



2010
Advanced Energy Conference

Natural and Renewable Gas Focus

Global presence, with headquarters in Montreal, Canada
Listed on the Toronto Stock Exchange (TSX: XBC)

Who we are

Leading manufacturer of natural and renewable gas systems for infrastructure development



Market Focus

Natural and renewable gas as transportation fuel

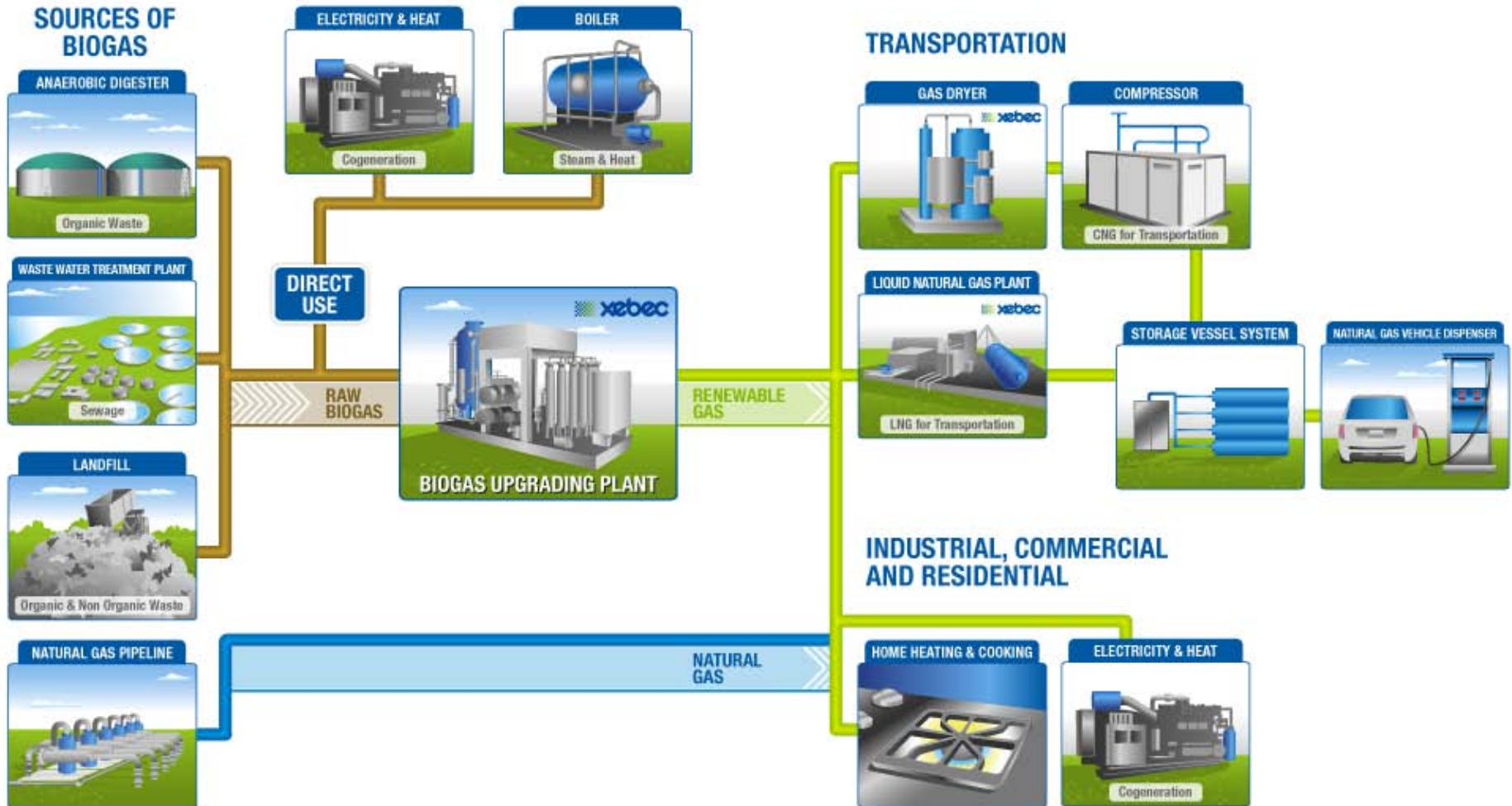


Strategy

Create partnerships with gas utilities, municipalities and the food & waste industries to increase our footprint in the transportation sector



Renewable and Natural Gas Value Chain



Natural Gas as a Transportation Fuel

Ramping Oil Prices
Energy Security



Climate Change
Greenhouse Gas
Reductions



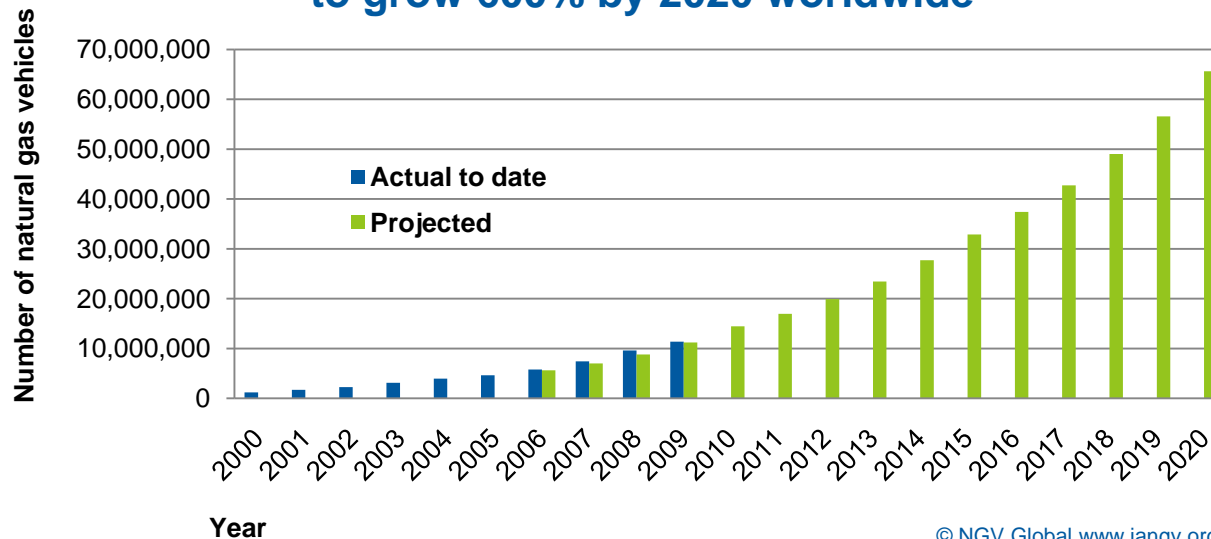
Governments'
Commitment to
Renewable Energy



Technology
Advancement



Natural Gas Vehicles (NGV)
to grow 600% by 2020 worldwide



© NGV Global www.iangv.org

Growing Support for NGV in North America

Multiple pro NGV measures including:

U.S. Energy Bill (S 3663)

- **Senate Bill** : \$3.8 billion for vehicle purchase rebates (90% of incremental costs for heavy-duty vehicles)
- **\$500 million** proposed for fuelling infrastructure
- **\$2 billion** for the manufacturing loan program

DOE Clean Cities Program

- U.S. **\$300 million** in **funding** for 25 projects
- Aims to **deploy** over 9,000 **alternative fuel vehicles** and 542 refuelling stations
- Funding for approximately 2,300 **CNG vehicles** and 500 **LNG trucks** was awarded

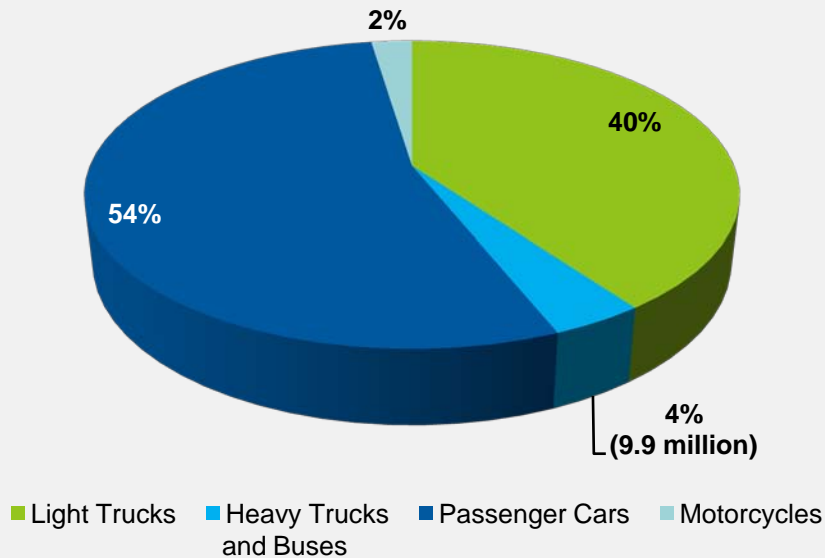


NGV Fuelling Station

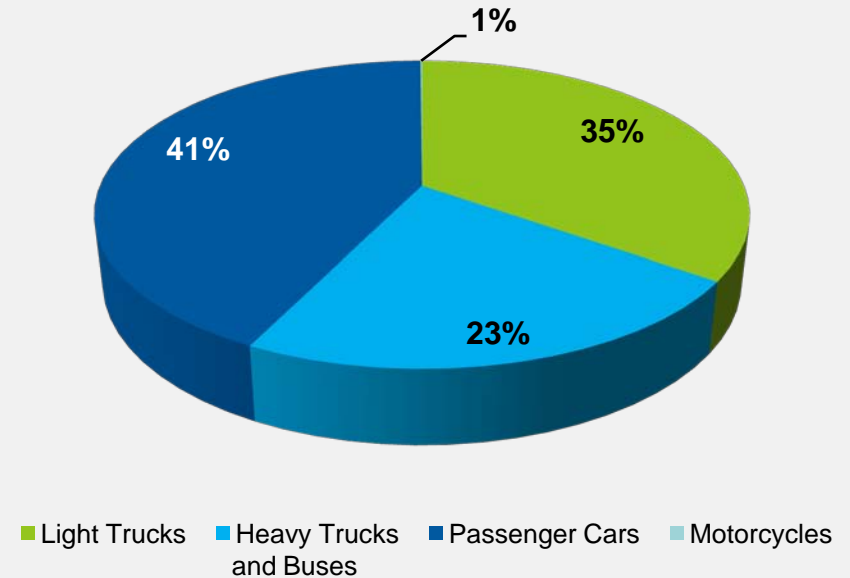
Heavy Duty Trucks Key to US NGV Market

Heavy Duty Trucks Account for 4% of the Vehicles but Consume 23% of the Fuel

Percentage of vehicle types on the road



Percentage of fuel consumed by each type of vehicle

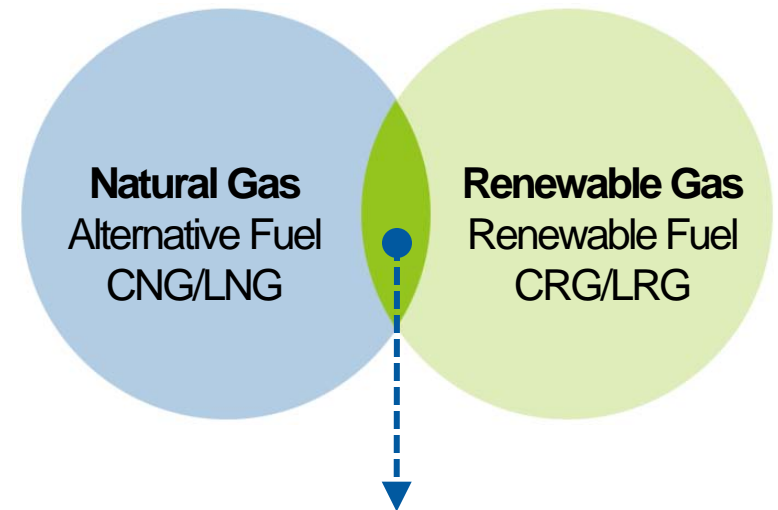


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Small segment of the transportation sector – Large environmental impact

In the field of NGV, upgraded biogas, or renewable gas, is the blending agent of choice

- **European Union** - 5% share of renewables in transport fuel by **2015** and a **10%** target by **2020**
- **California** - **1 January 2011**: Effective date of the carbon intensity reference values for the Low-Carbon Fuel Standards (LCFS) determined in 2009 by the California Air Resources Board (CARB).
- **2030 Target** year set by the U.S. Department of Energy to displace **30 %** of gasoline demand (2004 levels) in the United States with renewables.



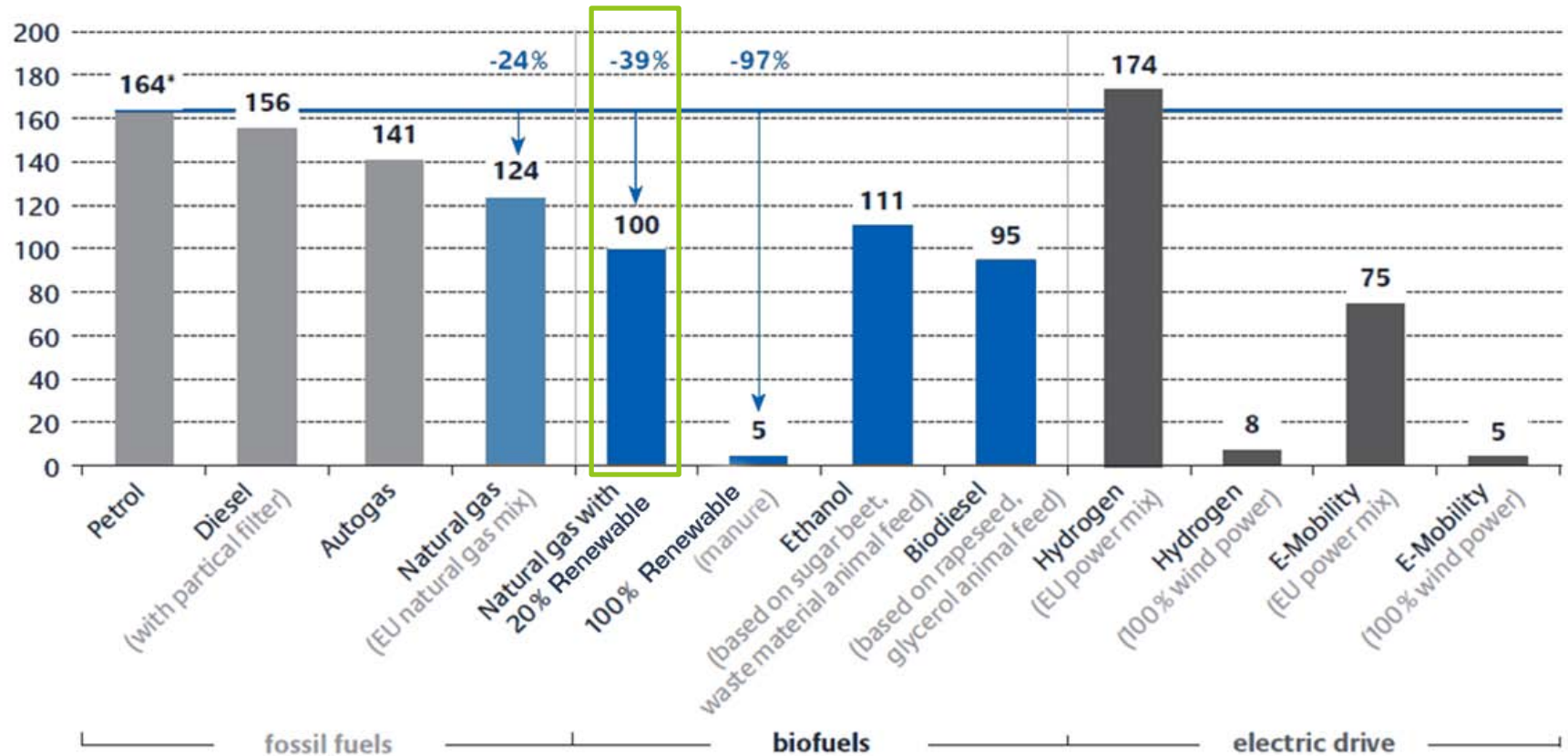
Fuels will be blended with renewables at an accelerated rate for industry compliance.

This will drive demand for the biogas upgrading solutions that Xebec provides.

Renewable Fuel Standard II – Biogas identified as “advanced biofuel”

Impact of Blending on GHG Emissions

WTW GHG emissions in g CO₂ eq./km



* reference vehicle: gasoline engine (induction engine), consumption 71 per 100 km

Source: DENA – German Energy Agency

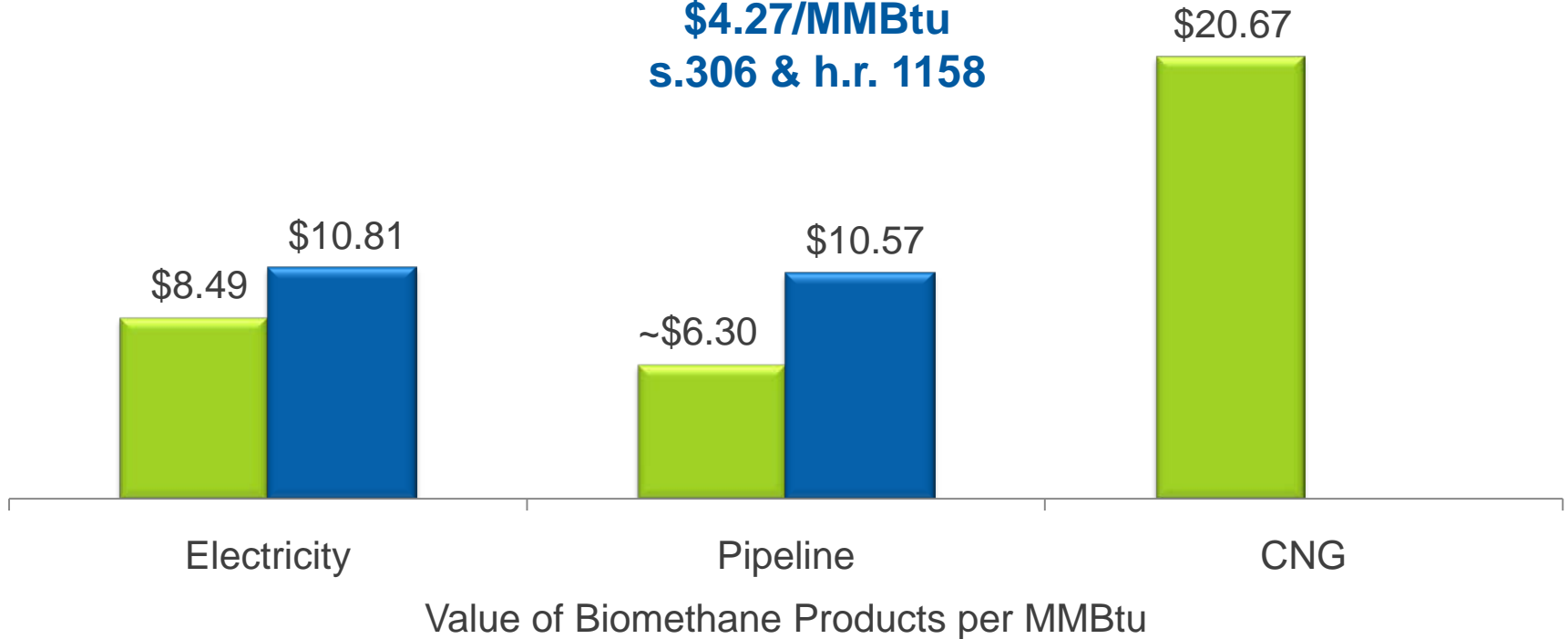
U.S. DOE estimates 25% of all diesel fuel could be replaced by renewable gas

Value of Biomethane

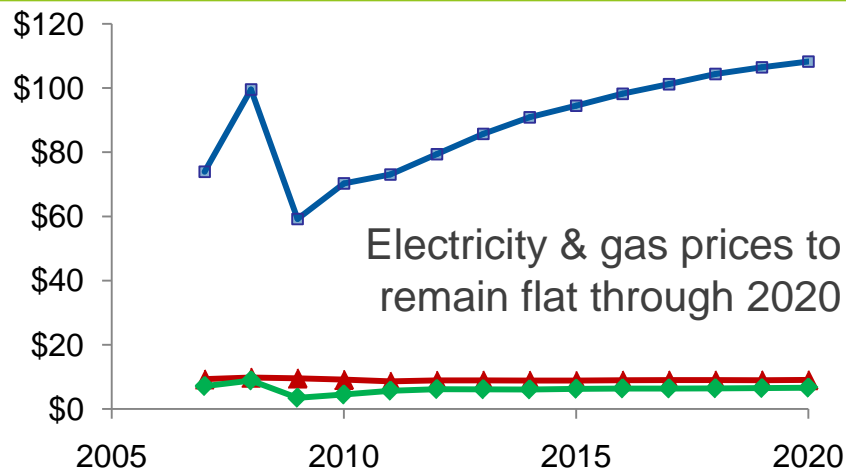
Wholesale price 8.3¢/kWh
versus
MPR feed-in tariff at 2.3¢/kWh

2020 gas futures market price
versus
proposed production tax credit of \$4.27/MMBtu
s.306 & h.r. 1158

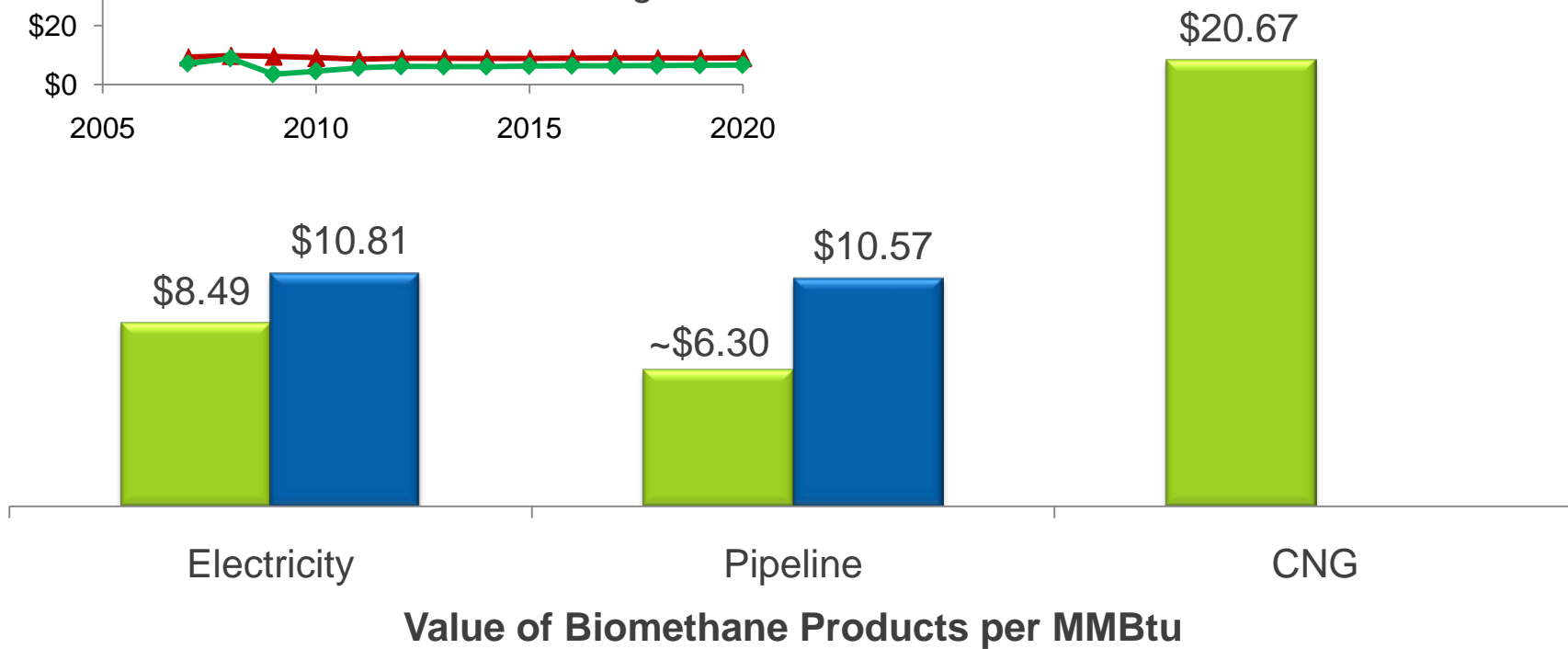
CNG market value if diesel is \$2.70 per gallon



Value of Biomethane — forecast for 2020

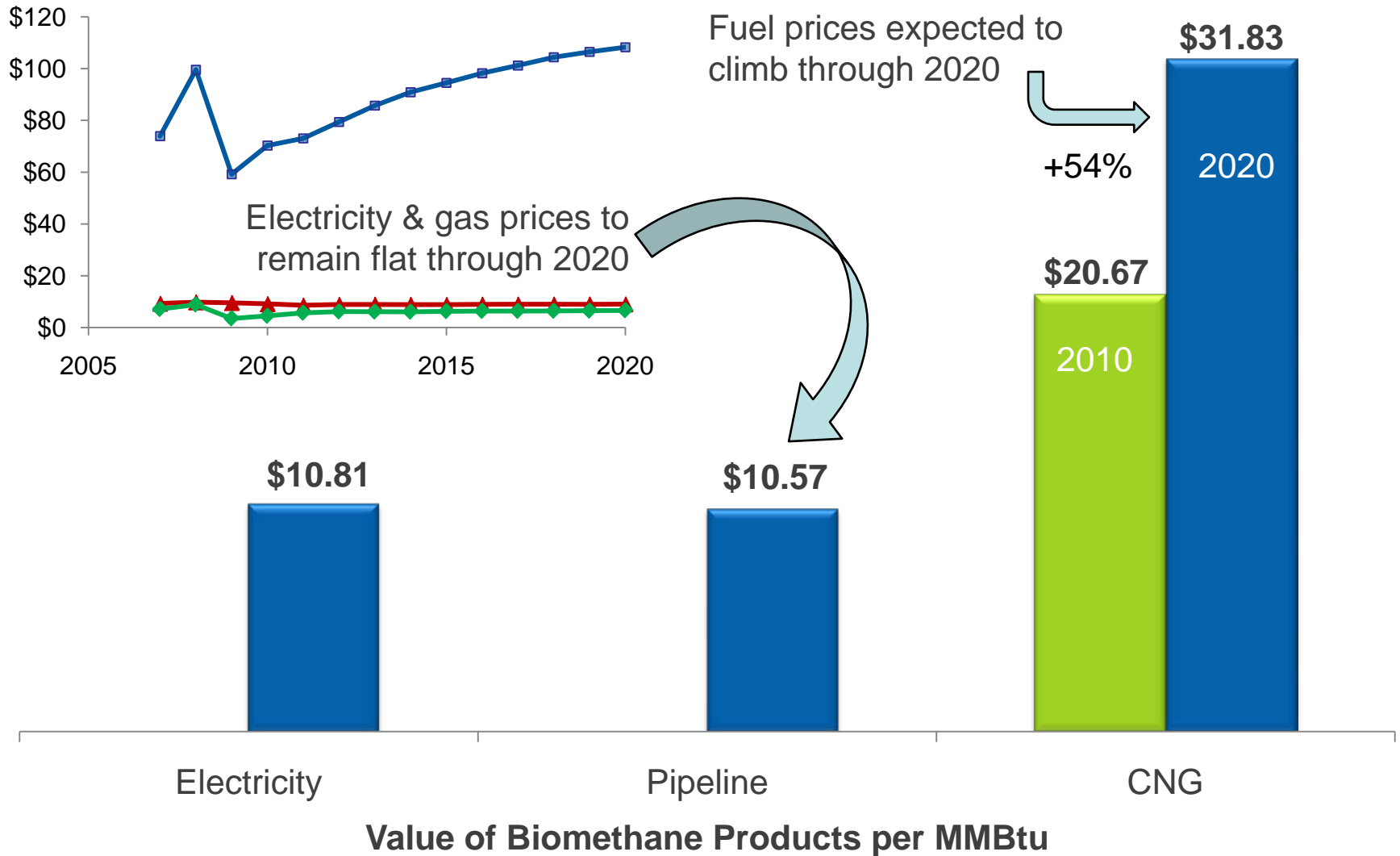


Fuel prices expected to climb through 2020



Source: "Annual Energy Outlook 2010", Energy Information Agency

Value of Biomethane — forecast for 2020



Source: "Annual Energy Outlook 2010", Energy Information Agency

Renewable Gas Installations

Project	Location	Biogas Source	End-Use
2006 - 2009			
Scenic View Dairy	MI, US	Digester	Pipeline
Rumpke Landfill	OH, US	Landfill	Pipeline
Widnau	Switzerland	Digester	Pipeline
Lavigny Farm	Switzerland	Digester	Pipeline
UNH	NH, US	Landfill	Turbine
SKS	Austria	Digester	CNG
Swiss Farmer	Switzerland	Digester	Pipeline
STEP	Switzerland	Digester	Pipeline
Hilarides Dairy	CA, US	Digester	CNG
Daesung	Seoul, Korea	Landfill	CNG/LNG
SKS	Austria	Digester	CNG
2010 - YTD			
Sempra Energy	CA, US	Waste Water	Pipeline
Halla Engineering	Seoul, Korea	Digester	CNG
SKS	Austria	MSW	Pipeline
SKS	Austria	MSW	Pipeline
SKS	Austria	Waste Water	CNG
Verdemobil	France	MSW	CNG
WELtec	China	Agricultural Digester	CNG
Huiming	China	Landfill	CNG
Terasen Gas	Canada	Landfill	Pipeline
PT Indo Raya	Indonesia	Chemical Plant	Pipeline



Extensive experience in the biogas segment gained through multiple, successful international projects

From 2006 to 2009 only about 30% of Xebec's upgrading projects were for renewable gas to transportation fuel

In 2010 about 60% of Xebec's upgrading projects will be for renewable gas to transportation fuel

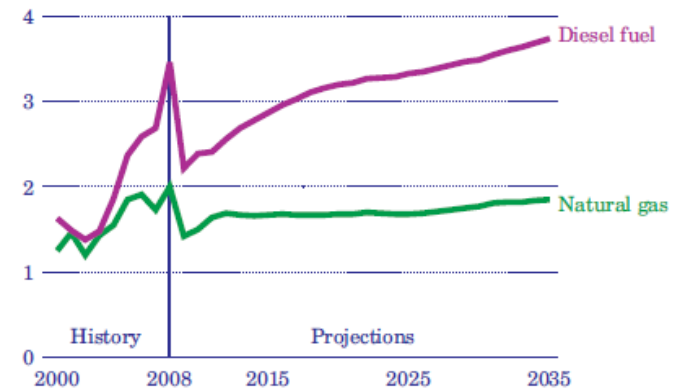
Conclusions

- **Strong macro trends** support renewable gas in transportation (GHG reduction, increased use of renewables in transport and energy)
- **Strong economics** for renewable gas in transportation (most money for the gas)
- **Increased demand** forecast for renewable gas in transportation (as NGVs increase)
- **Increased interest from Gas Utilities** in renewable gas (Green Gas – renewable content)
- **Increased interest from Gas Utilities & exploration companies in NGV** vehicles and refuelling infrastructure (as NGV population increases)
- **Reduced cost** forecast for upgrading technology (equipment is getting cheaper and more reliable)

IMPORTANT
Make the right investment decision today when comparing electricity to upgrading projects



Compact integrated Xebec upgrading skid



Source: "Annual Energy Outlook 2010" Energy Information Agency

Thank you



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