



CAPE FEAR ARCH QUARTERLY MEETING

FEBRUARY 17, 2011

AGENDA



-
- Enviva Overview
 - European Pellet Market
 - Enviva Pellets Ahoskie



ENVIVA – ONE OF THE WORLD’S LEADING PROVIDERS OF SUSTAINABLY GENERATED, CLEAN BIOMASS



- With an existing and growing manufacturing base in the Southeast United States and additional operations in Europe, Enviva is one of the largest exporters of solid biomass fuel
- Enviva’s mission is to become the preferred partner and supplier of sustainably-sourced wood pellets and other processed biomass to serve power generation and industrial customers seeking to decrease their dependence on fossil fuels and reduce their carbon footprint
- Founded in 2004, Enviva has a proven track record supplying wood chips and wood pellets to customers in the U.S. and Europe
- By connecting biomass sources to energy consumers, Enviva reliably provides customers throughout the world with sustainably generated, clean biomass to improve the environmental profile of energy generation.



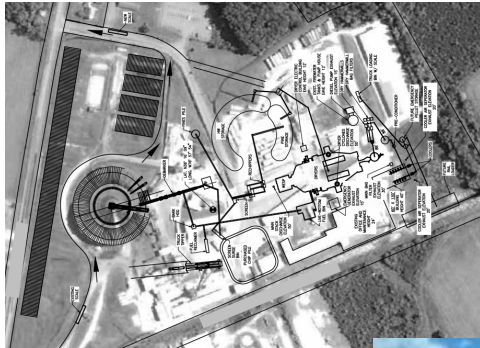
ENVIVA EXPANDS ITS PRODUCTION FOR DELIVERIES TO EUROPEAN AND US CUSTOMERS



- There are already significant international biomass trade flows, although such trade is largely one-to-one and lacks reliable, capable, and creditworthy biomass supply partners.
- In early 2010, Riverstone Holdings, a \$17B private equity fund and one of the largest renewable energy private equity investors in the world, made a strategic investment in Enviva to expand the company and create a biomass and wood pellet supply organization capable and creditworthy enough to supply the world's largest biomass customers.
- With a strong balance sheet and an experienced strategic financial sponsor, Enviva's current operations, experience, and existing footprint in the United States and Europe make the company the ideal choice for stable, reliable biomass supply.



ENVIVA— A LEADING RENEWABLE ENERGY COMPANY



Enviva – Ahoskie
330ktpy Plant
(In Construction)

There are only about 96 pellet plants in all of the United States that collectively produce 6 million pellet tons a year.

Enviva – Wiggins,
150ktpy



Of those plants, only 6 can produce over 100,000 tons a year. Amory, MS will be the 7th, Wiggins, MS the 8th and Ahoskie, NC the 9th



Enviva – Amory,
100ktpy

Approximately 3 million tons is exported overseas. By the end of 2011, Enviva will be 16% of that market, and we intend to grow to 33%!

OUR BUSINESS REQUIRES RESPONSIBILITY AND SUSTAINABILITY TO BE SUCCESSFUL



- Enviva embraces sustainability as a core driver of its business model. The following components are key:
 - Minimize lifecycle GHG emissions for our biomass sources, our processes and shipping
 - Sustainable wood sources
 - Enviva:
 - Is committed to achieving certification of its feedstock and feedstock procurement.
 - Does not source feedstock from dedicated energy crops after land use change.
 - Acts to minimize CO2 emissions at every level of its supply chain
 - Commits to reduce carbon emissions per ton produced year over year.
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COMMITMENT TO SUSTAINABILITY



- Recently completed SGS Sustainability audit.
 - GHG emissions of entire supply chain
 - Sustainability of raw material supply
 - SFI Fiber Sourcing Certification audit March 2011
 - SFI/FSC/PEFC Chain of Custody Certification by end of 2011
 - Green Gold Label Certification by end of 2011.
 - Corporate goals to reduce GHG emissions
 - LEED “Silver” certified corporate offices.
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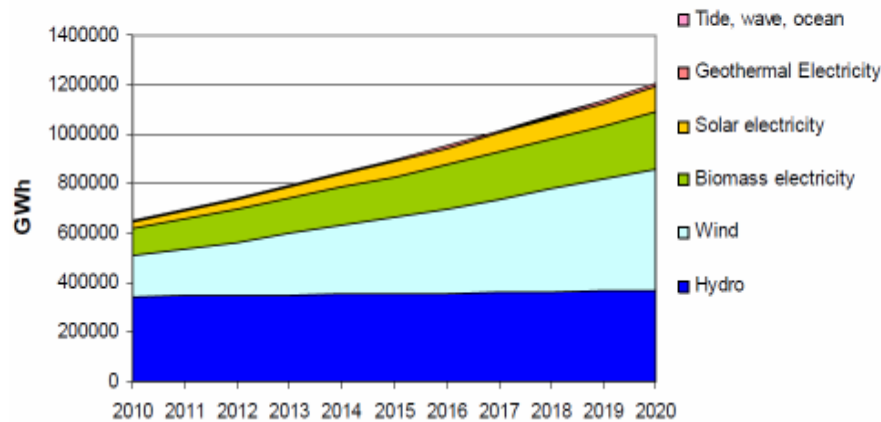


EUROPEAN PELLET MARKET

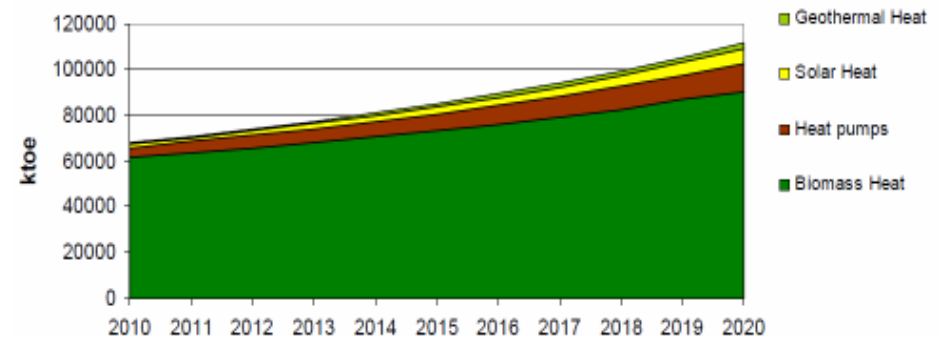


- Driven by Europe 2020 targets to:
 - Twenty percent reduction of green house gas emissions (up to 30% if certain conditions are met) from 1990 levels.
 - Twenty percent of energy to come from renewable sources such as biomass, wind and solar.
 - Twenty percent increase in energy efficiency.

EU development of renewable energy in electricity



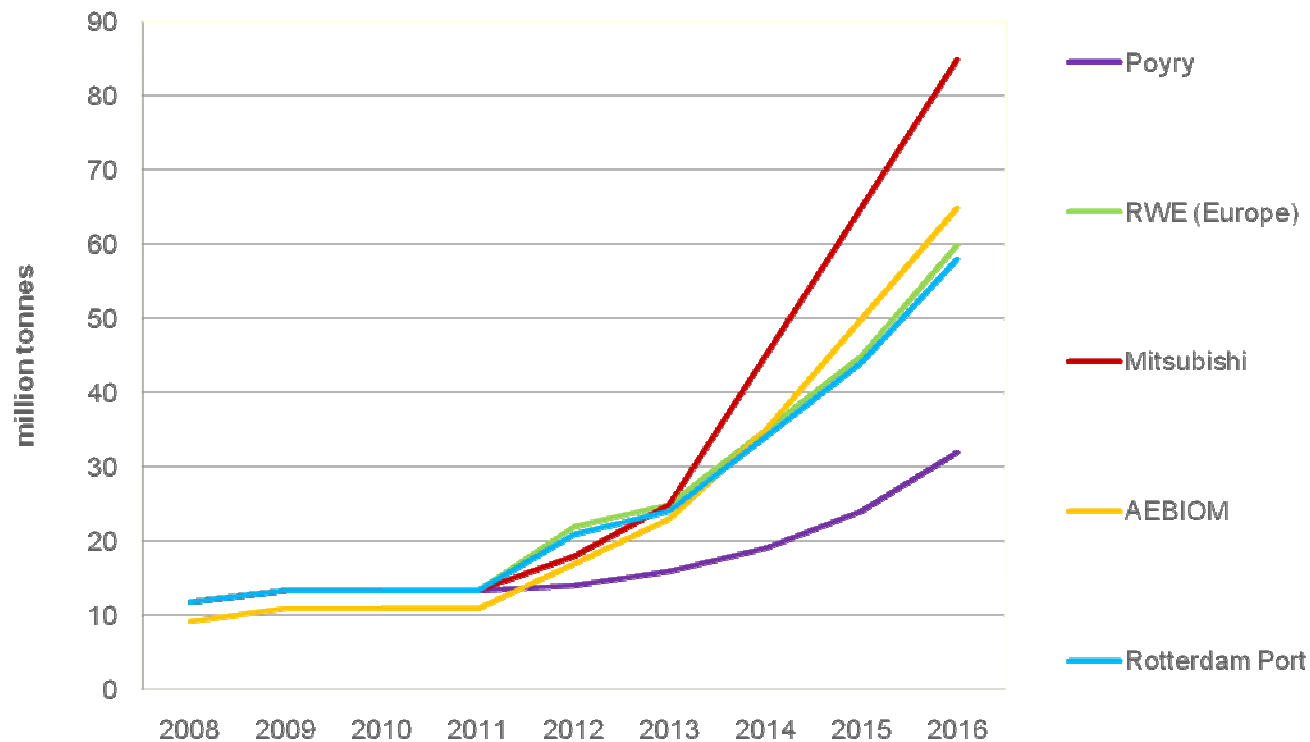
EU development of renewable energy in heating & cooling



PROJECTIONS FOR FUTURE GROWTH OF EUROPEAN PELLET MARKETS (IN MILLION MT)



European Demand





WOOD PELLETS TO EUROPE – THE BASICS



- Energy-dense, uniform, fuel.
- Reduce GHG emissions by about 65%.
- Efficient, reliable and available around-the-clock
- Calorific value is typically ~17MJ/kg
- Low moisture content (6% vs. 50% for normal wood chips)
- Low ash (1-2%)
- Lower emission level than fossil fuels and unprocessed woody materials
- Pellet's geometric uniform shape makes for easy and economic transportation



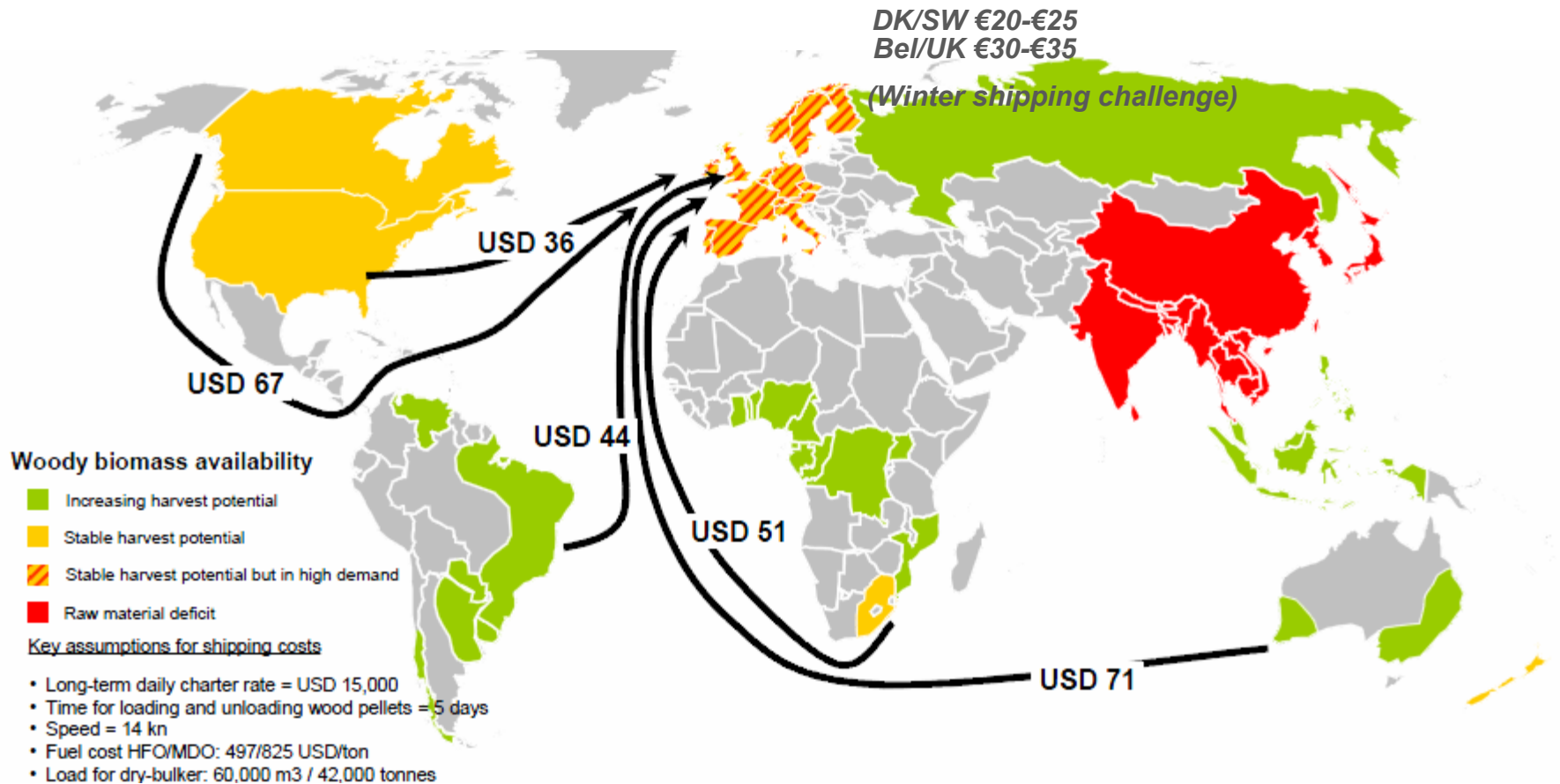
WOOD PRICES AND EXCHANGE RATE LEAD TO COMPETITIVE ADVANTAGE FOR SE US



- Significant raw material cost differential dramatically exceeds shipping costs to Europe
- Wood differential between \$60 and \$90 per metric ton.
- Transportation to Europe \$30-\$40 per metric ton.

	Europe	United States
Sawdust (per dry metric ton)	€105 (\$150)	\$70 (€50)
Wood Chips (per dry metric ton)	€100 (\$140)	\$60 (€43)

SHIPPING COST FROM THE SOUTHEAST ARE COMPLETIVE COMPARED TO MOST REGIONS



SOURCE: POYRY



WHY AHOSKIE?

Location – fiber supply

Location – distance to port

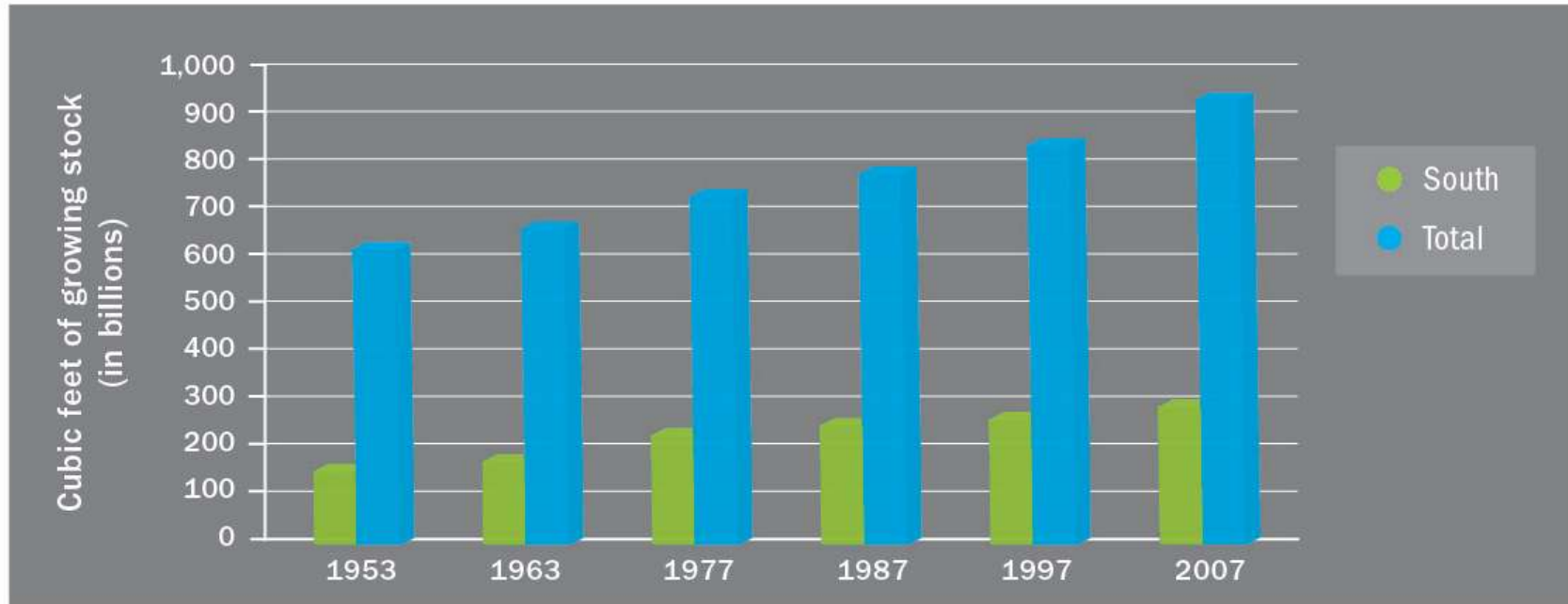
Location – good site

Location – great support from the community

Location – work talent is excellent

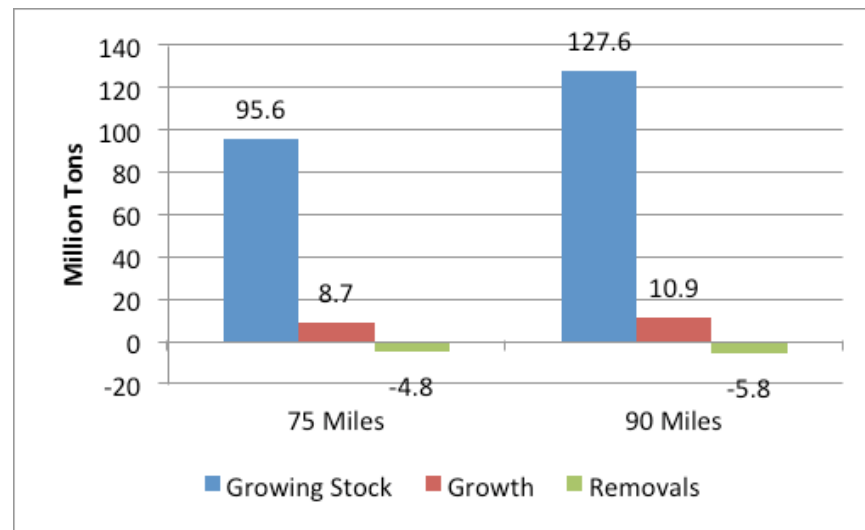
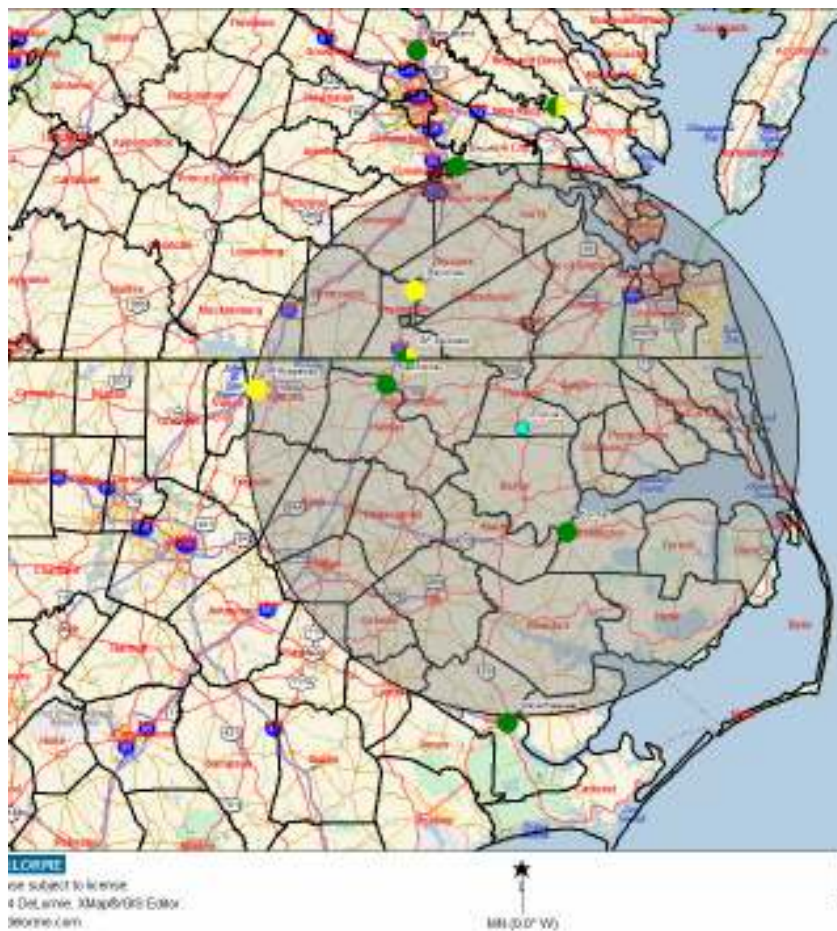


FORESTS IN THE SOUTHEAST US



U.S. forests are growing more timber than is being harvested every year. Since 1953, the volume of growing stocks on timberland in the south has increased from 148 billion cubic feet (4.2 billion cubic meters) to over 288 billion cubic feet (8.2 billion cubic meters). Since 1997, growing stocks in the south have increased by 32 billion cubic feet (1 billion cubic meters) or almost 13 percent. (Source: U.S.D.A. Forest Service: U.S. Forest Resource Facts and Historical Trends 2010)

PROVEN WOOD BASKET ENHANCED BY CURRENT MILL CLOSURES AND REPURPOSINGS



	Hardwood (Thousand Tons)			Pine (Thousand Tons)		
	IP Franklin	Domtar Plymouth	Total	IP Franklin	Domtar Plymouth	Total
2010/2011	-	-	-	-	2,350	2,350
2009	1,375	725	2,100	750	1,450	2,200
2008	1,900	975	2,875	1,025	1,450	2,475
2007	1,700	975	2,675	750	1,450	2,200
2006	1,975	975	2,950	925	1,450	2,375

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Too much information.
Edward Sontag, 2/14/2011



GREAT SUPPORT



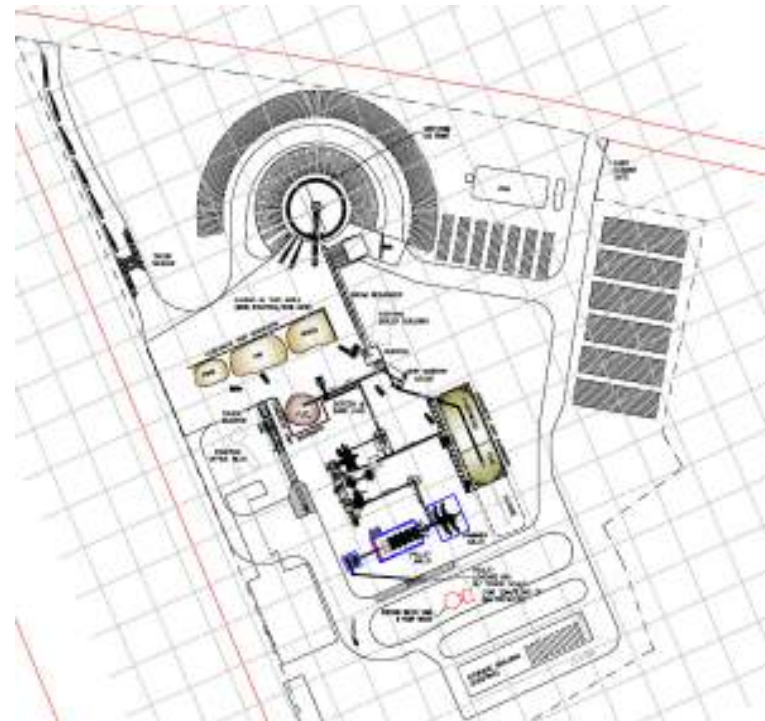
- The State of North Carolina through the OneNC Fund granted us \$270,000
- A sizable grant from local government contingent on job creation and capital investment.

ENVIVA AHOSKIE: 300,000 MTPY FACILITY PROCEEDING ON SCHEDULE FOR PRODUCTION AT END OF 2011



Enviva obtained site control in September 2010 and is proceeding with design and procurement

- Facility conceptual design complete, with bid packages let for major components
- Long lead-time equipment has been purchased, with onsite deliveries scheduled to begin in February
- Dryer: Buettner
- Burner: Teaford
- Presses: Kahl
- Hammer mills: Bliss
- Key management staff hired
- Procurement Manager: 30+ years in regions with major paper companies
- Plant commissioning schedule for October 2011, with first commercial production in November



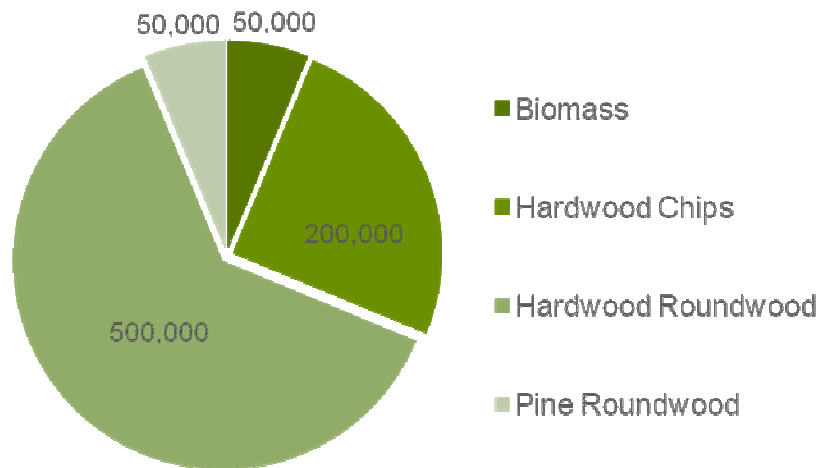
Layout design for Enviva's 300,000 MTPY facility in Ahoskie, NC



WOOD BIOMASS RAW MATERIALS COMES IN MANY FORMS



- Enviva's wood biomass sources include:
 - processed residues, (chips, bark and sawdust by-products)
 - unprocessed residues, (tree tops, branches, stumps, and other forestry debris remaining after the primary biomass or tree trunk has been processed and shipped from the forest)
 - low-grade wood fiber and round timber.



THANK YOU



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