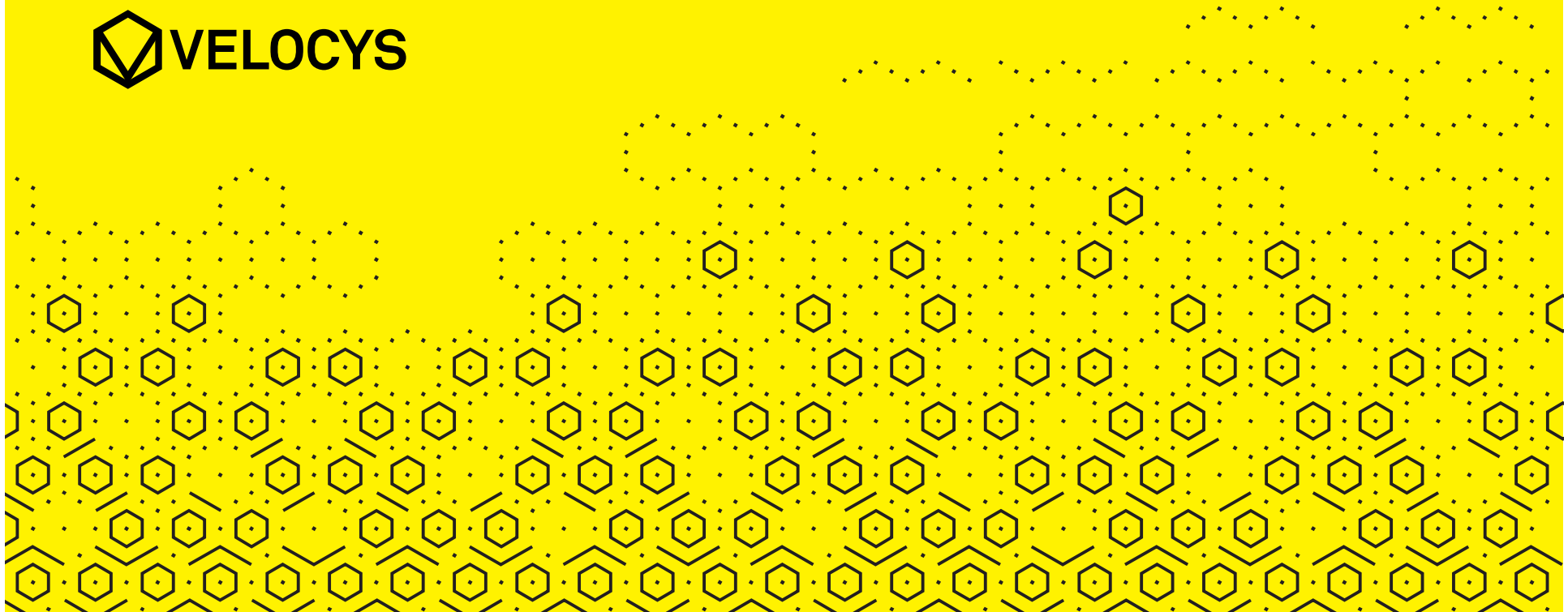


December 2016

# Building the business ...roadmap to sustainable growth



## **Building the business**

...the timing is now right!

- Commissioning underway at ENVIA Energy's Oklahoma City GTL plant
- Building from a position of strength
- New business model increases control over delivery - building scale and pace through partnership
- Focus on material opportunities in growing and attractive markets with the lowest risk
- Realistic strategy – we deliver in partnership

# Positioned for growth

## Today's scorecard

### Achievements

- Commissioning underway at ENVIA Energy's Oklahoma City GTL plant
- Recognised as the technology market leader
- Attractive economics from licensing model
- World class technology and operations team
- Engineering capability is scalable with partners
- Robust major shareholder support



***“...well positioned, but we must now adopt a new business model that drives greater control and focus.”***

### Challenges

- Commercial traction of opportunities and control of delivery
- Projects require significant capital
- Exploit our first mover advantage
- Continue driving down overall plant costs to access broader & deeper markets
- Organisational scale-up

# Velocys has the answer to critical needs...

Economic bridge connecting stranded and low value feedstocks to markets needing renewable and premium products



Supply of premium renewable diesel fuel



Supply of premium renewable jet fuel



Monetisation of landfill gas



Supply of wax – a premium speciality product



Monetisation of stranded gas



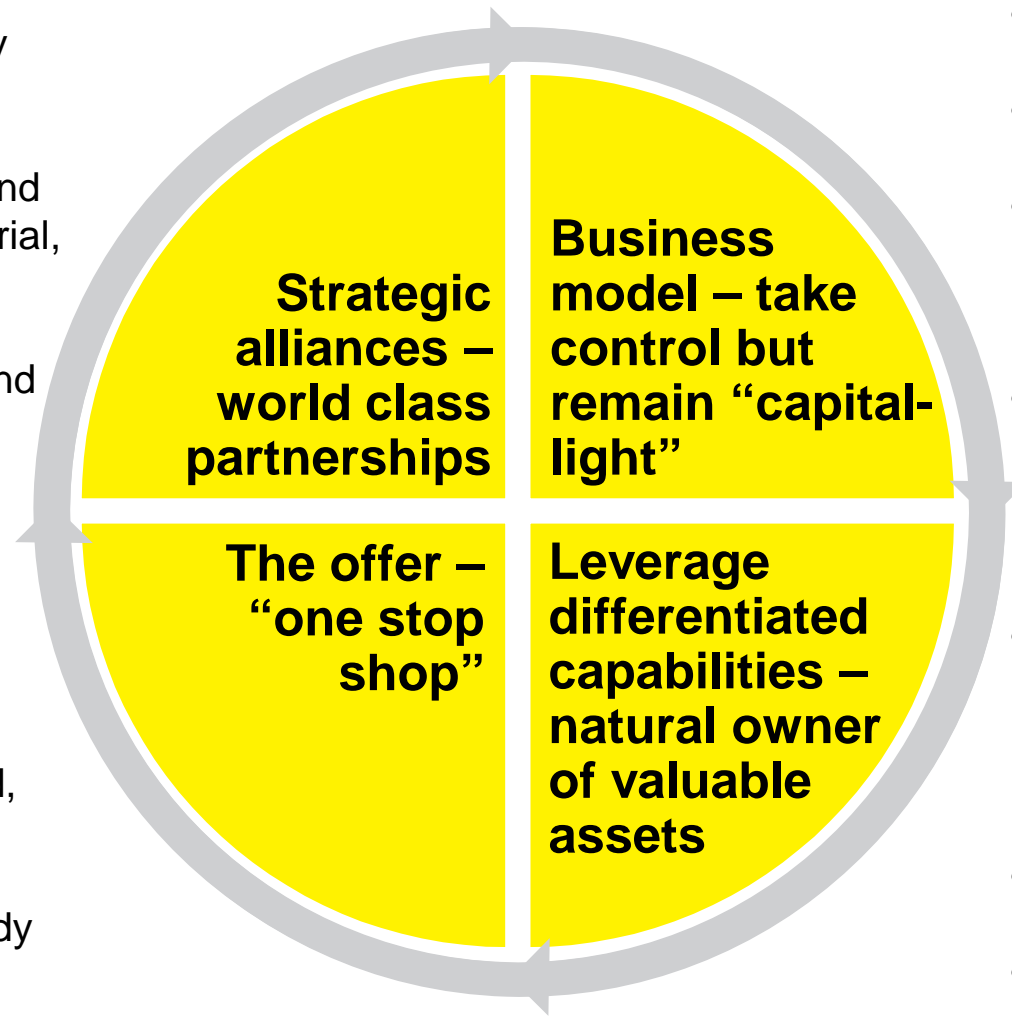
Prevention of gas flaring

# Four strategic themes

## Fundamentals that drive the new Velocys

- Partners with complementary resources and capabilities
- Drive access and growth in material, high-return markets
- Create scale and repeatability at pace

- Fully integrated, financed, cost-effective and operations-ready plant solution

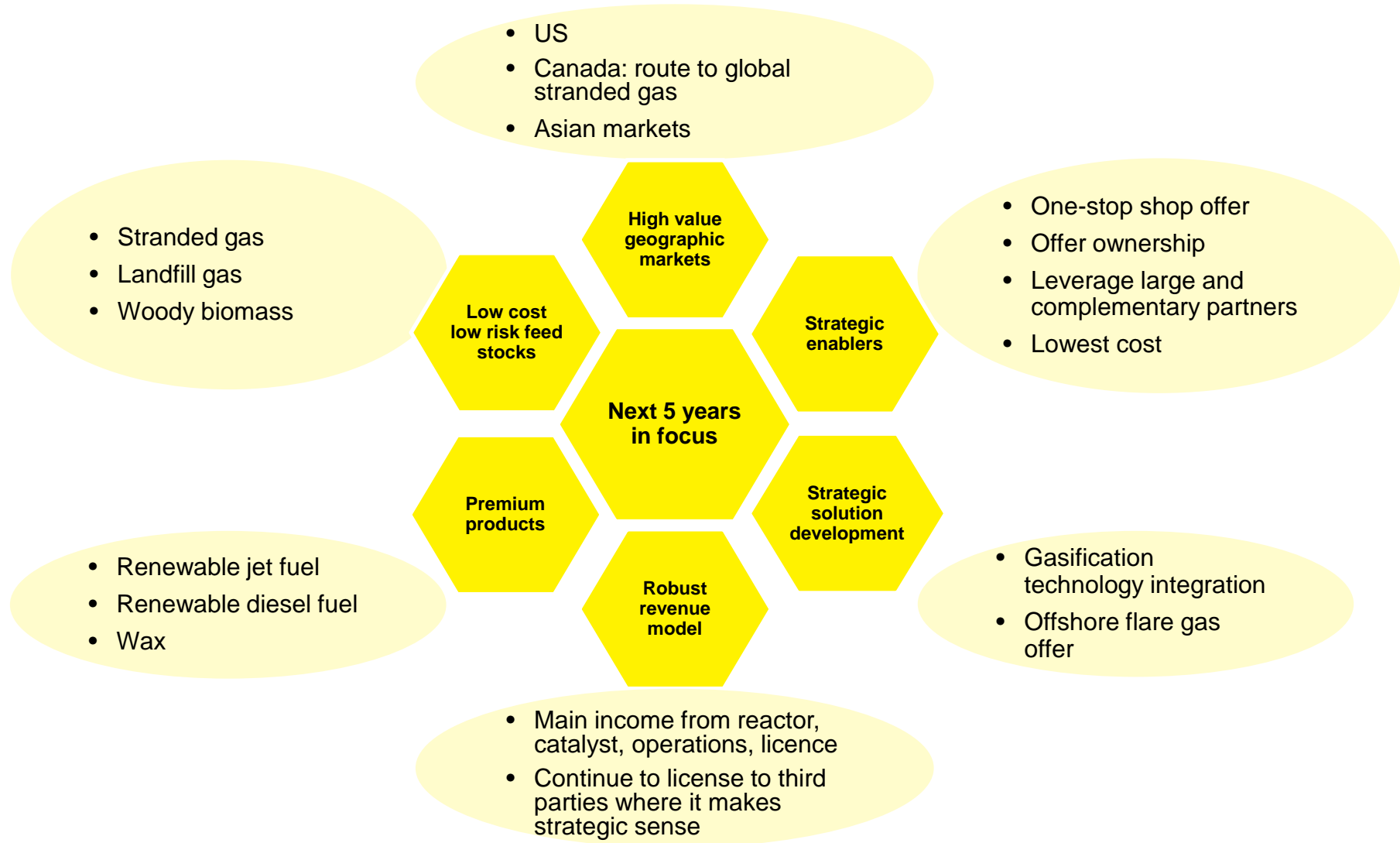


- Become the market leader
- Develop and deliver projects with partners
- Revenues from reactor, catalyst, operations and licence
- Selectively inject early capital

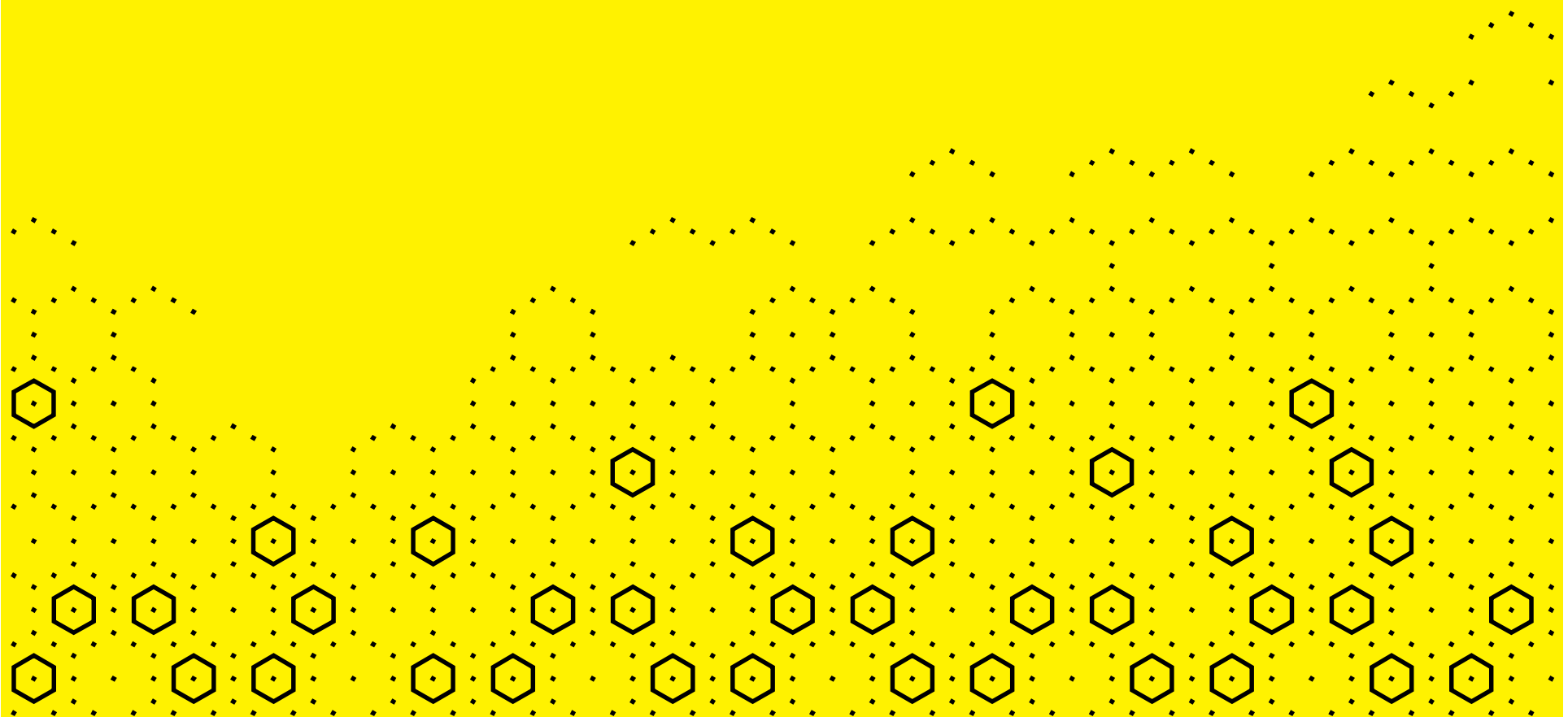
- Build and enhance technology, engineering and operations capabilities
- Work seamlessly with partners
- Drive lowest cost

# Business framework

Robust platform to enter and exploit other markets in the world



# Market focus



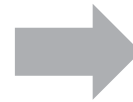


# High value and material markets – next 5 years in focus

Premium quality renewable fuels and wax from landfill gas



Renewable fuels and speciality chemicals from landfill



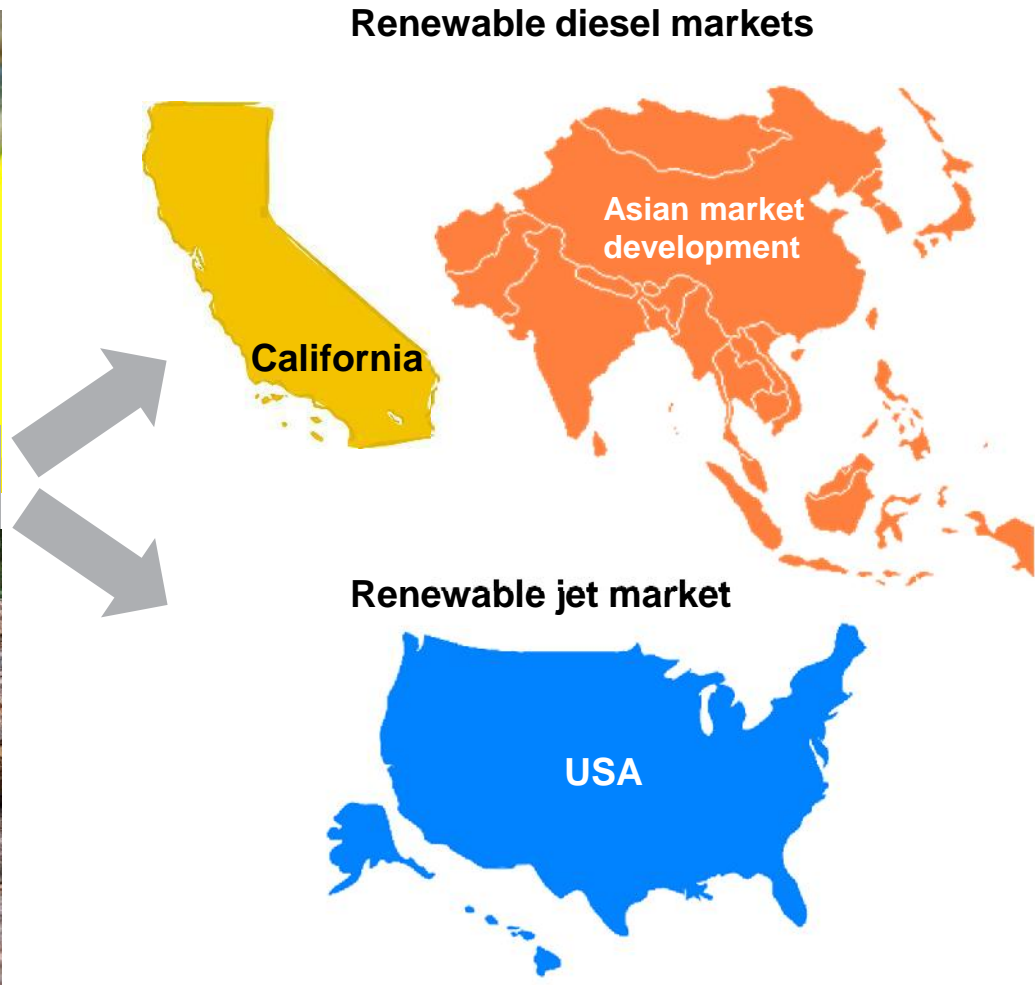


# High value and material markets – next 5 years in focus

## Premium quality renewable fuels from woody biomass



Supply of premium renewable fuels & carbon credit trading opportunities



# High value and material markets – next 5 years in focus

## Premium quality FT waxes from stranded gas reserves in Western Canada



Monetisation of stranded gas



Supply of premium speciality products



# High value and material markets – next 5 years in focus

## Development of integrated GTL solution for offshore flared gas



Initially entering extended well test (EWT) market in North America

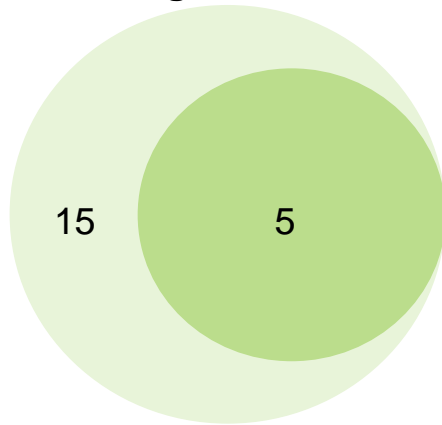


Longer term, accessing deployment on-board floating production, storage and offloading (FPSO) vessels for deployment in Asia and Latin America

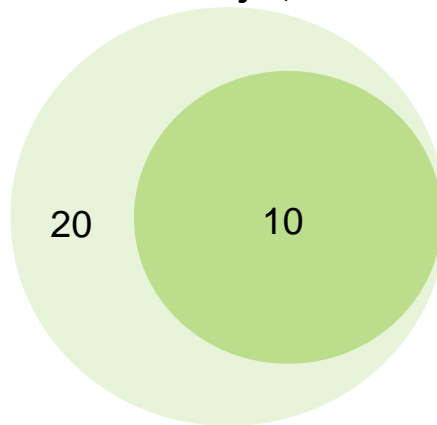
# Large addressable markets

Substantial short-term potential volume and growth

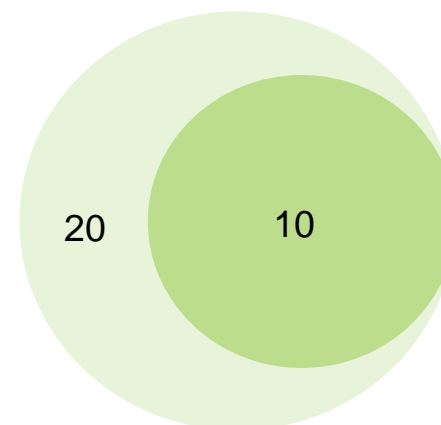
Landfill gas-to-wax, US



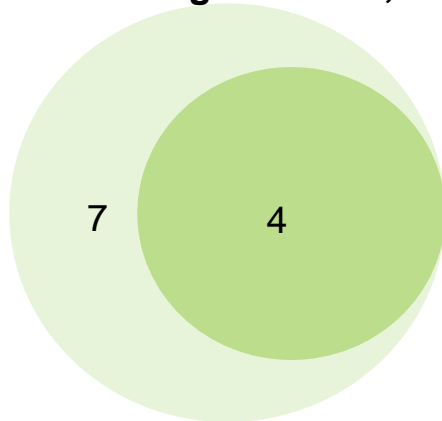
Renewable jet, US



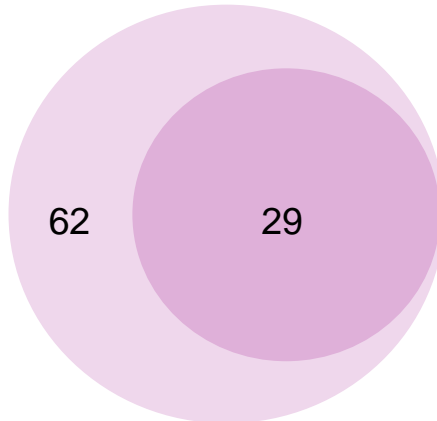
Renewable diesel, US



Stranded gas-to-wax, Canada



Total

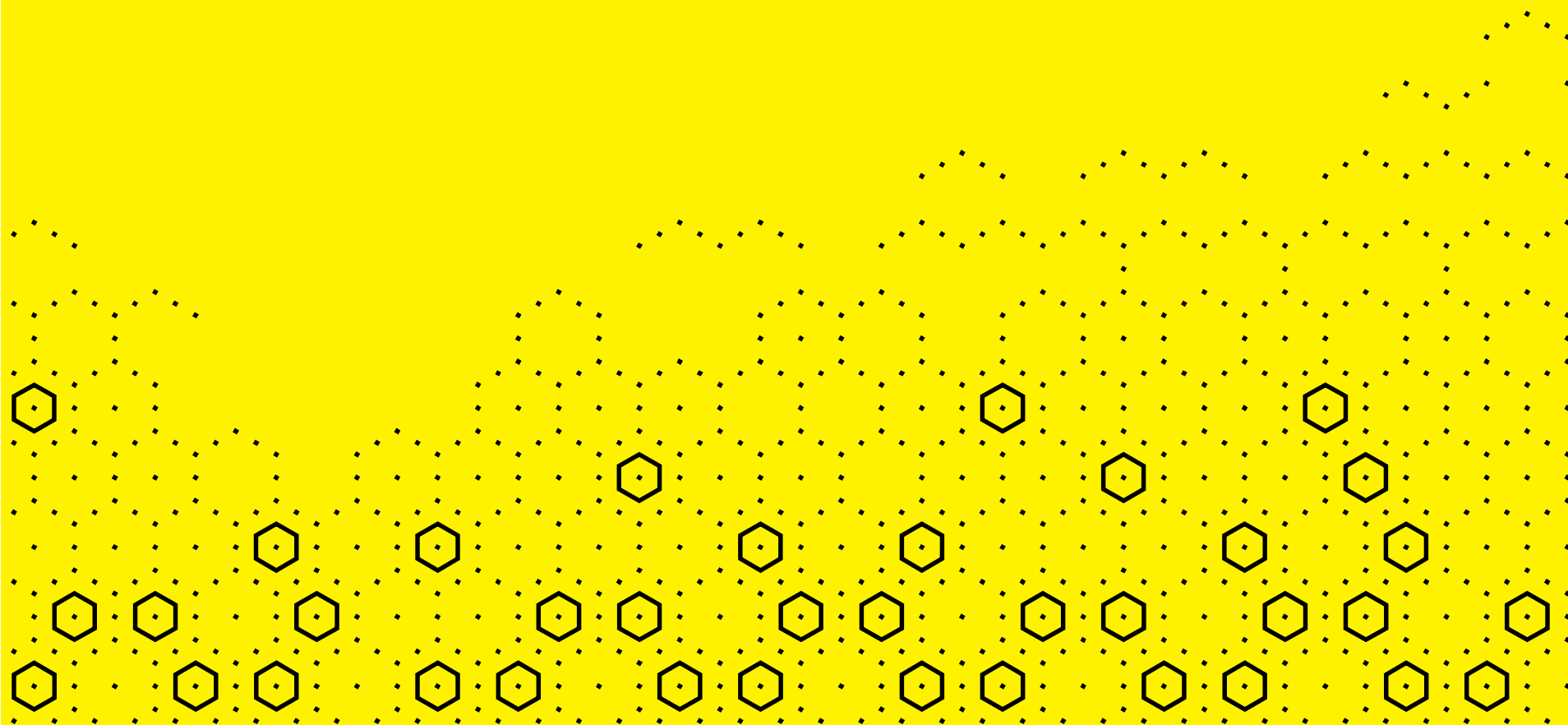


Indicative number of plants

10 year addressable market

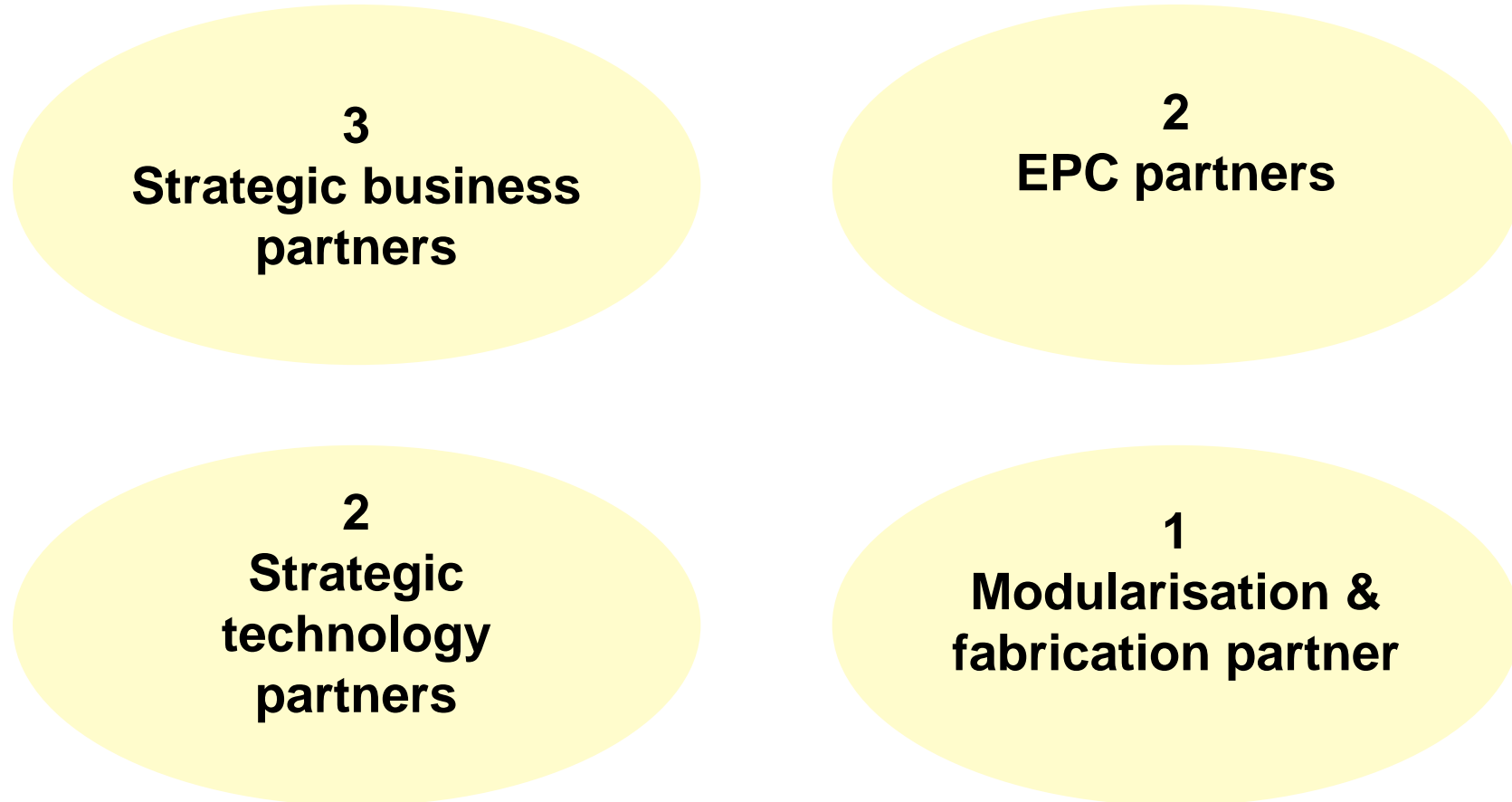
5 year addressable market

# Implementation



# Mobilisation – immediate focus

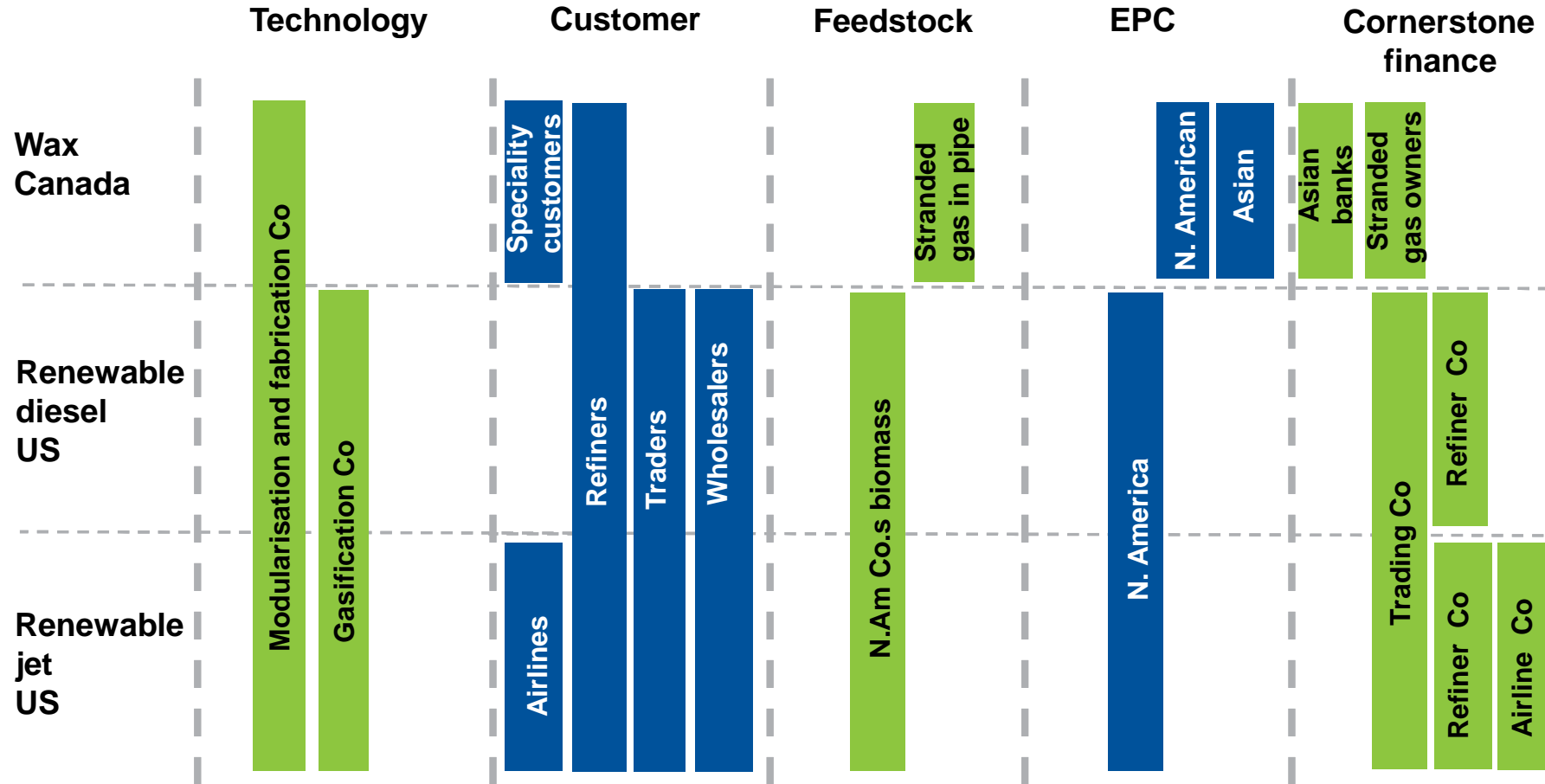
Targeting strategic partnerships to drive delivery



*“....we are now developing our “go-to-market” plans to unlock strategic deals”*

# Mobilisation matrix

Driving simplification at every possible opportunity





# Key implementation activities

## Mobilisation

- Implement market entry plans
- Finalise “the one-stop-shop offer”
- Sign strategic partner deals
- Position the organisation to scale
- Establish top-priority projects
- Finalise plan and budget

## Market entry

- Implement first renewable fuels and wax plants in US and Canada
- Develop integrated offshore GTL solution
- Develop material Asian market opportunities

## Growth

- Rollout multiple plants in target markets
- Mobilise to exploit stranded gas markets in SE Asia and Africa
- Enter offshore GTL market

## **Deliverable business – next 5 years**

Foundation for a significant business is being developed

- **Realistic** markets create **substantial, cash-generative business**
  - An average of 1-2 plants per year over next 5 years would be sufficient to establish Velocys in its key markets and generate sustainable business
- Strategic partners with need for material volume drive **faster adoption and investment options**
- **Further upsides** not included:
  - Recovering oil prices broadening GTL market
  - Blend volume of bio-jet in jet fuel pool exceeds 3%
  - Incentive schemes (e.g. Californian) extended to other states and products