

USDA Reserves Over \$100 Million in Loan Guarantee Funding for Biosynthetic Technologies



Biosynthetic™ Technologies poised to break ground on commercial-scale renewable chemicals manufacturing plant

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IRVINE, Calif. Biosynthetic Technologies, LLC, developer of very high-performance biobased oils used in automotive and industrial lubricants, has received approval from the U.S. Department of Agriculture (“USDA”) on its Phase One application for a loan guarantee under the USDA’s *Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program* (the “9003 Program”). The co-applicant with Biosynthetic Technologies on this loan application is one of the three largest U.S. based banks. In advancing Biosynthetic Technologies’ application into Phase Two, the USDA has reserved funds that will be used to guarantee 80 percent of a loan to be issued by the bank to Biosynthetic Technologies to build a commercial-scale manufacturing plant.

During Phase Two of the application approval process, which is underway, Biosynthetic Technologies, the bank, and the USDA will work together to finalize loan terms acceptable to the three parties. Under the terms of the 9003 Program, a portion of the project costs must be funded by Biosynthetic Technologies’ shareholders. In conjunction with the project financing, the company will raise a Series D equity round.

Congress established the Biorefinery Assistance Program in 2008, and in the 2014 Farm Bill extended and expanded it to include renewable chemicals and biobased product manufacturing. The program provides guarantees for loans made by commercial lenders to fund the development of biorefineries for the production of advanced biofuels and renewable chemicals as well as biobased product manufacturing facilities.



“The fact that Biosynthetic Technologies’ project was advanced to Phase Two by the USDA in this funding round is a great vote of confidence and point of validation. We are pleased that the 9003 Program was expanded recently to include renewable chemical projects, and honored to be the only chemical project selected under this program to date” said Allen Barbieri, CEO. He continued, “Biosynthetic Technologies is thankful to the USDA, Congress, and many other champions of this program. We now look forward to delivering a project that creates U.S. manufacturing jobs, and strengthens both the agricultural sector and the environment, as intended by Congress in the creation of the 9003 Program. Finally, we are anxious to begin filling the tremendous demand for these products, including the many commercial supply agreements we have secured.”

USDA Rural Development Under Secretary Lisa Mensah stated that, "USDA is proud to support innovative biobased projects such as this one, which, when completed, will spur economic development, create new jobs and provide new markets for farm commodities in rural America. This loan commitment is the most recent example of the Obama administration's support in helping grow the biobased economy and boost the agriculture and manufacturing sectors in America to assist U.S. companies to better compete in a rapidly growing, global, renewable chemicals market."

The project financing will be used to construct a full-scale commercial manufacturing facility that will be co-located within a major existing chemical complex. The plant will produce 20 million gallons (67,000 MTs) of Biosynthetic Base Oil per year, representing less than two tenths of one percent of the global lubricant base oil market, giving Biosynthetic Technologies tremendous expansion potential.

Biosynthetic Technologies produces high-performance biobased synthetic base oils. Base oils are the primary ingredient in automotive and industrial lubricants. Biosynthetic Base Oils have proven to outperform petroleum-derived synthetic base oils. As a point of validation, Biosynthetic Technologies has certified SAE 5W-20 and 5W-30 motor oil formulations with the American Petroleum Institute (API) and the U.S. Government's BioPreferred program. Many lubricant manufacturers see Biosynthetic Base Oils as a key future material in the sector. Biosynthetic Technologies is now working with numerous major lubricant manufacturers and marketers who are certifying these Biosynthetic Base Oils as an ingredient in a wide range of products.

Partnered with a leading global specialty chemical company, Biosynthetic Technologies has developed a highly efficient continuous-flow manufacturing process. The company's revolutionary molecule structures and continuous-flow manufacturing technology are protected by 34 issued U.S. patents, 10 international patents, and 74 pending patent applications.

About Biosynthetic™ Technologies

Headquartered in Irvine, CA, Biosynthetic Technologies is commercializing revolutionary patented chemical technologies. In a proprietary catalytic process, the company converts plant-derived fatty acids into Biosynthetic Oils, a new class of high-performance synthetic oils that can replace the petroleum-based fluids common in motor oil, industrial lubricants, personal care, and other chemical applications. The company's products are currently made at a fully integrated demonstration-scale manufacturing plant. The company enjoys significant market interest and an impressive patent portfolio. Biosynthetic Technologies is a privately held company funded in part by several large, global companies including BP, Monsanto and Evonik. For more information, visit <http://www.biosynthetic.com>.

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