



## **KiOR Receives Loan Guarantee Term Sheet for Over \$1 Billion Project From U.S. Department of Energy**

PASADENA, TX (February 3, 2011) – KiOR, Inc., announced today that it has received a term sheet for a loan guarantee supporting an over \$1 billion biofuels project from the U.S. Department of Energy's Loan Guarantee Program. The project would convert wood biomass into drop in biofuels such as gasoline and diesel fuel.

KiOR's project under the DOE loan guarantee program will consist of four biorefineries that will contribute approximately 250 million gallons of cellulosic biofuel to the Renewable Fuel Standard. The first two plants are expected to be in Mississippi, with additional sites planned in Georgia and Texas.

"We are pleased to work with the DOE on reaching this milestone and are excited about the scale and impact of the project. The project's first facility, planned in Newton, Mississippi, is expected to be the largest cellulosic biofuels facility in the United States. Additionally, the project will have a significant impact on rural communities through the creation of direct, indirect and induced jobs, with over 14,000 jobs created during construction and over 4,000 jobs created during operations. The project also expects to reduce greenhouse gas lifecycle emissions by over 70% as compared to fossil-derived gasoline and diesel fuels," said Fred Cannon, President and CEO of KiOR.

"While the term sheet is an important step in the process, we recognize that more work lies ahead to finalize the loan guarantee and there is no assurance it will be issued until the loan is closed," stated Cannon.

Vinod Khosla of Khosla Ventures said, "I hope over time we can resurrect many of the thousands of jobs lost at the hundreds of paper mills that have been shut down in America. Each mill shutdown devastated a community and now we hope to resurrect many of these rural communities while reducing our dependence on foreign oil."

"Last year Mississippi realized the tremendous potential of the KiOR technology and made a decision to bring it to our state," said Gov. Haley Barbour. "We're excited the U.S. Department of Energy has come to the same conclusion to support this one-billion-plus dollar project to speed up the construction of two additional KiOR facilities here."

This project accelerates KiOR's commercialization strategy. In August 2010, KiOR announced the start of engineering and construction on its first commercial facility in Columbus, MS which is expected to produce over 11 million gallons of fuel per year. KiOR also has additional projects in various stages of development in Arkansas, Alabama and other southern states.

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### **About KiOR**

KiOR is a biofuels company that combines a proprietary catalyst system with a biomass-to-renewable crude conversion technology to produce a high-quality oil called Re-Crude™ using a process similar to Fluid Catalytic Cracking used in the oil industry. Re-Crude is refined into gasoline and diesel blendstocks that are compatible with our country's existing fuel infrastructure and are a viable near-term solution to help ease our dependence on foreign oil, reduce greenhouse gas emissions, and create high-quality jobs and economic benefit across rural America. Khosla Ventures incubated the company in 2007 and is the lead investor.