

Biofuels Call

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These factors, coupled with volatile prices for natural gas and diesel fuel, climate conditions, currency exchange fluctuations, general performance of the U.S. and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence and discretionary spending, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could negatively impact the Company’s results of operations. Among other things, future profitability may be affected by the Company’s ability to grow its business, which faces competition from companies that may have substantially greater resources than the Company. The Company’s announced share repurchase program may be suspended or discontinued at any time and purchases of shares under the program are subject to market conditions and other factors, which are likely to change from time to time. 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DAR Biofuels Business

Butler Biodiesel

- Butler, KY
- Biodiesel
- 2 million gallons/yr
- Utilizes waste oils as feedstock

Rothsay Biodiesel

- Montreal, Canada
- Biodiesel
- 15-16 million gallons/yr
- Utilizes waste oils as feedstock

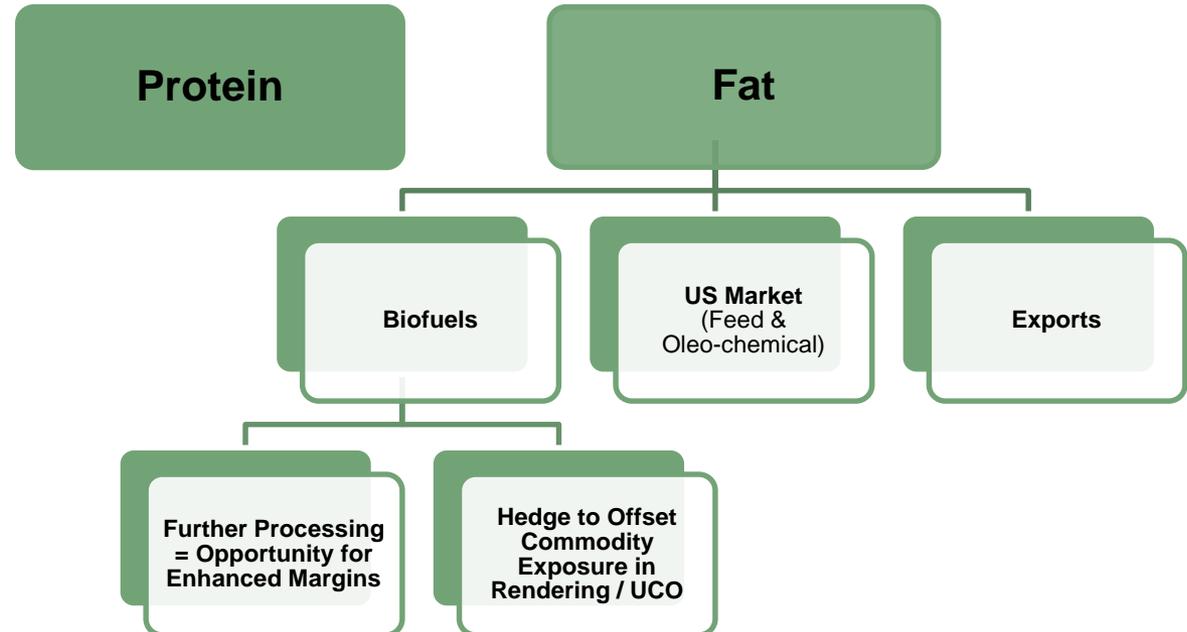
Diamond Green Diesel

- NORCO, LA
- Renewable Diesel
- 50/50 JV with Valero Energy Corporation
- 160 million gallons/yr
- Utilizes waste oils as feedstock
- Produces a fuel transportable through current petroleum product pipeline
- Cold flow properties identical or superior to traditional petroleum fuels

All units competitive to biodiesel industry as a whole due to ability to utilize high Free Fatty Acid feedstocks which are generally less expensive and produce high quality biodiesel that substantially reduces both particulate and carbon emissions

Biofuels = Value Add for DAR

**Products Produced
in Rendering
Process:**



Market for Fats:

Value Add:

Green Premium =

Renewable Fuel Standard (RFS2)

- Administered by Environmental Protection Agency (EPA)
- Obligated parties must blend biofuel with petroleum-based fuel or purchase RINs
- Total Advanced Obligation is in RINs. Obligation for Biomass Based Diesel is in gallons.

Total Renewable Obligation=

Conventional Biofuels
(D-6 RINs)
(corn-based)



Advanced Biofuels
(D-5 RINs)

Only biodiesel and renewable diesel can fulfill Biomass Based Diesel



Cellulosic
(D-7 RINs)
most RINs = 1x

Biomass Based Diesel
(D-4 RINs)
Biodiesel RIN = 1.5x
Renewable Diesel RIN = 1.7x

Undifferentiated Volumes



Biodiesel Tax Credit

- Administered by Internal Revenue Service (IRS)
- Applies to biodiesel and renewable biodiesel
- Part of the Tax-Extenders Package (1 of 50-60 different tax credits) and usually has broad support
- Usually not dealt with until late in the calendar year
- Earnings not recorded until late in year causes income to appear uneven
- In 2014 Congress started extending the tax credit for one year at a time
- Most recent version of Tax Credit passed by Senate Finance was for 2015 and 2016
- 2016 proposal converts from a Blenders Tax Credit to Producers Tax Credit
- Uncertainty around NAFTA exception



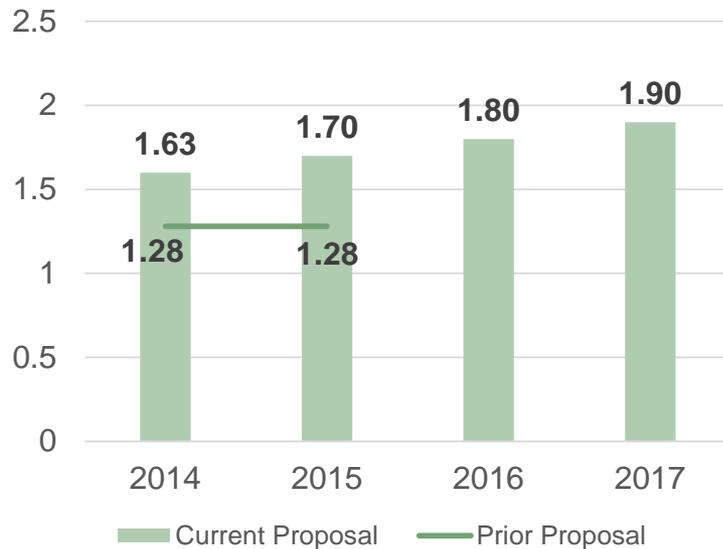
Low Carbon Fuel Standard (LCFS)

- Administered by California Air Resources Board (CARB)
- Purpose is to reduce the full fuel-cycle, carbon intensity of the transportation fuel pool used in CA
- Producers of petroleum-based fuels must reduce the carbon intensity of their products. Petroleum importers, refiners and wholesalers can develop their own low carbon fuel products or purchase LCFS credits from other companies that develop and sell low carbon alternative fuels.
- Carbon Intensity value varies by type of product
- Biodiesel made from waste oil and renewable diesel have comparatively low carbon intensity values

RFS2 Proposed Mandates and Demand

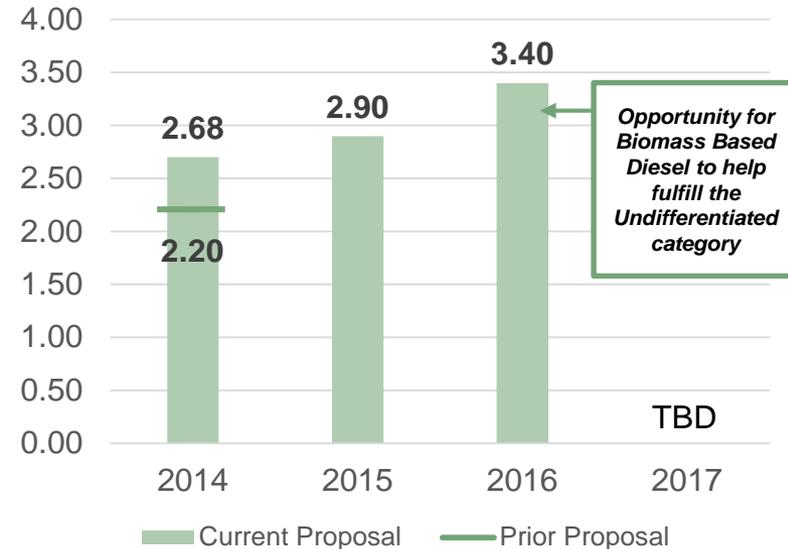
Biomass Based Diesel Mandate

(In Billions of Gallons)



Total Advanced Biofuels Mandate

(In Billions of RINS)



Potential Demand Increase for 2016 Biomass Based Diesel

(In Billions of RINS)

2016 Proposed Advanced Biofuels Mandate	3.40
2016 Proposed Biomass Based Diesel Mandate (1.8 billion gallons x RINS Multiplier of 1.53x)	2.75
2016 Proposed Cellulosic Mandate	.21
Potential Incremental Demand for Biomass Based Diesel (Advanced Gap)	.44 = 288 million gallons

May be Fulfilled By:

- Biomass Based Diesel
- Sugar Based Ethanol
- Cellulosic

Strong DAR Biofuels Position:

- Natural value add to core rendering activities
- All biofuels units utilize the lowest cost feedstock to produce Biomass Based Diesel resulting in a competitive advantage
- All biofuels units are designed to convert higher Free Fatty Acids (lower cost) feedstock into high quality renewable diesel and biodiesel
- RFS2 remains law and Biomass Based Diesel and Total Advanced Biofuel mandates are being increased
- New and potentially powerful third layer of Green Premium support with re-implementation of LCFS in California, other key US states, and various Provinces in Canada