
- Infrastructure to follow
- New and familiar participants
- New technologies
- Maturing industries