

Corporate Overview

A blue banner with a world map and water splashes. The banner is a solid blue color. On the left side, the text 'Corporate Overview' is written in white. On the right side, there is a faint, light blue world map. To the right of the map, there is a dynamic splash of water, rendered in various shades of blue, with droplets and ripples.

Key Business Considerations

Mission: Leverage Unique Microbiological Catalyst to Deliver Lowest-Cost Global Technology Platform for Commercial Cellulosic Ethanol (CEtOH) Production

- **Existing Multi-Billion Dollar Worldwide Industry with Mandated Demand for CEtOH and No Commercial Supply**
- **Unique & Broadly Patent Protected Technology Platform**
 - » Foundational Q Microbe[®] represents a naturally occurring CEtOH “biorefinery”
 - » Commercialization efforts focused on scale and optimization vs. high-risk biological engineering
 - » Depth and breadth across important scientific and engineering disciplines
 - » Platform potentially extensible beyond CEtOH to other specialty chemical product opportunities
- **Unique Ability to Achieve Near-Term, World-Class Economics (WCE) at Commercially Relevant Scale**
 - » Total cash-based OPEX: ~\$2.40/gallon today → ~\$1.50/gallon by mid 2011 → < \$1.00/gallon by 2013
 - » Highly efficient biology → highly efficient, streamlined engineering design → lowest capital costs
 - » WCE maximizes CEtOH producer profitability and catalyzes project-finance market appetite
 - » Multiple science- and engineering-based paths to achieve lowest-cost production
- **Praj Industries Strategic Partnership: Broad and Transformational Alliance to Catalyze Worldwide Commercial Plans**
 - » Joint Development and Commercial Agreement focused on licensing unique Process Design Packages and turn-key EPC solutions for multiple feedstocks by late 2012
 - » Accelerates and strengthens Qteros’ commercialization pathway via Praj’s worldwide base of 450+ customers and validates unique, WCE-potential of Q Microbe[®] technology platform
 - » Maximizes Qteros’ revenue potential and de-risks Qteros’ revenue-generating opportunities in key markets globally
 - » Numerous other high-value partnerships under development

Key Business Considerations (continued)

Mission: Leverage Unique Microbiological Catalyst to Deliver Lowest-Cost Global Technology Platform for Commercial Cellulosic Ethanol (CEtOH) Production

- **Strengthened Balance Sheet through \$22M Initial Tranche of Series C Funding**
 - » Sufficient capital to accelerate development and commercialization plans with Praj and others
 - » World-class financial investors and strategic partners include Venrock Associates, Battery Ventures, Praj Industries, BP AE Ventures, Soros Fund Management and Valero Energy
- **Highly Capital-Efficient Licensing Business Model & Well-Defined Go-to-Market Commercialization Strategy**
 - » Unique ability to achieve near-term WCE drives maximum licensing revenue and market penetration
 - » Enables broad licensing opportunities across multiple partners and geographies
- **Platform Leverages Highly Productive and Sustainable Feedstocks (i.e., Non-Food-Based Biomass)**
 - » Significantly greater theoretical ethanol yields and lowest sugar cost vs. other longer-chain molecule platforms
 - » Superior carbon footprint vs. first-generation ethanol and gasoline
- **Experienced and Executionally Focused Management Team**
 - » Successful track record of building and maximizing shareholder value across numerous complex businesses in both the private and public markets
- **Demonstrable, Near-Term, Value-Creating Milestones Resulting in Compelling Investor Risk/Reward Opportunity**
 - » Demonstrable, near-term technical thresholds to accelerate WCE pathway
 - » Executing on important strategic co-development and commercial partnerships

Qteros has Rapidly Established Transformational and High-Value Partnerships To Accelerate Efficient Commercialization Strategy

- **Praj Industries Profile and Partnership Highlights**

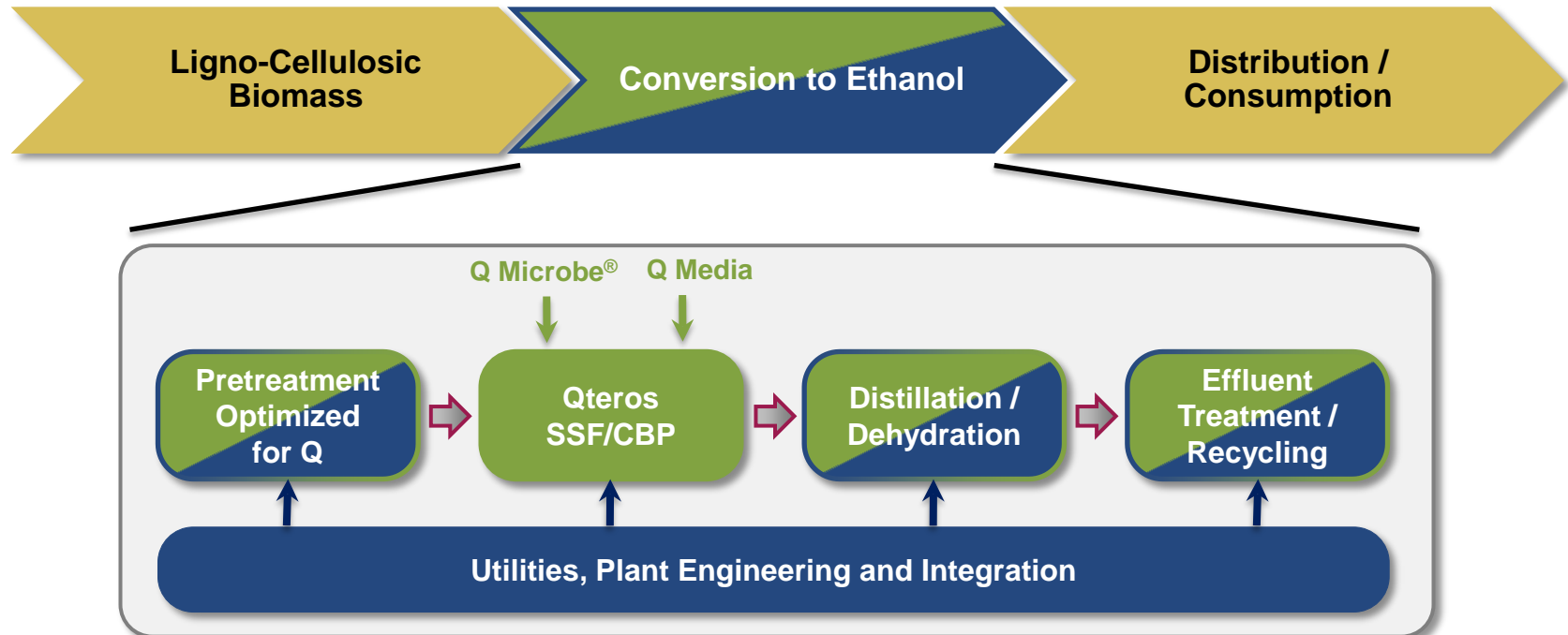
- » **Profile:**

- Leading R&D and Engineering firm in the worldwide biofuels & biochemicals industries
- Publicly traded on the Indian exchange
- Customer base of more than 450 biofuels refineries built in 50 countries around the world
- Fully integrated pilot facility available for Qteros scale-up

- » **Partnership highlights:**

- Focused on accelerated cost /scale validation and completion of a jointly developed engineering process design package (PDP) for licensing throughout the world
 - o Initial feedstock focus: sugarcane, corn and wheat residuals
- Initial commercial focus: Praj's existing 450+ ethanol customers seeking to add co-located cellulosic ethanol facilities to their existing ethanol infrastructure
 - o Revenue generation expected to begin in 2013
 - o Based on the achievement of certain development and commercialization milestones, Qteros and Praj may elect to incorporate into the partnership additional feedstocks and potentially other biochemical products to be derived from Qteros' unique microorganism-based platform
- Partnership provides maximum flexibility for Qteros to work with many others across the world

Highly Capital-Efficient Licensing Business Model Supported by Praj and Other World-Class Technology and Engineering Partners



QTEROS + Partner(s) = **Process Design Package (PDP)**

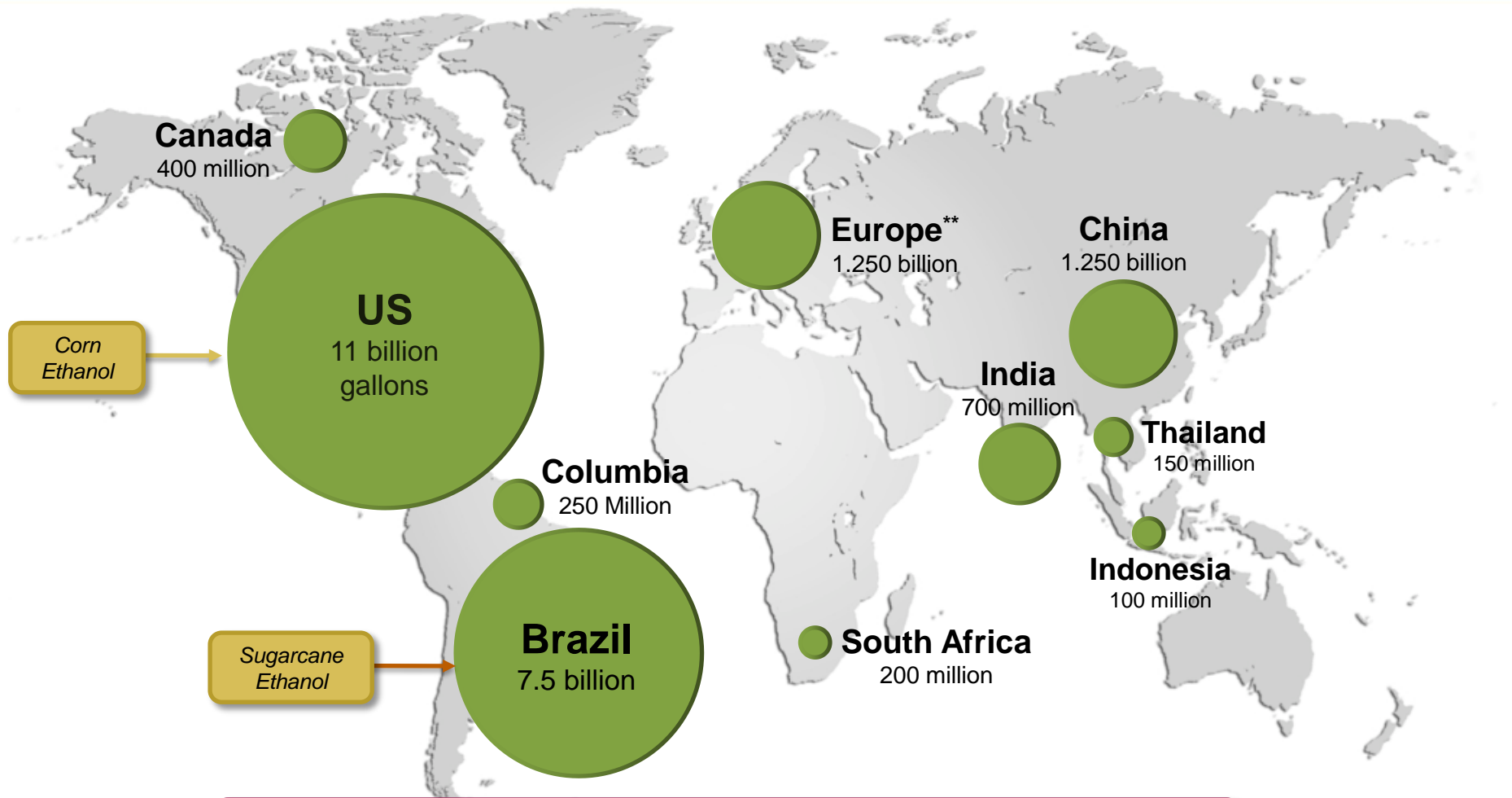


The materials and technology licenses, know-how, information and documentation required to construct and operate a commercial facility capable of producing cellulosic ethanol with the Q Microbe®

Industry Perspective

A blue banner with a world map and water splash graphic. The banner is a solid blue rectangle. On the right side, there is a stylized world map in a lighter blue color. To the right of the map is a dynamic splash of water, rendered in various shades of blue and white, suggesting movement and energy.

The Ethanol Market is Large*, Global and Well-Established as a Gasoline Additive or Alternative



2009 WORLDWIDE MARKET:

- Annual Production: ~ 23 BGY
- Annual Revenues: ~ \$40 Bn/year*** with the potential to exceed \$100 Bn/annually

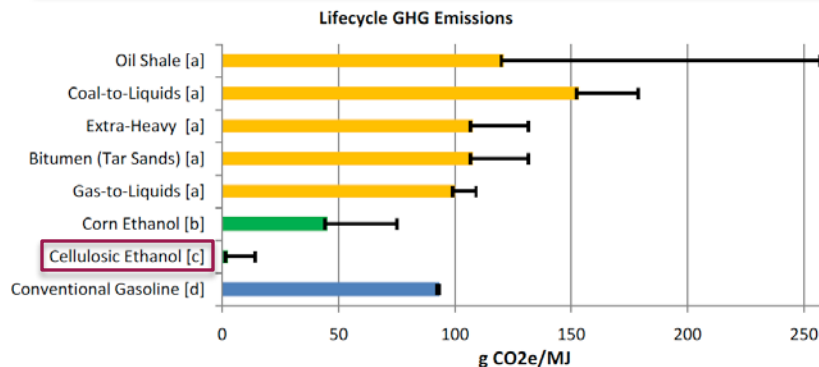
* Listed countries represent > 90% of total production for 2009
** Europe includes Germany, France, UK, Spain and Italy
*** Assuming an average selling price of \$1.80/gallon

Numerous Macroeconomic Trends Drive Worldwide Growth of Biomass-Derived Biofuels

- Energy Security**
- Environmental Preservation**
- Renewable Resources**
- Non-Food / Waste Feedstocks**
- Lower Green House Gas Emissions**
- Lower Fuel Costs**
- Government Stimulus Plans***
- Higher Potential Economic Profit**



QTEROS
Cellulosic Ethanol

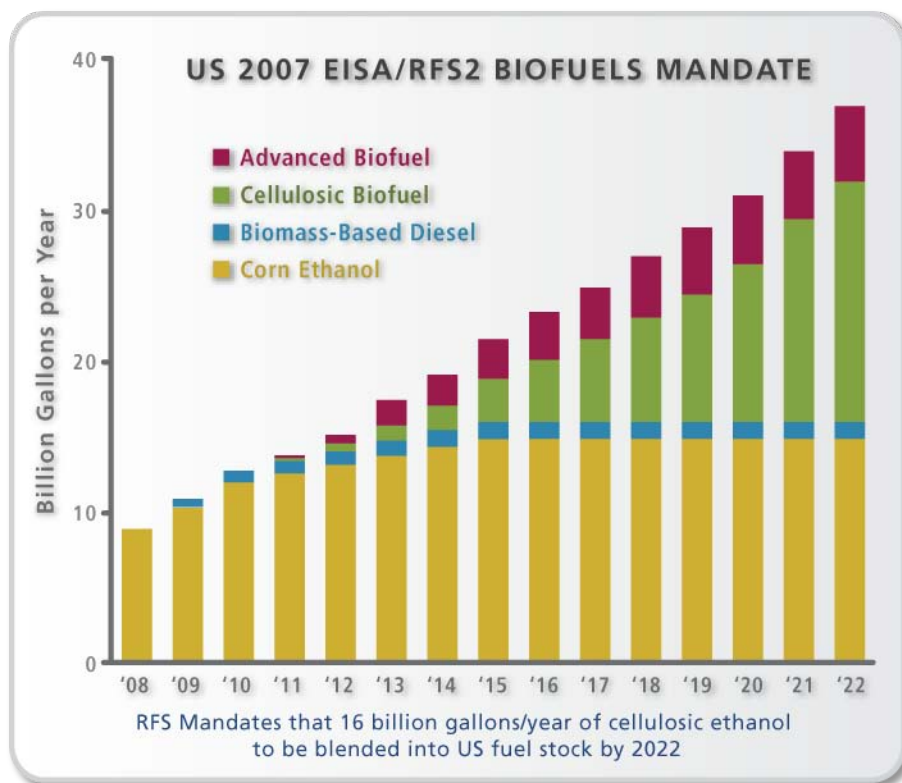


*Multiple government stimulus plans worldwide in the form of mandates, subsidies, tax credits, and loan guarantees

GHG Data from Renewable Fuels Association: What do biofuels displace and why does it matter?

For the Foreseeable Future, Ethanol Demand Will Not Be the Issue

- Qteros' CBP platform has the potential to create an industry standard for low-cost cellulosic ethanol production
- The demand for cellulosic ethanol has been mandated in the US and/or incentivized by other governments (i.e., EU, Brazil, and China) to stimulate supply



	Cellulosic Biofuels (Billion Gallons / Year)	New Plants / Year (30MM gal/yr)
2010	0.10	0.0065* 3 < 1
2011	0.25	0.0065* 5 < 1
2012	0.50	8
2013	1.00	17
2014	1.75	25
2015	3.00	42
2016	4.25	42
2017	5.50	42
2018	7.00	50
2019	8.50	50
2020	10.50	67
2021	13.50	100
2022	16.00	83

534

* EPA adjustment per RFS2 for 2010 & 2011

Market Supply Represents Greatest Challenge in Realizing the Global Potential for Cellulosic Ethanol

- There are currently no commercial-scale CEtOH plants
- The first commercial-scale plants are not expected to be on-line until late 2011 or 2012, and are small scale
- Despite significant progress made over the last five years, numerous hurdles remain to be overcome . . .

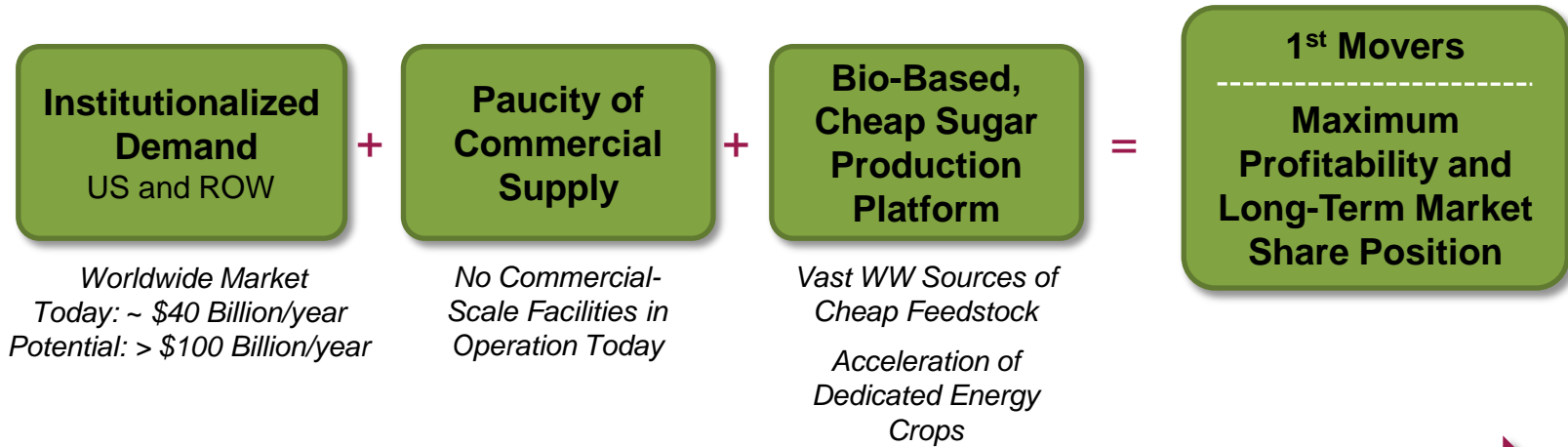
TECHNICAL

- **Feedstock**
 - Diversity
 - Variability
 - Seasonability
- **Pretreatment**
 - High capital costs
 - High energy and chemical costs
- **Hydrolysis**
 - High enzyme usage rates and costs
- **Fermentation**
 - C5 and C6 fermentation
 - Inhibitor tolerance
 - Process robustness
- **Biological Scaling**

FINANCIAL

- **Lack of capital / limited credit**
 - Private & public
 - “1st plant” technology aversion
 - Consistent Federal policies
- **Without industry performance benchmarks (due to variations in plant size and performance) it will be difficult for investors to evaluate new proposals**
- **Unpredictable feedstock costs**
 - Lack of long-term feedstock supply agreements
 - Undeveloped infrastructure/logistics
- **Requirement for long-term off-take contracts**
- **Significant gasoline price variability**

First-Mover Advantage Is Key to Worldwide Commercial Success Where Demand Greatly Outweighs Supply



1st Mover Advantages Over Time



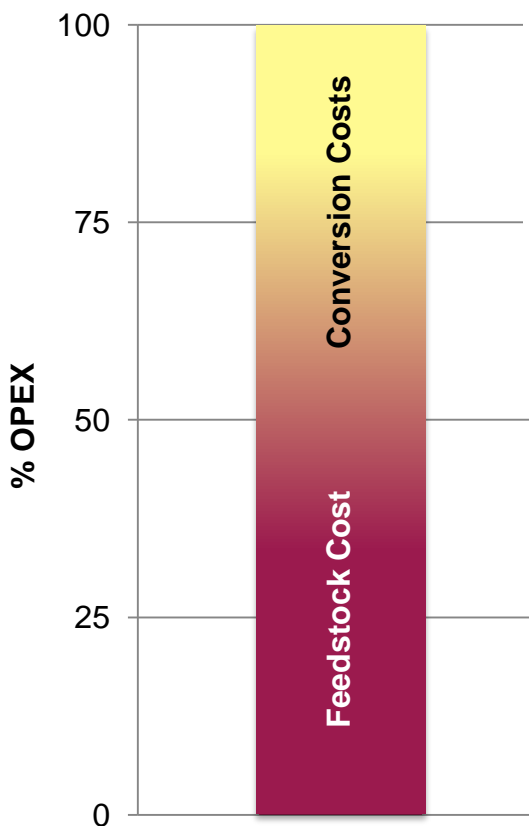
First-Movers Will Establish Significant Entry Barriers and Switching Costs

Technical Overview

A blue banner with a world map and water splash graphic. The banner is a solid blue color. On the right side, there is a stylized world map in a lighter blue color. To the right of the map is a large, dynamic splash of water, also in shades of blue, with many small droplets and bubbles. The background of the slide is a blurred image of a mechanical part, possibly a valve or a pump, with a blue component visible.

As With All Commodity Products, Low Cost Feedstock, Low Conversion Costs and Scalability Are The Key Determinants for Success

Qteros is well-positioned to optimize all of these key variables and thereby lead the industry



- Qteros' CBP Platform has the potential to achieve the lowest conversion costs in the CEtOH industry due to:

- ✓ the least severe pretreatment process possible
- ✓ the fewest number of unit operations
- ✓ the most efficient conversion of biomass (both C5 and C6 sugars)
- ✓ a higher percentage of uptime
- ✓ significantly less exogenous enzyme addition

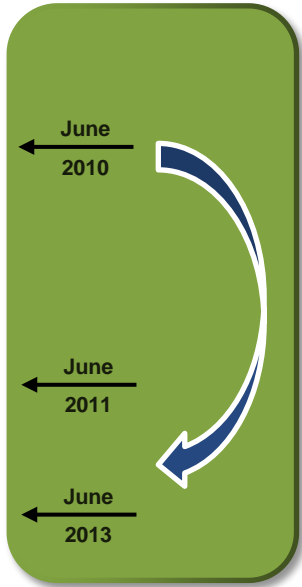
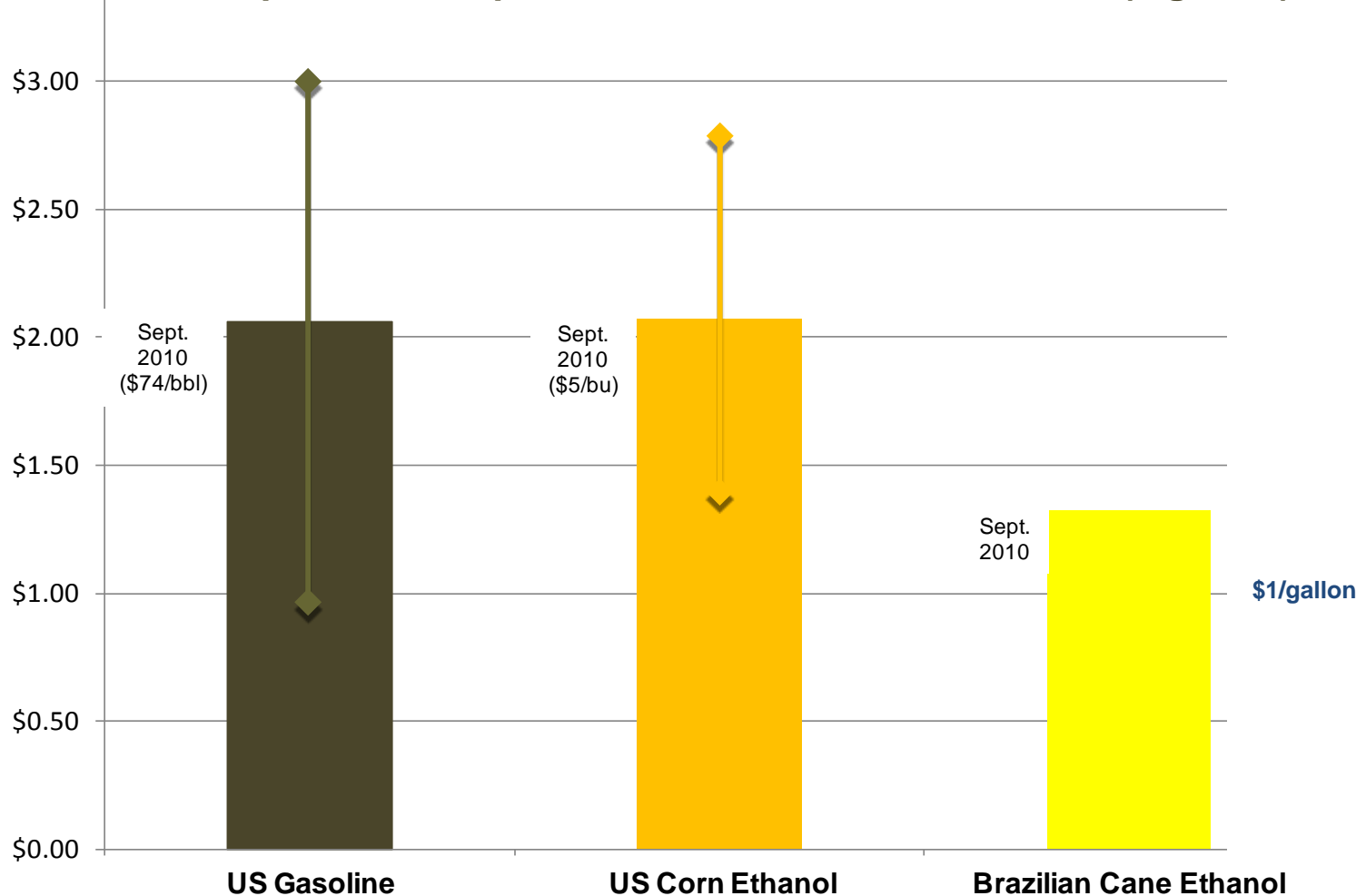
-
- Feedstock costs typically accounts for 50-80% of the total operating cost for producing any commodity chemical
 - Qteros is entering the CEtOH market using low-cost, captive feedstocks, and in at least one instance, biomass with negative economic value
 - 1st movers will secure the lowest cost feedstock by controlling real-estate and establishing strong partnerships. By partnering with Praj, Qteros accomplishes both.
 - The most successful commodity producers have the most flexible technology platforms with respect to using multiple grades of feedstock. The Q Microbe[®] is unique in this respect.

Qteros' Technology Platform Offers CEtOH Producers a Unique Opportunity to be a 1st Mover with the Lowest Cost of Production

	Biomass	Pretreatment	Endogenous Enzyme Production	Fermentation	Ethanol Production
Q Microbe[®] Attributes	<ul style="list-style-type: none"> • Digests a broad variety of non-food-based feedstocks (i.e., corn stover, fiber, sugarcane bagasse, switchgrass) • Metabolism adjusts to feedstock 	<ul style="list-style-type: none"> • Efficiently ferments oligomeric sugars 	<ul style="list-style-type: none"> • Naturally produces virtually all enzymes required to digest biomass • Over 165 different genes for plant cell wall degradation 	<ul style="list-style-type: none"> • Co-ferments C5 and C6 sugars • Anaerobic fermentation 	<ul style="list-style-type: none"> • Ethanol is the primary natural product of the Q Microbe's metabolism, and at commercially-relevant yields
Value to Producer	<ul style="list-style-type: none"> • Utilizes low-cost, non-food /feed raw materials • Maximizes geographic flexibility for site selection 	<ul style="list-style-type: none"> • Less acid • Lower pressure • Less energy • Minimizes C5 inhibitors • Less complex engineering and design criteria 	<ul style="list-style-type: none"> • 80-100% reduction in exogenous enzymes required • Elimination of separate unit operations (hydrolysis, fermentation) 	<ul style="list-style-type: none"> • Fewer and streamlined unit operations • Less water • Less energy • Fewer FTEs • Less maintenance • Higher efficiency • Minimal risk of contamination 	<ul style="list-style-type: none"> • Lower CAPEX and OPEX due to higher rates, titers, yields, and fewer side products

Qteros' Technology Platform Is Expected to Generate World-Class Economics for Cellulosic Ethanol Producers

Sept. 2008 – Sept. 2010 Cash Cost of Conversion (\$/gallon)



QTEROS

- US Gasoline EIA information for crude plus refining costs. Range \$0.96-\$3.00 (Sept. 2008 – July 2010). Sept. 2010: \$2.06
- US Corn Ethanol USDA ERS data. Average 9 US locations. Corn \$/bu-gal produced (2.8 gal/bu) plus 0.26 other costs (Perrin, 2009). Range \$1.43-\$2.66, Sept. 2010: \$2.07
- Brazilian Cane Ethanol \$1.32/gal production cost reported March 2010.
- Cellulosic Ethanol Compilation of reported current and goal values by competitive firms

A blue banner featuring a faint world map on the left and a dynamic water splash graphic on the right. The text 'Commercial Development' is centered in white.

Commercial Development

Qteros' Go-To-Market Strategy Integrates Several Supporting Strategic Elements, Each of Which is Dependent on the Other

- Qteros is pursuing a technology licensing model
- The Q Microbe®, Q Media and process design packages (PDPs) for particular feedstocks represent Qteros' products
- These products enable the construction of commercial CEtOH facilities with attractive returns for producers
- Qteros' licensing model economics are focused on upfront technology licensing fees and production-based royalties

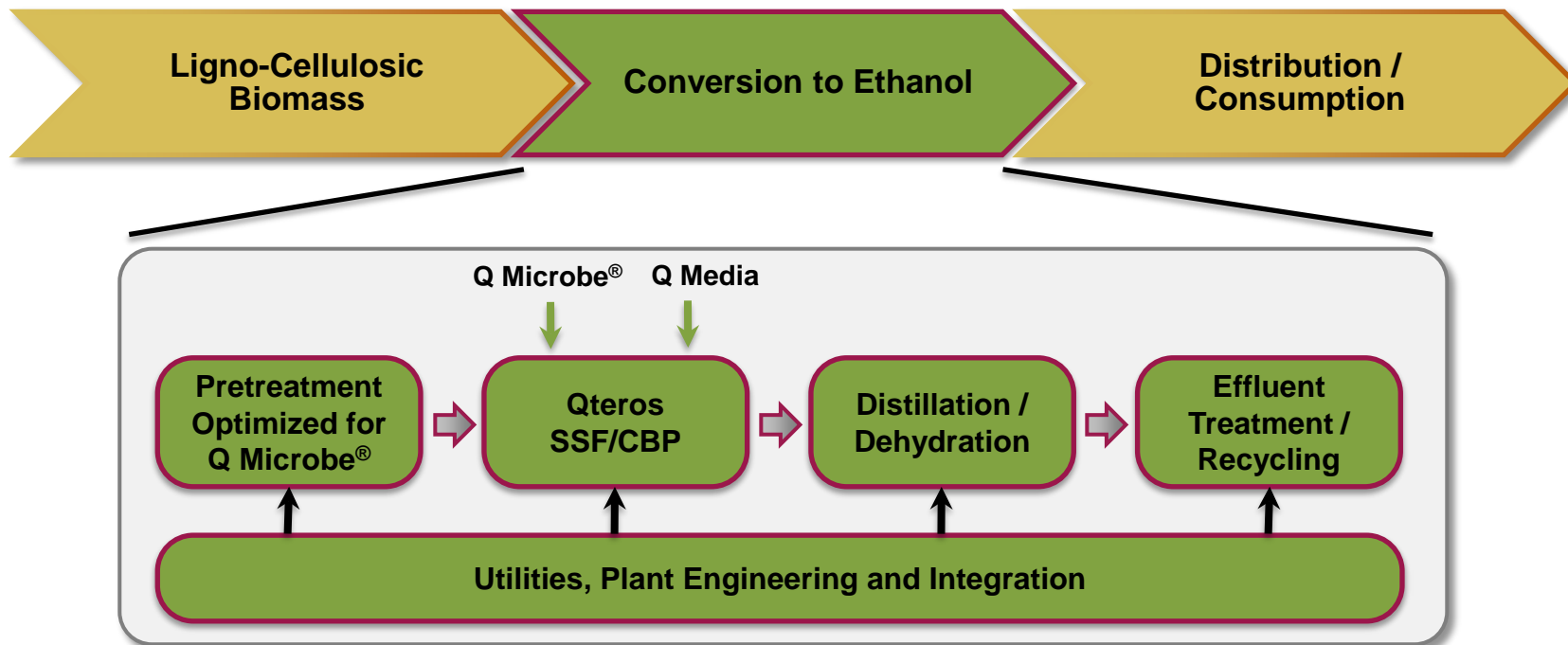


- IP is the foundation for Qteros' technology licensing business model
- Qteros' IP portfolio covers multiple segments of the CEtOH value chain
- Option value is being created by filing applications for other industrial chemicals

- Qteros has developed a biomass roadmap that targets four cellulosic feedstocks across multiple time horizons
- The near-term targets include corn stover, wet distillers grains and bagasse, processed at CEtOH facilities co-located with existing corn and sugarcane ethanol plants
- Longer term, greenfield facilities processing energy crops (e.g., sorghum, energy cane) represent the greatest opportunity for global commercial scale

- Qteros is partnering with technology and/or engineering firms, such as Praj Industries, that can help develop and deliver PDPs to multiple customers on a global basis for multiple feedstocks
- Key partner attributes include biomass pretreatment capabilities, access to an integrated cellulosic ethanol pilot facility, and Engineering, Procurement & Construction expertise
- Qteros' licensing model economics are focused on upfront technology licensing fees and production-based royalties

Qteros' First Product Will be a Process Design Package Centered Around the Q Microbe[®] to Enable the Lowest Cost CEtOH Production



Process Design Package (PDP)

The materials and technology licenses, know-how, information and documentation required to construct and operate a commercial facility capable of producing cellulosic ethanol with the Q Microbe[®]

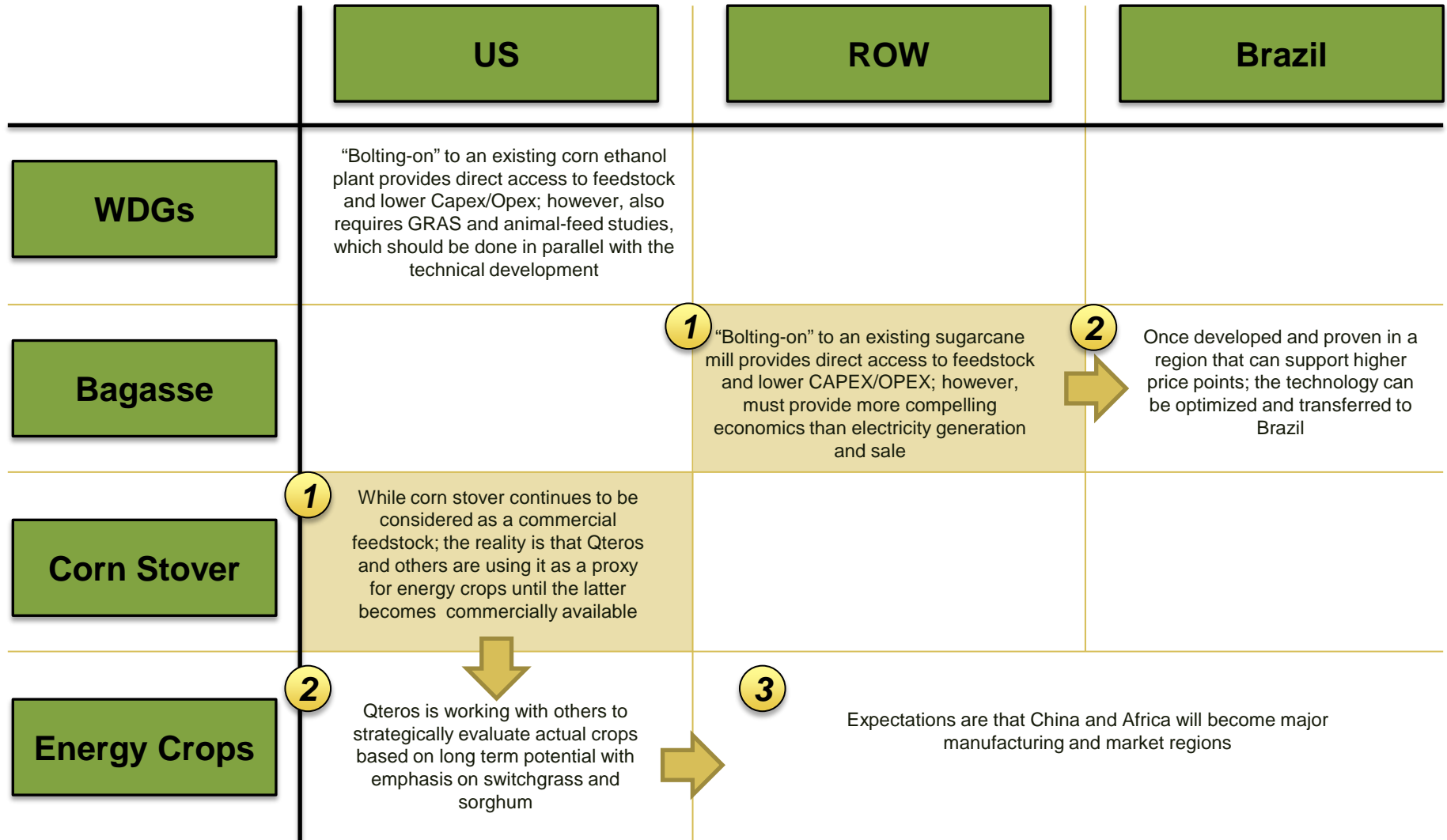
Qteros Intends to Offer Attractive Producer Returns Across a Broad Array of Feedstocks

Feedstock		Proven digestibility
Agricultural Waste	Stover	
	Cob	
	Fiber	
	Distiller's Grains	
	Sweet Sorghum	...
	Wheat Straw	
	Rice Straw/Hulls	
	Bagasse	
	Cane "Trash"	...
	Milo Stubble	
Energy Crops	Energy Cane	...
	Sorghum High Biomass	...
	Miscanthus	...
	Switchgrass	
	Hybrid Poplar	
	Hardwood-Purpose Grown	
	Softwood-Purpose Grown	

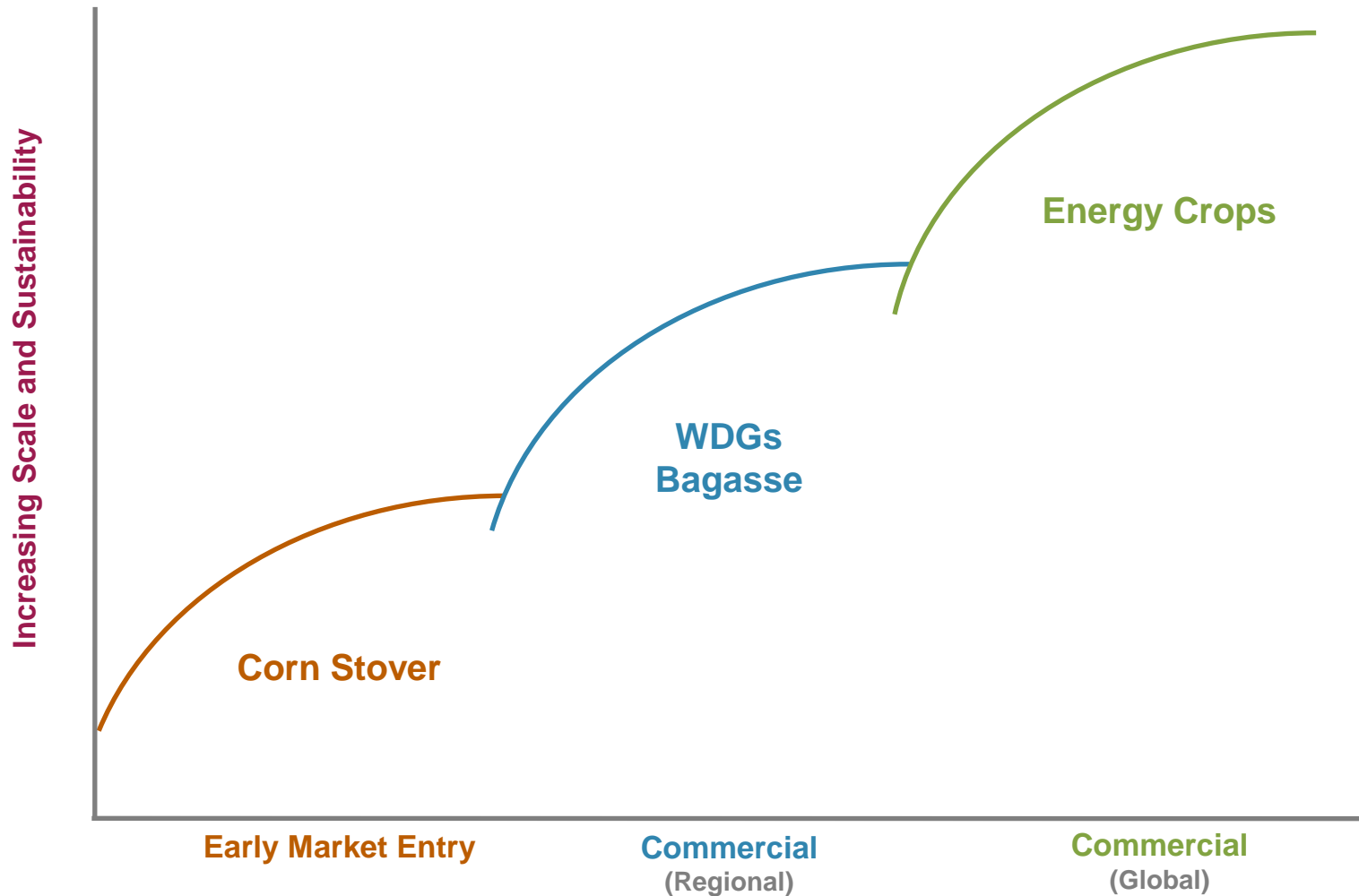
Feedstock		Proven digestibility
Other	Sugar Beet Pulp	
Wood	Slash	
	Field Waste – Hardwood	
	Field Waste – Softwood	
	Mill Waste – Hardwood	
	Mill Waste – Softwood	
	Pulp Mill Residue	
	CS Stream	
	Waste	MSW
WW Sludge		
CDW		

- Tested with convincing results
- Tested with inconclusive results
- ... To be tested shortly

Qteros' Market-Entry Strategy Involves Parallel Paths That Are Optimized For Feedstock, Speed-to-Market, and Geography



Qteros' Value-Creation Roadmap for Cellulosic Ethanol Consists of Three Distinct Time Horizons Across Four Feedstocks



Key Business Considerations

Mission: Leverage Unique Microbiological Catalyst to Deliver Lowest-Cost Global Technology Platform for Commercial Cellulosic Ethanol (CEtOH) Production

- **Existing Multi-Billion Dollar Worldwide Industry with Mandated Demand for CEtOH and No Commercial Supply**
- **Unique & Broadly Patent Protected Technology Platform**
 - » Foundational Q Microbe[®] represents a naturally occurring CEtOH “biorefinery”
 - » Commercialization efforts focused on scale and optimization vs. high-risk biological engineering
 - » Depth and breadth across important scientific and engineering disciplines
 - » Platform potentially extensible beyond CEtOH to other specialty chemical product opportunities
- **Unique Ability to Achieve Near-Term, World-Class Economics (WCE) at Commercially Relevant Scale**
 - » Total cash-based OPEX: ~\$2.40/gallon today → ~\$1.50/gallon by mid 2011 → < \$1.00/gallon by 2013
 - » Highly efficient biology → highly efficient, streamlined engineering design → lowest capital costs
 - » WCE maximizes CEtOH producer profitability and catalyzes project-finance market appetite
 - » Multiple science- and engineering-based paths to achieve lowest-cost production
- **Praj Industries Strategic Partnership: Broad and Transformational Alliance to Catalyze Worldwide Commercial Plans**
 - » Joint Development and Commercial Agreement focused on licensing unique Process Design Packages and turn-key EPC solutions for multiple feedstocks by late 2012
 - » Accelerates and strengthens Qteros’ commercialization pathway via Praj’s worldwide base of 450+ customers and validates unique, WCE-potential of Q Microbe[®] technology platform
 - » Maximizes Qteros’ revenue potential and de-risks Qteros’ revenue-generating opportunities in key markets globally
 - » Numerous other high-value partnerships under development

Key Business Considerations (continued)

Mission: Leverage Unique Microbiological Catalyst to Deliver Lowest-Cost Global Technology Platform for Commercial Cellulosic Ethanol (CEtOH) Production

- **Strengthened Balance Sheet through \$22M Initial Tranche of Series C Funding**
 - » Sufficient capital to accelerate development and commercialization plans with Praj and others
 - » World-class financial investors and strategic partners include Venrock Associates, Battery Ventures, Praj Industries, BP AE Ventures, Soros Fund Management and Valero Energy
- **Highly Capital-Efficient Licensing Business Model & Well-Defined Go-to-Market Commercialization Strategy**
 - » Unique ability to achieve near-term WCE drives maximum licensing revenue and market penetration
 - » Enables broad licensing opportunities across multiple partners and geographies
- **Platform Leverages Highly Productive and Sustainable Feedstocks (i.e., Non-Food-Based Biomass)**
 - » Significantly greater theoretical ethanol yields and lowest sugar cost vs. other longer-chain molecule platforms
 - » Superior carbon footprint vs. first-generation ethanol and gasoline
- **Experienced and Executionally Focused Management Team**
 - » Successful track record of building and maximizing shareholder value across numerous complex businesses in both the private and public markets
- **Demonstrable, Near-Term, Value-Creating Milestones Resulting in Compelling Investor Risk/Reward Opportunity**
 - » Demonstrable, near-term technical thresholds to accelerate WCE pathway
 - » Executing on important strategic co-development and commercial partnerships

Corporate Overview

A blue banner with a world map and water splashes. The banner is a solid blue color. On the right side, there is a faint, light blue world map. To the right of the map, there is a dynamic splash of water, rendered in various shades of blue and white, suggesting movement and energy.