

# Achieving Commercial Success and Overcoming Commercial Challenges

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# Aviation

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## Rising to meet global demand.

With more than 3,000 global service locations, we are well equipped to deliver fuel and related services for commercial, business and government aircraft, and fixed-base operators (FBOs) worldwide. Our wide array of products and services are designed to help boost efficiency and support operations throughout the aviation sector.

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### At a glance:

- 7 billion + USG supplied annually
- More than 1.6 million fuel transactions annually
- 3,000 + locations

Data as of December 31, 2014



# WFS Role in AltAir Project

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- Negotiated Off-take Agreement
- Convinced Investors of our commitment
- Supplies Conventional Fuel
- Supplies all Delivery logistics
- Provide marketing and sales function
- Purchase RD in addition to SAJF
- Contract trucking and Rail deliveries
- Assists in Optimizing yields
- Provide terms to reduce working Capital



# Other Customers

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Gulfstream-Public Announcement of WFS deal  
made 9 months ago

Deliveries will be made by Truck/Rail/Truck to SAV  
WFS invested in Transloaders at Bakersfield and  
SAV

Other Commercial Airlines operating at LAX

In discussions with Business Aviation Customers

Identification of customers limited by  
contactual privacy provisions.



# Major Barrier to increased Sales

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- Preferential treatment of Renewable Diesel
- No LCFS credit
- No value for Fuels under the Cap
- Higher production cost of SAJF using HEFA
- Large yield penalty to produce more than 15%
- Historically low conventional fuel prices



# Major Learning

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- Off-take agreements take a lot longer to negotiate than anticipated
- Even with proven technology, and existing facilities start up problems are inevitable
- Despite explaining that you are doing something that has never been done before customers patience wears thin
- There will be numerous amendments to the original contract
- Project will likely begin under the most adverse market conditions you can conceive of
- Regulatory environment will provide surprises

# Off-take Agreements With Fuel Producers



- Assists Fuel producer in obtaining Financing
  - Eliminates Logistics issues for the fuel supplier
  - Simplifies sales transactions
  - Reduces cost in delivering fuel the “last mile”
- Reduces working capital requirement
  - Enables supplier to access the existing supply chain and customer base
  - Expertise in fuel quality, logistics, marketing, tax, and accounting

# WFS interest in off-take agreements



- Provides our customers with a product they want
- Enables us to differentiate ourselves increases conventional Fuel sales
- Permits us to participate in a potentially high growth market
- Enables us to leverage our existing supply chain expertise, and marketing relationships







- Ability to handle complex logistics involving small volumes
- Company willing to assume responsibility for fuel in transit
- Existing FBO, Corporate and Commercial airline customer base
- Ability to administer sales transactions and provide credit
- Ability to access existing supply chain-truck, rail, pipelines, airports Fuel Quality Expertise



thank you.

