MONTANA RENEWABLES™

Building a SAF Business From the Ground Up

ABOUT MONTANA RENEWABLES

- HEFA producer, 660MM liters per year in total renewable products
  - Renewable hydrogen (feed for hydrotreater)
  - Renewable diesel
  - Renewable naphtha (gasoline blendstock today, renewable plastics tomorrow)
  - **Synthetic Paraffinic Kerosene (SPK)**—about 20-25% of current production
    - This is the “sustainable” portion in a SAF blend

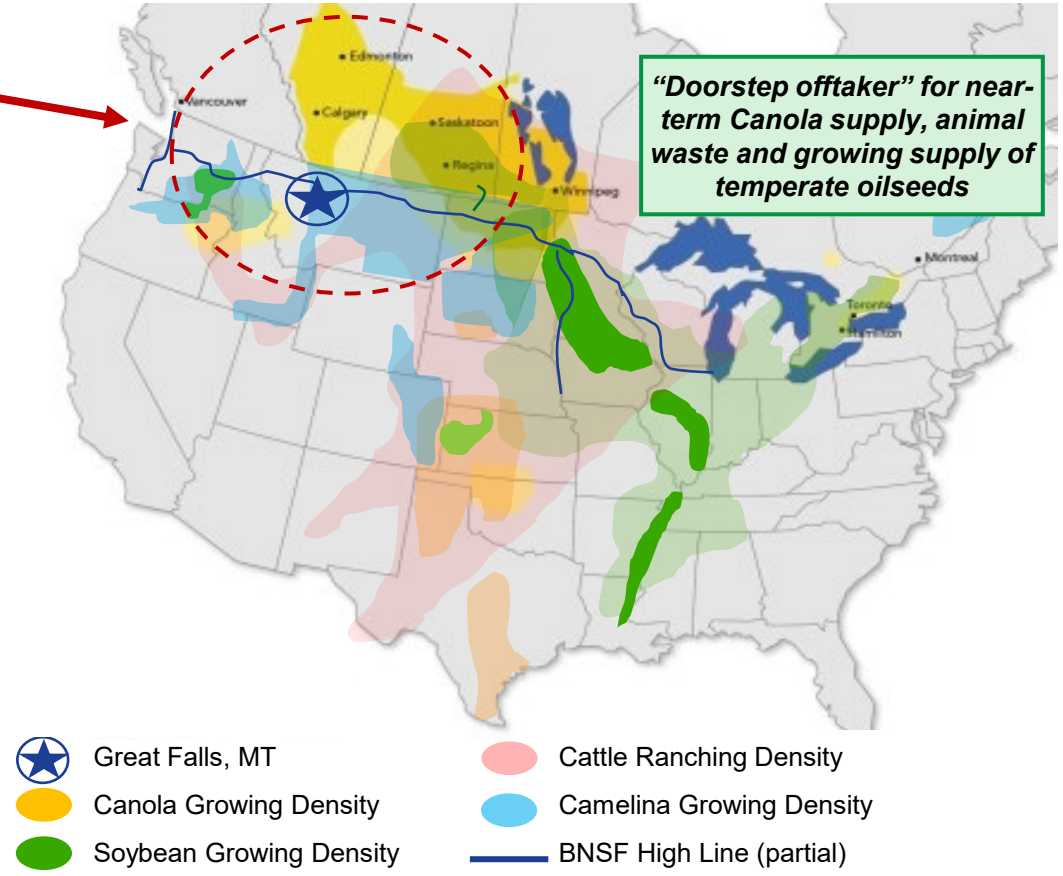
- 2022: MRL placed in service (completed conversion of existing reactor, other infrastructure)
- 2023: Experience and expansion (new SMR and PTU)
- 2024: Achieved **170MM lpy SPK runrate = 340MM lpy SAF** (at 50:50 blend per ASTM 7566)

- **Trailblazers**
  - World Energy—first domestic SAF producer
  - Montana Renewables—second and currently largest North American producer (2004)
  - Diamond Green (pending 2024)
  - P66 (pending 2024)

LOCAL GATHERING OF MRL FEEDSTOCK

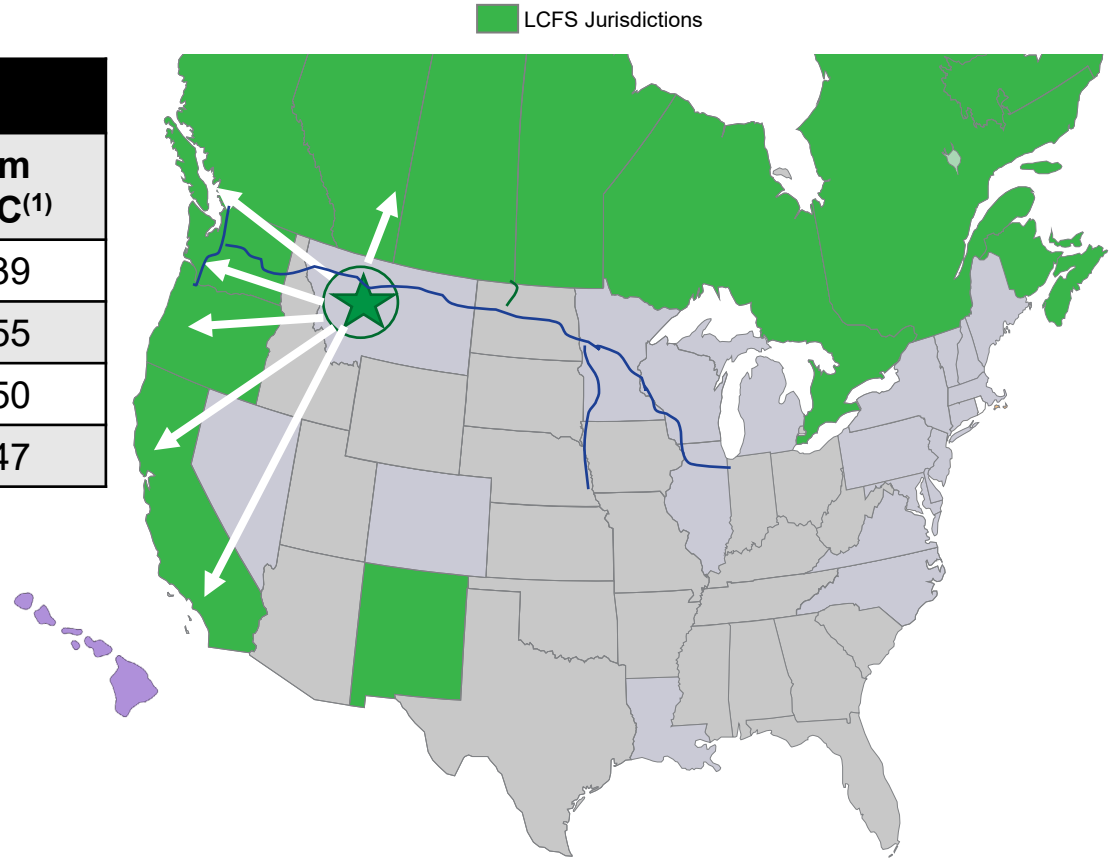
Located within the temperate oil seed belt for immediate feedstock access and lower-cost logistics

- 125,000+ barrels per day of feedstock within advantaged logistics range—10X coverage
- Burlington Northern ag commodities heavy duty rail



LOCAL PLACEMENT INTO LCFS PRODUCT MARKETS

Product Rail Costs to LCFS Markets		
$/gallon	**From Great Falls**	**From USGC(1)**
To Vancouver, BC	$0.27	$0.39
To Calgary, AB	$0.26	$0.55
To Seattle	$0.25	$0.50
To Los Angeles	$0.37	$0.47



Rail is expensive vs product pipelines e.g. ~$0.07/gallon USGC to NY on Colonial PL(2)

(1) Average of two renewable diesel plant sites
(2) Beaumont TX to Linden NJ https://colpipe.s3-us-west-1.amazonaws.com/media/Colonial-FERC-99.88.0-Index-Increase-4861-1278-4579.1.pdf?mtime=20240531054825&focal=none

GETTING SAF OFF THE GROUND—SIMPLE TRUTHS

1. There will not be any SAF recovery from existing capacity
   - ***Unless SAF is priced above Renewable Diesel***
   - Because the same kerosene molecules can simply stay in the diesel pool
2. There will not be any new capacity constructed
   - ***Unless lenders and investors believe they will recover their money***
3. Scalable industry requires pipeline economics
   - ***Existing distribution infrastructure is advantaged on capex, opex, capacity***
4. Key investor concerns:
   - Technology risk
   - Operating company competencies
   - Stability of regulatory policy

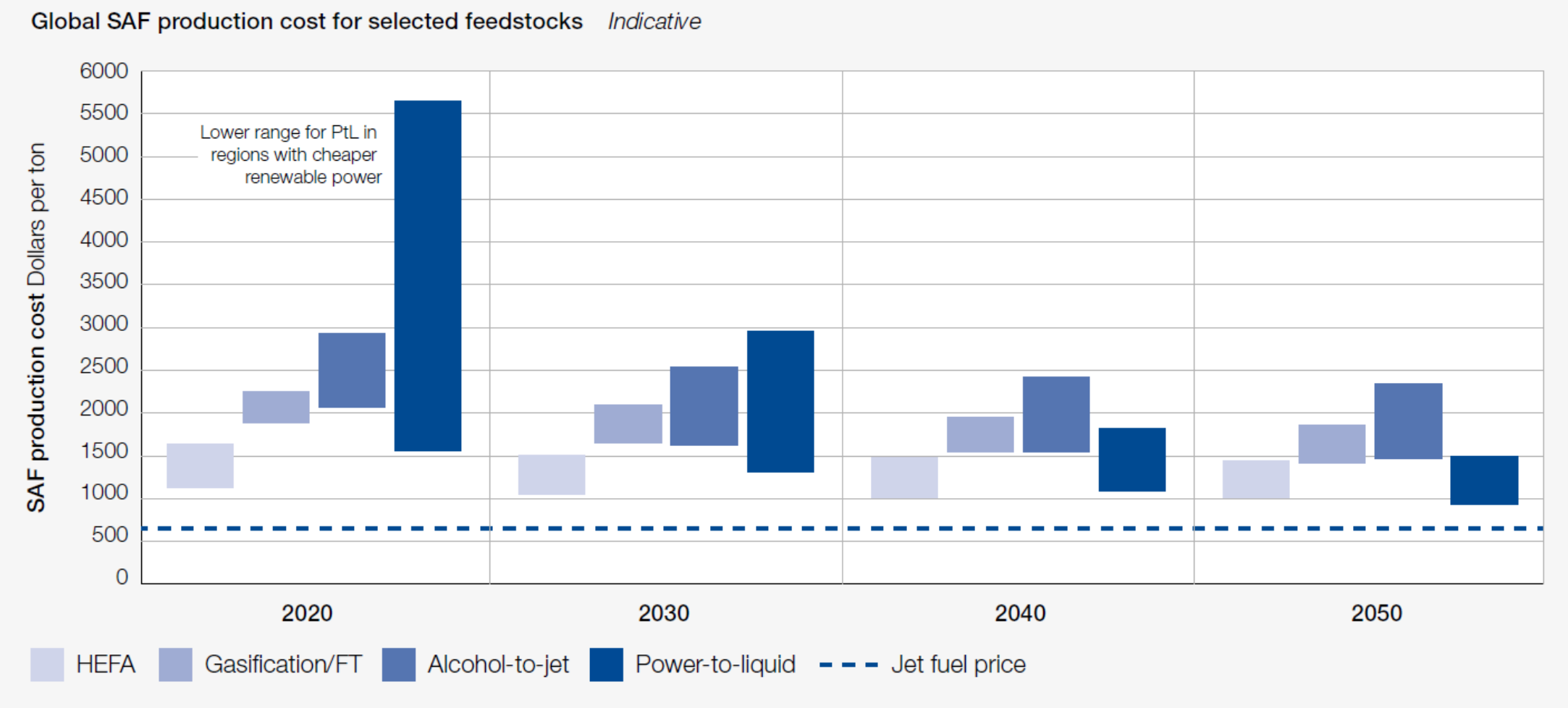
2024 SAF PRODUCERS IN WESTERN HEMISPHERE

Legacy Operating Company?	Pending Completion	Running
YES	DIAMOND GREEN DIESEL; PHILLIPS 66	world energy; MONTANA RENEWABLES™
NO	**~ 3 dozen startup proposals (mostly HEFA or ATJ) *not yet* under construction**	

Difficult for startup proposals to attract risk capital for construction

TECHNOLOGY RISK

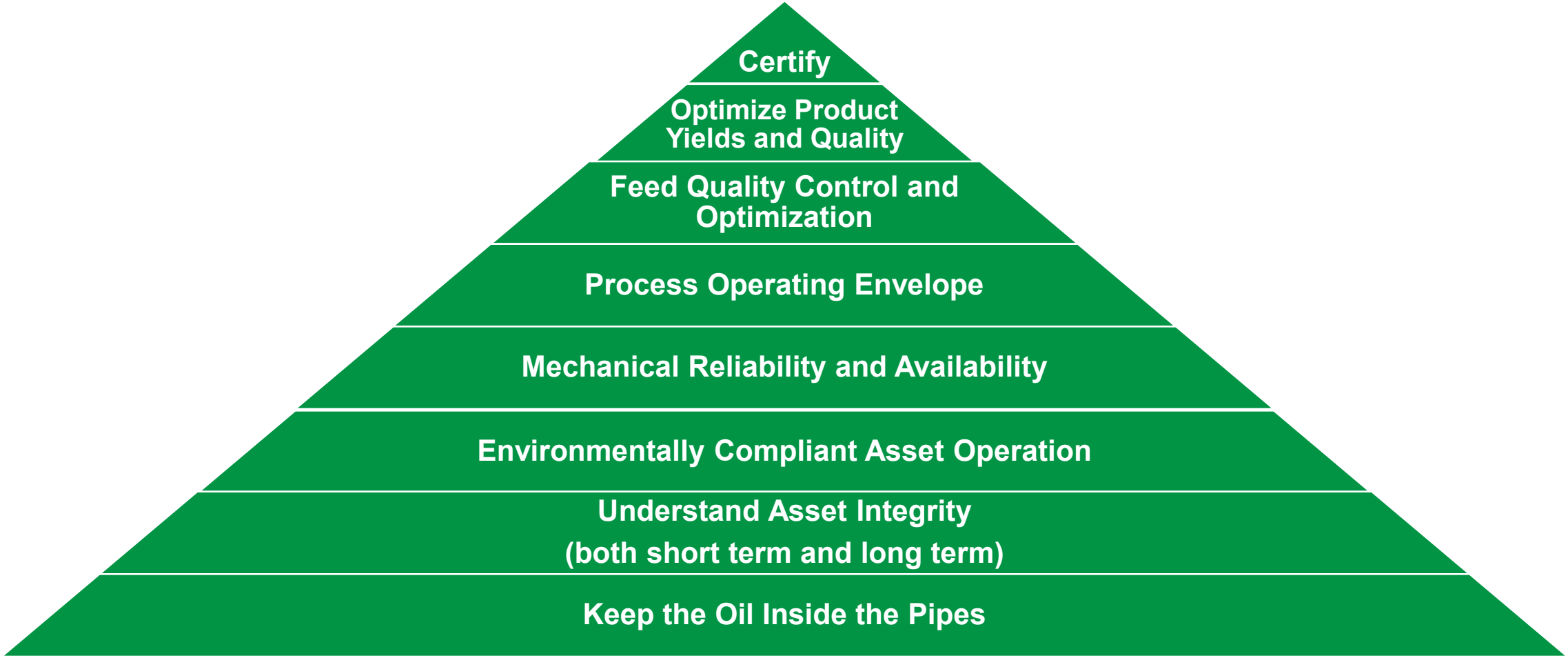
Non-HEFA technologies are higher cost, which risks recovery of investment



In Collaboration with McKinsey & Company: Clean Skies for Tomorrow, Sustainable Aviation Fuels as a Pathway to Net-Zero Aviation, Insight Report Nov 2020 World Economic Forum

OPERATIONAL COMPETENCIES RISK

Petroleum refiners have been doing this for 100+ years and *still* had renewable teething problems



REGULATORY POLICY RISK

The biggest challenge and the biggest opportunity?

- MRL assumes a continuing energy transition
  - In which “stroke-of-pen risk” is reduced by the tapestry of different policies & regulations in multiple States and Provinces, Federal Canada and Federal US (EPA, Ag, DOE, FAA)
- Although regulatory policy is collectively supportive, important details can still be materially at odds
  - Vegetable oil feedstock yes/no under different State/Federal legislation
  - Volume mandates (EU, Singapore, UK, etc) vs North America complex incentive structures
  - US incentives unstable over a capital investment planning horizon—i.e. specific disincentives introduced by erroneous 2023-25 RVO; BTC/PTC “donut hole”; broken permitting process; etc.
  - Canadian incentives in the cross-hairs for political rhetoric (“ax the tax”)
- Jet fuel uniquely requires international alignment for compliance and certification mechanics
  - Key “experimentation” underway but not yet aligned
  - Chain of custody accounting and book & claim mechanics will be a key enabler e.g. Shell Avelia(1)

(1) https://aviation.shell.com/avelia-panel-interactive

COMMERCIAL VALUE CHAIN AND THE “LAST MILE”

- Value chain is lengthy
- Crosses unrelated industry boundaries

FARM & RANCH FEEDSTOCK:

SPK and SAF:

Industry will evolve over time to minimize total cost to serve customers, but chain length and complexity introduce significant price volatility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