



AEMETIS

December 20, 2012 Business Update Conference Call: 1:15 pm PT

John Liviakis: Introduction and read Forward-Looking Statement Disclaimer (see below for text).

Eric McAfee, Chairman/CEO of Aemetis: Good afternoon. This is Eric McAfee, the Chairman and Chief Executive Officer of Aemetis, based in Cupertino, California.

We would like to extend a warm welcome to our shareholders and to other interested attendees from the financial markets. This is our first conference call since Aemetis became a publicly traded company. However, we believe the time is right for a conference call to update our shareholders and the market as to the important milestones that Aemetis has achieved, and to provide insights into our strategy to continue to grow the company.

First, let's introduce some members of our team, starting with the members of the Aemetis board of directors:

Hal Sorgenti is the Chairman of the Governance and Nominating Committee of the Aemetis board. Hal served as the President of ARCO Chemical for twelve years, and led ARCO Chemical through its IPO prior to the multi-billion-dollar sale of the company. Hal has been on the Aemetis board for five years.

Jack Block is the former Secretary of Agriculture under President Ronald Reagan, and then served for 17 years in Washington with the Food Industry Association. Jack is a farmer and a supporter of the production of renewable fuels. Jack has served on the Aemetis board for four years.

Dr. Steve Hutcheson joined the Aemetis board a year and a half ago when Aemetis acquired biotechnology firm Zymetis. Steve has a PhD in Cellular Biology from UC Berkeley and has served for 25 years teaching molecular genetics and cellular biology at the University of Maryland.

Lastly, Fran Barton joined the Aemetis board this year as Chairman of the Audit Committee. Fran has been the Chief Financial Officer of five companies, each with revenues in excess of \$1 billion. Fran has extensive experience in working with public companies and the financial markets.

Todd Waltz is our Chief Financial Officer, joining us after 12 years on the finance and accounting team at Apple Computer, five years at Litton Industries and five years at accounting firm Ernst & Young as a CPA. Todd joined Aemetis four years ago and became CFO about two years ago.

Andy Foster is the President of the Advanced Fuels Division of Aemetis, which generates about \$180 million of revenues from plant operations in the US. Andy joined Aemetis six years ago and formerly worked at technology companies in the Silicon Valley, as well as serving four years in the White House and five years working for the Governor of Illinois.

Sanjeev Gupta is the Managing Director of the India subsidiary of Aemetis, which operates a 50 million gallon per year biofuels and biochemical plant. Sanjeev joined Aemetis five years ago and formerly was President of a global, \$250 million petrochemical business.

Mission:

Since founding Aemetis in 2006, we have pursued a mission to develop and produce advanced renewable fuels and chemicals by the upgrade of existing first generation ethanol and biodiesel facilities. There are approximately 210 ethanol plants in the US that were built at a cost of more than \$28 billion.

This mission places Aemetis at the center of the industry trend to replace petroleum feedstock and expensive petrochemical processes with lower-cost renewable, biological processes to produce fuels and chemicals.

We believe that a key to this effort to upgrade first generation biofuels plants is the use of biotechnology to change the biocatalysts utilized by the facility, enabling the use of different feedstocks to produce higher value fuels and chemicals.

Aemetis has achieved many of the objectives supporting our company mission.

Founded in 2006, Aemetis raised two rounds of equity in 2006 and 2007 for a total of \$34 million. Aemetis deployed the equity capital and additional financing to 1) develop, acquire and license industrial biotechnology patents and processes, and 2) to construct and operate a 50 million gallon biodiesel biorefinery, and to acquire and retrofit a 60 million gallon ethanol plant to enable the commercial deployment of the patented biotechnology.

Aemetis is now a global company with approximately \$200 million in annual revenues. Aemetis directly employs more than 100 people at our two biorefineries which are wholly owned by Aemetis. These biorefineries originally cost more than \$150 million to construct, and have been operating under Aemetis management for four years in India and about two years in California.

Aemetis owns or has licensed biotechnology patents and other technology for the upgrade of biodiesel and ethanol facilities, while also owning and operating both biodiesel and ethanol biorefineries to deploy our patented technology. We have invested the past seven years in building a valuable combination of technology and operating assets together with a talented technical and operations team. We believe Aemetis has a sustainable strategic advantage in renewable fuels and chemicals which will enable Aemetis to deploy our technologies to produce lower cost, higher margin products at our biorefineries.

Ethanol Plant Upgrades:

To upgrade first generation corn ethanol plants, in 2007 Aemetis acquired enzymes and production technology by the acquisition of Energy Enzymes in Montana. In 2011 Aemetis acquired the patented Z-microbe, a biotechnology team and a development laboratory through the acquisition of Zymetis in Maryland. Aemetis now owns five granted patents and ten pending patents for the production of renewable chemicals at biofuels plants using biological processes.

The use of corn ethanol facilities to produce advanced products is an unprecedented opportunity to build upon approximately \$28 billion of US investment into first generation, corn ethanol facilities. Due to recent Congressional policies and EPA regulations, the replacement of corn with other feedstocks for the production of biofuels has been strongly encouraged with financial incentives.

US corn ethanol plants are currently operating under EPA rules that favor Brazilian sugarcane ethanol over domestically produced corn ethanol. Under current EPA rules, Brazilian sugarcane ethanol is a biofuel that contains less than 50% of the carbon of gasoline, thereby providing Brazilian ethanol plants with Renewable Identification Numbers (known as RIN's) worth approximately \$0.40 per gallon. This equates to about \$24 million per year for a Brazilian 60 million gallon plant that is the same size as the Aemetis plant in California.

These EPA rules have created a competitive disadvantage for US ethanol producers that use corn as feedstock, since corn has been determined to not be an advanced biofuel feedstock. This financial disadvantage for corn ethanol plants has resulted in a significant decline in the value of corn ethanol facilities.

However, this market disadvantage for corn ethanol facilities allowed Aemetis to acquire the 60 million gallon per year Keyes ethanol plant near Modesto, California. The plant originally cost \$132 million to construct, and was acquired in July 2012 by Aemetis for only about \$15 million in cash and approximately 11% of Aemetis fully diluted

shares. On an actual cash cost basis for the investors in the Keyes plant, this transaction values Aemetis common stock at about \$6 per share.

Aemetis originally leased the Keyes plant in late 2009, and then retrofitted the plant to implement Aemetis design upgrades at a total cost of about \$8 million. The plant was restarted in April 2011. Demonstrating the success of the retrofit and the capability of the Aemetis operations and engineering team, the Keyes plant has successfully operated every day for almost 20 months with no down time and has one of the highest positive energy ratings of any ethanol plant in the US (2.6 to 1). The plant operates as a zero water discharge facility and has one of the highest yields of starch conversion in the industry.

This favorable market for acquiring corn ethanol plants is valuable to those companies that own technology and possess operating expertise for the rapid scale-up of the commercial production of advanced fuels and chemicals. By changing the biological process in a corn ethanol plant and adapting new feedstocks, we believe a significant reduction in feedstock cost and increases in revenues can be achieved through the production of advanced biofuels and other valuable products. However, most technology companies lack the financial and operational capability to acquire, retrofit and operate a corn ethanol plant using new biocatalysts, new feedstocks and new processes.

Please note the following important information related to the Aemetis upgrade plans for the 60 million gallon Aemetis ethanol plant:

1. The EPA is addressing Renewable Fuel Standard mandates and the uneven playing field between US and Brazilian ethanol. As a part of this process, the EPA recently approved grain sorghum (known in the industry as milo) as an Advanced Biofuel Feedstock.

In October of this year, Aemetis and two other ethanol producers in California imported about 60 million pounds of milo and achieved cost savings of approximately \$0.90 per bushel compared to corn. Our ethanol plant uses approximately 22 million bushels per year of feedstock, so the use of milo instead of corn represented a significant reduction in cost and increase in gross profit margin. The geographic location of the Keyes plant is a significant advantage. The Keyes plant is only about 40 miles from the deep water port of Stockton, California, providing a significant transportation cost advantage relative to Midwest corn ethanol plants that may seek to acquire less expensive, imported milo feedstock. At the cost basis of the recent purchases, the cost savings from the use of milo instead of corn could be in excess of \$18 million per year.

2. The EPA has also recently published a draft approval that provides the \$0.40 per gallon Advanced Biofuels RIN to ethanol produced from milo utilizing biogas from landfills and other methane sources. RIN's are not a taxpayer subsidy; RIN's are an increase in the value of biofuels relative to gasoline or diesel, and the cost of RIN's are paid by consumers at the fuel pump by a slight increase in the cost of fuel. In total, RIN's comprise less than 0.1% of the cost of fuel in the US, but provide significant financial incentive for the production of advanced biofuels.

With a capacity of 60 million gallons per year at the Keyes plant, a \$0.40 per gallon Advanced Biofuel RIN could potentially provide an increase of \$24 million per year in cash flow. This \$24 million of increased cash flow is in addition to the \$18 million of increased cash flow that could be gained by importing milo at a significant cost advantage due to the location of the Keyes plant near a Pacific Coast port. The increased cost of biogas relative to natural gas would reduce the total cash flow improvement, but we believe the increased cash flow from buying imported milo and then receiving \$0.40 per gallon of Advanced Biofuel RIN's appears to be in excess of \$30 million per year for the Keyes plant.

Although we have successfully processed milo as a feedstock at the Keyes plant, we are waiting for final EPA approval of the Advanced Biofuel RIN before purchasing biogas and implementing an Advanced Biofuel ethanol production process. However, we expect a large amount of lower-cost imported milo will be available starting in March 2013 from the harvest in South America and plan to purchase milo as a cost reduction activity in early 2013.

When the EPA has approved the milo/biogas pathway for the production of ethanol as an Advanced Biofuel, we will focus on sourcing milo and biogas for the Keyes plant to produce ethanol that qualifies for the Advanced Biofuel RIN. Though we have spoken directly with the EPA recently, the EPA has not stated when the final approval of this milo and biogas pathway will be issued.

Biodiesel Plant Upgrades:

In 2007, Aemetis built a 50 million gallon per year biodiesel plant on the East Coast of India. This plant has been upgraded with two additional process units to produce high-value refined glycerin and to refine edible oils. Recent increases in the domestic price of diesel in India, as well as expansion in our refined glycerin business and edible oil refining, has improved the revenues and cash flow of the India plant.

To upgrade first generation biodiesel plants including our 50 million gallon capacity plant in India, in August 2012 Aemetis acquired a global license from Chevron Lummus Global for the production of renewable jet and diesel fuel that is a 100% replacement for petroleum jet and diesel fuel. This technology allows a biodiesel plant to be converted to produce jet fuel for the \$300 billion, 70 billion gallon per year aviation fuels market by using plant oils from agricultural crops or algae sources at a very low conversion cost per compared to other technologies.

The Chevron Lummus technology allows the upgrade of biodiesel plants to produce jet fuel that could potentially be sold to the military and commercial aviation markets under longterm contracts. These contracts may include cost-plus pricing and other features that are highly attractive.

As the US military moves forward with its plan to float a Green Fleet and other initiatives, we believe that the low-cost process technology that Aemetis has licensed from Chevron Lummus Global provides Aemetis with the ability to scale up renewable jet fuel production capacity more quickly and at lower cost relative to other technologies by the conversion of existing biofuels plants. We will provide additional updates of progress on the 100% replacement jet/diesel program, but we caution that decisions related to the production of jet fuel for the military are subject to political and bureaucratic forces that could significantly delay the implementation of this program.

General Items:

As you may be aware, Aemetis retained one of the largest audit firms in the US, McGladrey, and completed audits to become a fully reporting public company in November 2012. In late November after filing the financial reports with the SEC, Aemetis filed for a NASDAQ listing and is currently active in the NASDAQ listing process.

Due to the filing of the audits and quarterly financial statements, Aemetis has now received Blue Sky approval in approximately 40 states. The planned NASDAQ listing will provide Blue Sky approval in all 50 states.

Aemetis has developed relationships with a number of stock analysts and investment banks. We are planning proactive communications with financial markets going forward, including conferences, road shows, social media, traditional media and research reports.

We will now answer some questions submitted by our investors.

Question: What are the current plans for production at the California and India plants?

We plan to convert at least a portion of the feedstock at the Keyes plant to milo feedstock as supply becomes available in early 2013. When the EPA approval is obtained, we plan to purchase biogas and submit for Advanced Biofuels RIN's for ethanol produced at the Keyes plant.

The India plant is operating the three units that produce biodiesel, refined glycerin and edible oils. We expect the large Indian government subsidy for diesel will continue to decrease, improving margins in the biodiesel business.

The refined glycerin business is doing well, with new customers this year from the paint, pharmaceutical and consumer products industries.

Question: What are the plans for plant expansions?

Our strategy is to produce valuable chemicals and advanced fuels by the upgrade of the Keyes plant and the India plant. Aemetis operates a research and development laboratory in Maryland that is developing products utilizing our patented technology, and is acquiring technology rights for the production of high value chemical and fuels products.

Question: At what volume and price levels does each facility become profitable?

By conversion of feedstock to milo, the Keyes plant is expected to significantly improve cash flow. With the expected addition of Advanced Biofuel approval from the EPA, the plant is expected to become strongly positive cash flow, reflecting its advantageous location near a Pacific deep water port and the large California ethanol market.

The India facility has already achieved annual operating positive cash flow. The plant is expected to earn increased margins from continued price increases in the domestic price of diesel in India, and by continued expansion in the production of refined glycerin. The current price of diesel in India is set by the government at approximately 48 rupees, whereas the world price of diesel is more than 60 rupees. As the India government deals with a fiscal deficit, we expect the price of diesel in India to continue to rise as government subsidies are cut, which could add significantly to gross profit margins at our India plant.

Thank you for joining us today. If you would like to hear this conference call again, please either use this conference number and access code, or visit the Investor section of the Aemetis website.

We look forward to holding another conference call in the future as we make progress on our plans. We look forward to meeting you at an industry or investor conference, and please feel free to contact us at any time with questions or comments.

Forward-Looking Statement Disclaimer

This conference call will contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified through the use of words such as “expects,” “intends,” “will,” “anticipates,” “estimates,” “believes,” “plans,” or statements indicating certain actions “may,” “could,” or “might” occur. Forward-looking statements involve risks and uncertainties. A number of factors could cause actual future results to differ materially from historical results or from those expressed or implied by such forward-looking statements, including those identified in our filings with the SEC, which are available at <http://www.sec.gov>. Such forward-looking statements are based on our best estimates of future results, performance or achievements, based on current conditions and our most recent results. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results (expressed or implied) will not be realized.