

Dakota Oil Processing, LLC

Status Trenton Diesel Refinery

Update

November 29, 2011

Dakota Oil Processing

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Background

Background

- Studies since 2006
- Intensively pursued since October last year
 - Expanded management
 - Expanded investment – approximately \$1-million
 - New sense of urgency

In the Past Year ...

- ❑ Staff hired
- ❑ Alternative Analysis
- ❑ Feasibility – Design Study
- ❑ Current Estimate
- ❑ Economic Analysis
- ❑ Capital raise in progress
- ❑ Pro forma and financing strategy completed

Status

Status - Results of this Effort

- ❑ Internal conclusion: modular makes sense
 - Fastest mode of delivery
 - Cost effective
 - Less impact from weather
- ❑ Design firms selected
- ❑ Largest modular plant ~ 20,000 bbl/day
- ❑ Class III cost estimate and firm price offer

Major Plant Components

Inside the Battery Limits (ISBL)

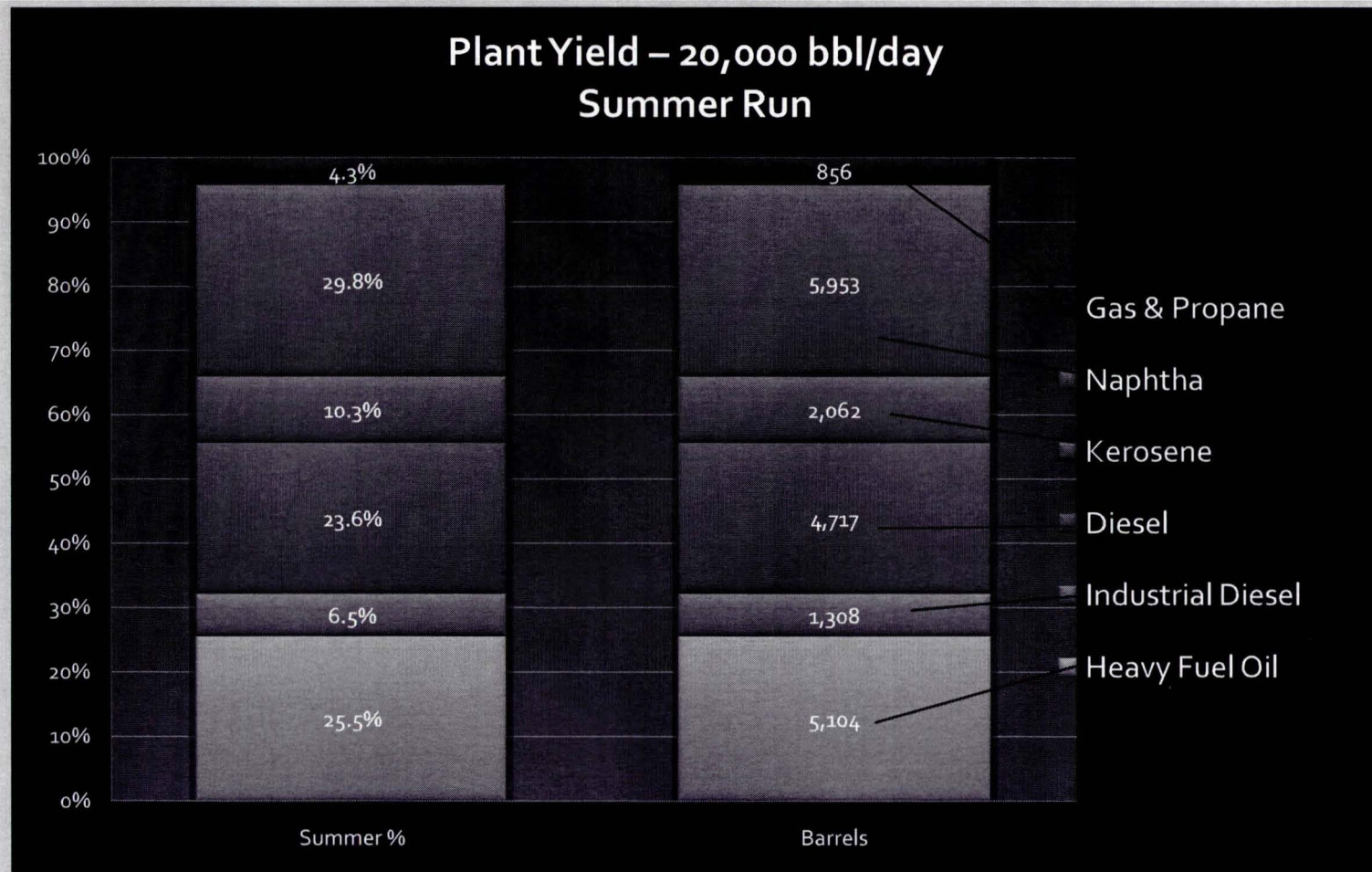
- ❑ Crude Distillation Unit
- ❑ Naphtha Stabilizer
- ❑ Mid Distillates Hydrotreater Unit
- ❑ Sour Water Stripper
- ❑ Amine Regeneration Unit
- ❑ Sulfur Recovery Unit (Lo-Cat) 1
- ❑ Hydrogen Generation Unit
- ❑ Utilities Package/Pipe Racks
- ❑ DCS/Electrical Power Systems

Major Plant Components

Outside the Battery Limits (OSBL)

- ❑ Tank Farm, 667,500 bbl
- ❑ Administration, Maintenance, Control Buildings
- ❑ Water Treatment
- ❑ Fire Protection
- ❑ Truck Loading Rack (5 bays)
- ❑ 100- acre site ready to expand

Plant Simulation – Bakken Crude



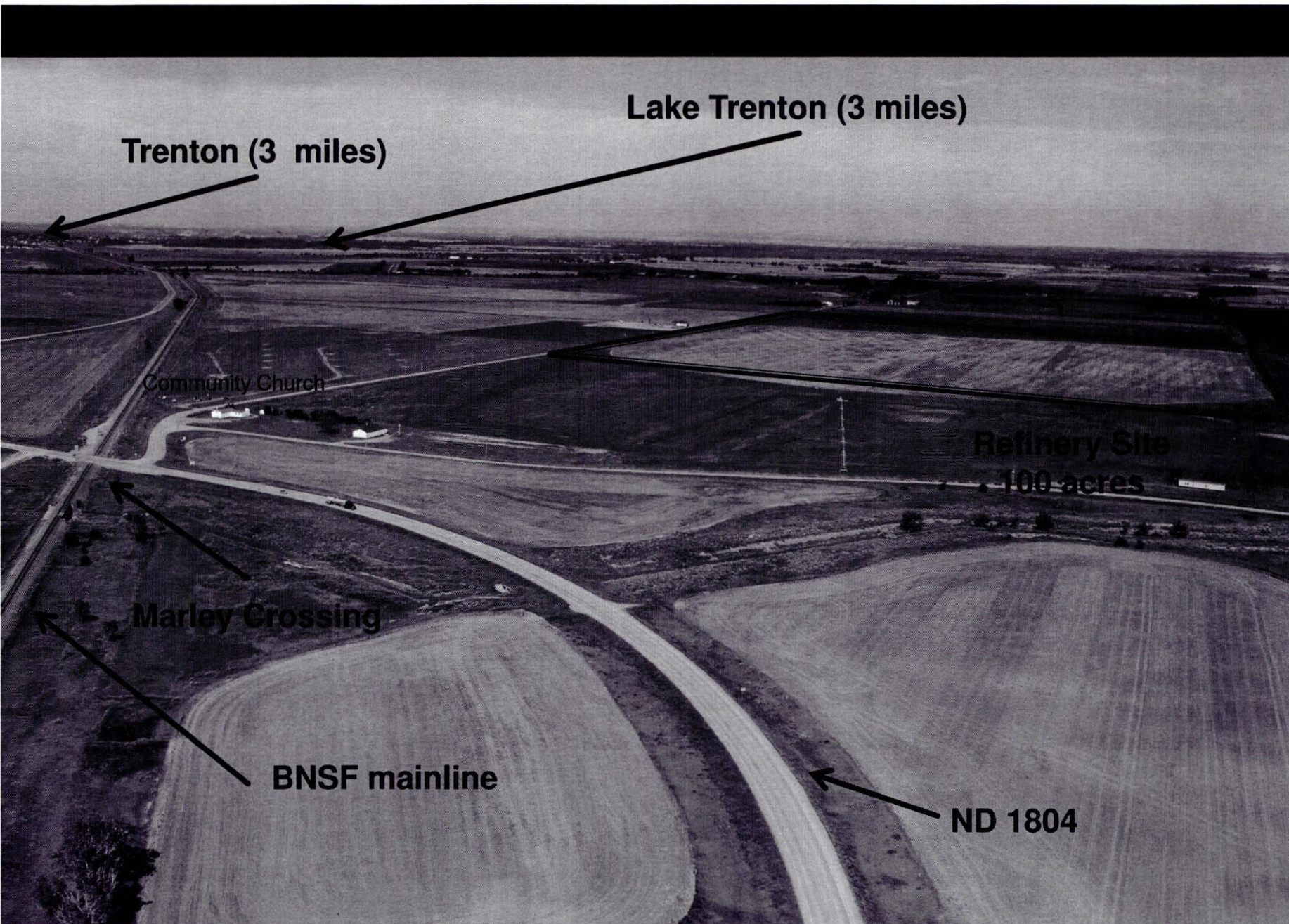
Cost and Schedule

- ❑ Total including startup: \$197-million
- ❑ Time to complete: 18-months *
- ❑ Fabrication in Houston, delivered to the site, erected in less than 16-weeks

* Depending on start date – based on weather

Results

- Up to 8,000 bbl/day (336,000 gal) diesel fuel
- Economics
 - Can be profitable
 - Rising cost of feedstock (\$94/bbl)
 - Conservative pricing on diesel (\$3.02/gal)



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Summary & Conclusions

Economics - Financial

- Risks:
 - Rising crude price to refinery
 - Competition
 - Regulatory environment
- Challenging market for capital

Benefit to State / Region

- Improved supply of diesel
 - All diesel/kerosene distributed locally
 - Storage, transportation – trucks off the road
- Major investment - \$200+million
- Quality jobs
 - 124 high skill, permanent, benefited
- New tax base

Thank You