KL Process Design Group

Unleashing Natural Sugars for Tomorrow's Strategic Energy Plan



Bio-Fuels Engineering & Project Development James Schultze Process Engineer

2693C Commerce Rd Rapid City, South Dakota, USA 57702 (605) 718-0372 (605) 718-1372 fax www.klprocess.com

Who is KL Process Design Group?

- Randy Kramer, President
- Dave Litzen, Vice President, Engineering

Plant Operations

Engineering

Project Management

Marketing

KL Process Design Group

Advanced Biofuels Project Development

- Cellulose Based Ethanol
- Grain Based Ethanol and New Construction
- KL Capacity

Cellulose-Based Ethanol

 The 1.5 MGY demonstration plant is operating today with the commercial technology to roll out in 2008





Grain-Based Ethanol & New Construction

Midwest RenewableEnergy

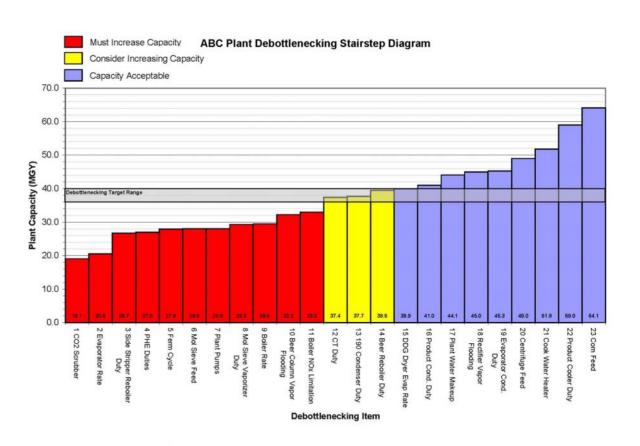
North Country Ethanol





KL Capacity

- CapacityEnergy





27 MGY to 110 MGY Expansion in Sutherland, NE



1.5 MGY Cellulose-Based Ethanol Plant in Upton, WY



25 MGY to 36 MGY Expansion in Rosholt, SD

Didion

45 MGY KI Capacity Improvement and review in Cambria, WI



20 MGY KL Capacity Improvement and review in Goodland, KS



110 MGY New Construction in Buffalo, NY



55 MGY New Construction in Ershinek, MN



25 MGY New Construction in Greybull, WY

Ethanol is today's fuel for working within the Carbon

Carbon Dioxide is recycled in plants as they grow



Solar Energy in biomass is converted to ethanol

 CO_2

This year's carbon dioxide is next year's ethanol

Carbon
Dioxide is
released as
fuel burns



Ethanol is blended with gasoline to power vehicles



| KL Reality

- Western Biomass Energy
 - Operating biomass ethanol plant
 - Paves the path to a process design



KL Vision

- Subsequent projects are 5MM gal/year
 - Unit Operation based to keep the footprint small
 - Co-location to existing wood waste industry
 - Lignin co-product
 - Burned for steam and/or power generation
 - Developing uses in polymer industries

Lignin Co-product

Develop biomass infrastructure



KL Vision

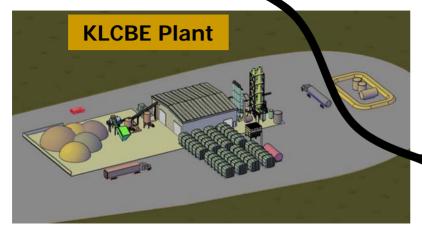


KLCBE Business Model Principles:

Locate near fuel terminal

Locate near feedstock supply

Splash blend ethanol enroute to fuel outlets (one 5 MMGY KLCBE plant can supply 11 retail outlets





Retail Station

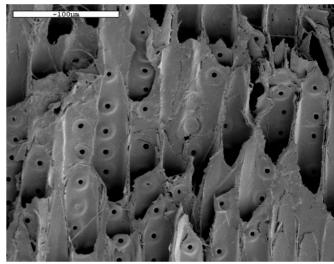


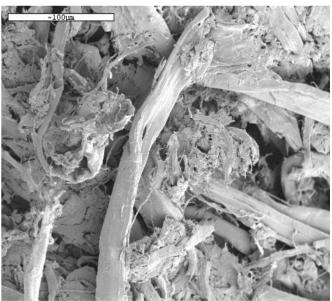
Retail Station

Retail Station

KL Advanced Biomass Conversion

- Thermo-mechanical pretreatment
 - Maximize the exposure of cellulose fibrils to enzymatic attack
- Enzymatic Conversion of cellulose to glucose
 - Partnership with Novozymes USA





Hurdles to Overcome

- Placement of ethanol generated from National Forest back into Energy Bill
- Continue with process evolution to minimize water and energy use

Factors for Success

Cooperation

- We can create a use for wood that was at one time classified as waste
- We have to understand the timber industry and how it has worked in the past
- We are working with industrial partners to get the cellulosic ethanol industry out of the future and into the present





Contact Information



Bio-Fuels Engineering & Project Development Randy Kramer, President
Dave Litzen,, Vice-President, Engineering
Tom Slunecka, Vice-President, Business Development
2693C Commerce Rd
Rapid City, South Dakota, USA 57702
(605) 718-0372
(605) 718-1372 fax

rkramer@klprocess.com dlitzen@klprocess.com tslunecka@klprocess.com

www.klprocess.com

