



**NYSE Arca: EEE**

**February 2011**

[www.evgenenergy.com](http://www.evgenenergy.com)

# Safe Harbor Statement

Statements in this presentation that relate to future plans or projected results of Evergreen Energy Inc. are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), and Section 21E of the Securities Exchange Act of 1934, as amended by the PSLRA, and all such statements fall under the "safe harbor" provisions of the PSLRA. Our actual results may vary materially from those described in any "forward-looking statement" due to, among other possible reasons, the realization of any one or more of the risk factors described in our annual or quarterly reports, or in any of our other filings with the Securities and Exchange Commission. Readers of this presentation are encouraged to study all of our filings with the Securities and Exchange Commission. Our ability to execute our business plan and develop the GreenCert™ or K-Fuel® technologies may be adversely impacted by unfavorable decisions in pending litigation, the inability of the Company to satisfy the terms of the settlement agreement with the holders of its 2007 and 2009 Notes, delays in the commencement of operations at our Fort Union test facility, or by our inability to raise sufficient additional capital in a timely manner to pursue the development of our technology. Readers of this presentation are cautioned not to put undue reliance on forward-looking statements.

# Executive Summary

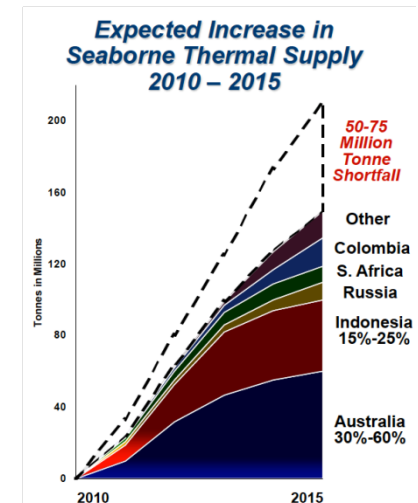
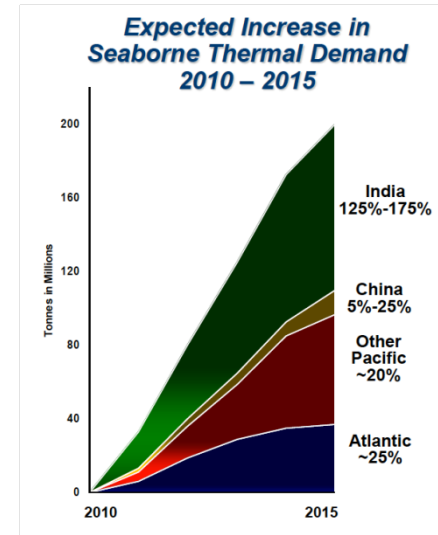
**EEE's K-Fuel® is a proven coal upgrading process that is market-ready and can be deployed in a large and addressable, growing global market**

- K-Fuel® is a patented coal technology which upgrades low value sub-bituminous, lignite and brown coals to high ranking thermal coal quality, for example from 3,500 kcal/kg (~6,300 BTU/lb) to 5,650 kcal/kg (~10,200 BTU/lb)
- The proven technology creates a large market for the massive low quality coal resources that exist globally, and which have not been economical to mine. Through the K-Fuel® process, this coal becomes a saleable product available to power plants
- Evergreen has a clear timeline for moving into potential commercial demonstration activities and realize value from the deployment of K-Fuel® process to upgrade low quality coal reserves
- Recent financial and corporate developments allows management to re-focus on building the company

(i). Based on the Indonesian Coal Model

# Value Proposition – The Global Opportunity

- Coal upgrading technologies are becoming increasingly relevant as supply of low moisture high rank thermal coals are in decline in North America and Asia
- Approximately 465 billion tons of coal or 47% of world's reserves are sub-bituminous, lignite and brown coals which are of limited use unless upgraded. The K-Fuel® process of upgrading low value coal allows EEE to take advantage of the significant price arbitrage opportunity
- Given the vast amount of sub-bituminous resources in these key markets, EEE has only begun to capitalize on commercialization of its technology. This translates to a massive potential upside from a full commercial roll-out
- Global demand for thermal coal is driven by major new global build out of coal generation capacity. This phenomenon is not restricted to Asia



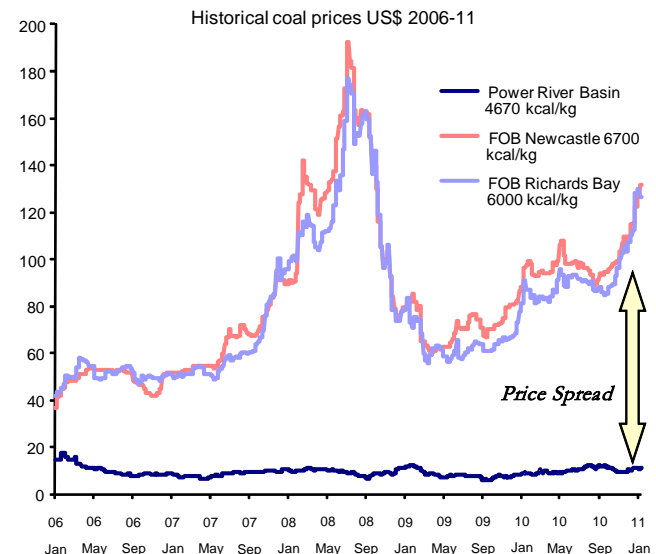
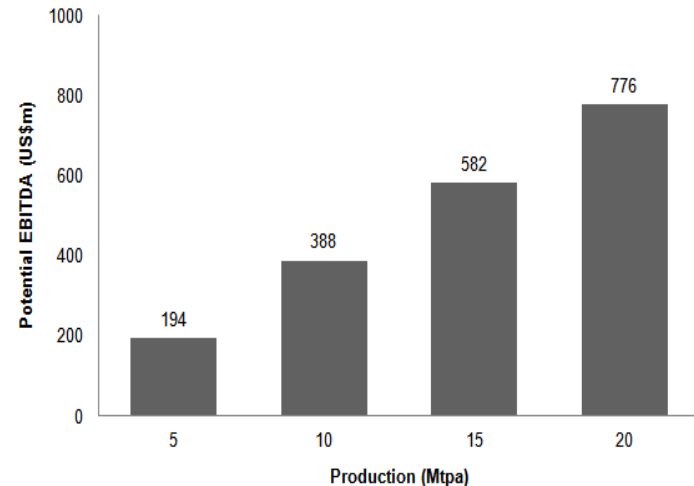
Source: Peabody

# Value Proposition – The Economic Opportunity

- K-Fuel® upgrades low rank coal reserves and helps take advantage of the price spread that exists between low rank and high rank coal prices
- An installed production capacity of just 5MMtpa could yield an approximate EBITDA over \$150 million – an extremely compelling value proposition

Value Increase per metric ton (tonne) of upgraded coal sensitivity table (i)			
Selling value of Upgraded Coal	Value increase/tonne at cost of		
	\$10.00	\$12.00	\$14.00
US\$50	\$22.00	\$18.80	\$15.70
US\$60	\$32.00	\$28.80	\$25.70
US\$70	\$42.00	\$38.80	\$35.70
US\$80	\$52.00	\$48.80	\$45.70
US\$90	\$62.00	\$58.80	\$55.70

(i). Based on the hypothetical K-Fuel® forecast for Indonesian Coal

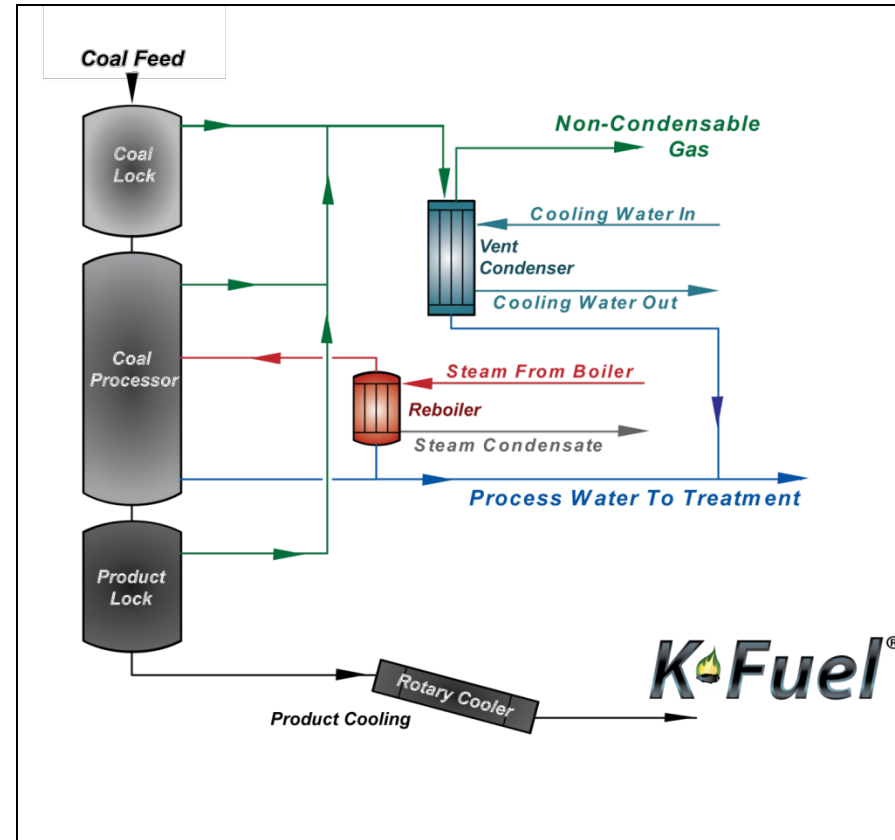


Source: Bloomberg

# K-Fuel® Process

- The K-Fuel® process was developed at Stanford Research Institute by Edward Koppelman. Over the last 26 years, \$375 million has been invested in research and development of the technology process
- The patented process involves the heating and pressurization of low value coals, and the irreversible removal of the water content, and converting the product into a higher energy K-Fuel® product
- A 750,000 tpa K-Fuel® commercial plant and testing labs in Gillette Wyoming processed and tested over 60 low rank coal feed stocks and demonstrated substantial heat value increases
- Coal feed stocks tested and upgraded included coals from Inner Mongolia, Indonesia, Russia and the US, from dozens of sources
- Test burns of K-Fuel® at multiple US power generation facilities validate combustion benefits

## Schematic Overview of the K-Fuel® Process



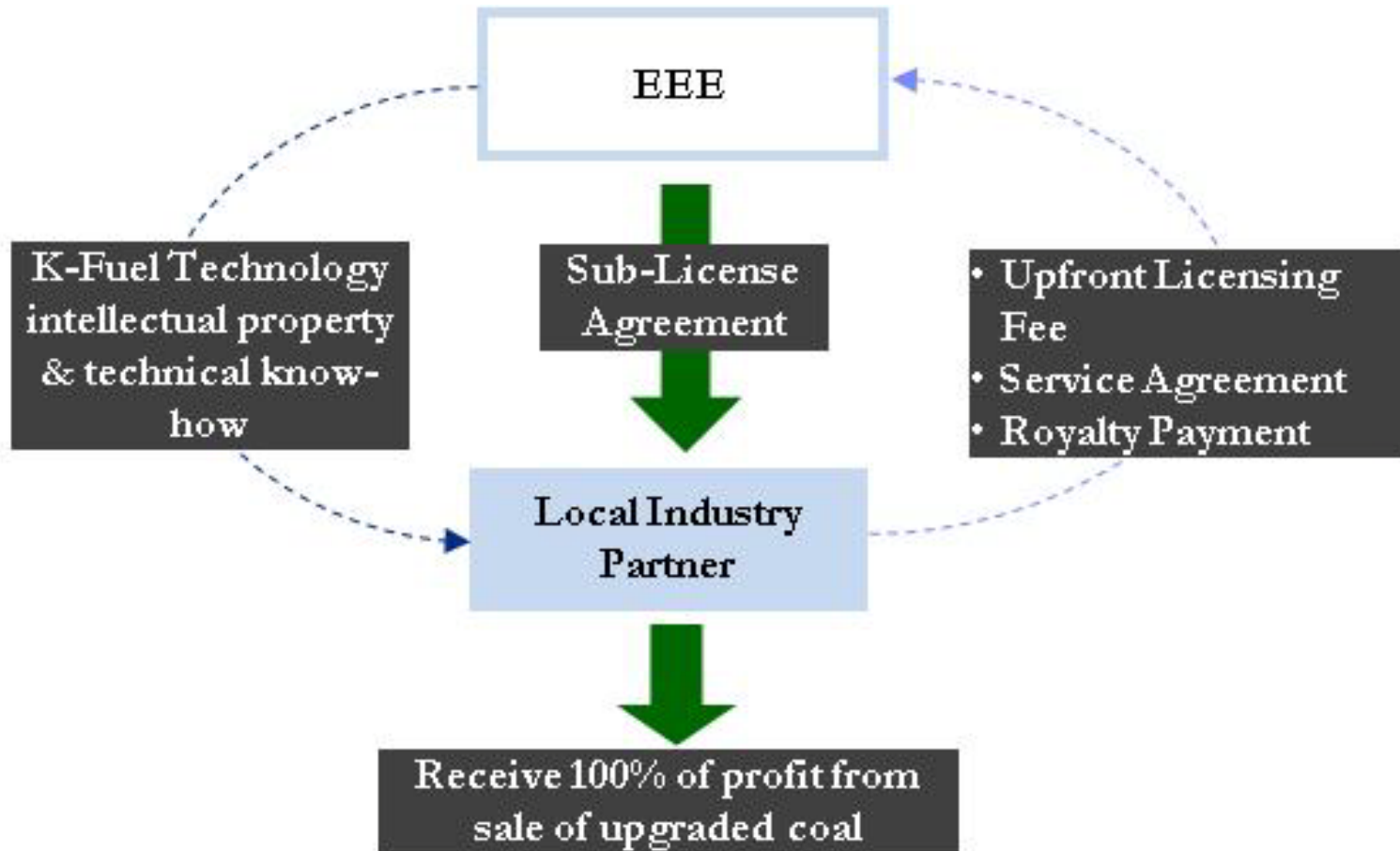
# K-Fuel® is a value-added product

- **K-Fuel® upgrading technology processes low quality sub-bituminous coal resulting in:**
  - **Higher energy value** – Demonstrated to increase the efficiency and heating value of sub-bituminous, lignite and brown coals by 30% on average, accomplished by decreasing equilibrium moisture content by 50%
  - **Higher economic value** – Allows product to compete with bituminous coals and makes low rank coal marketable
  - **Physically and chemically stable product** – Handled/transported as the feed coal
  - **Significantly reduced transport costs** – Reduced moisture content can lead to lower transportation costs
  - **More environmentally friendly product** – More efficient burning could lead to lower carbon emissions, and in particular reduced Hg, SO<sub>2</sub> and NO<sub>x</sub>
- **The consequence is that a significantly large number of low quality, high moisture coal deposits worldwide become economically viable and more environmentally friendly**

# EEE Business Model

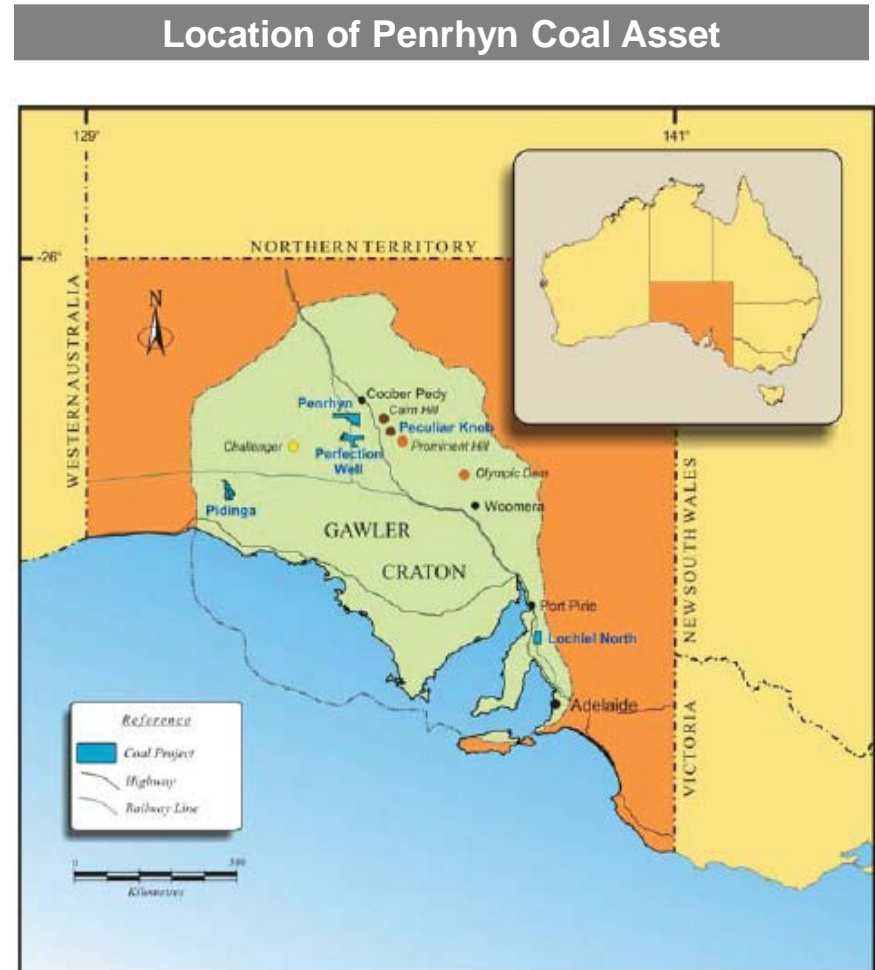
- EEE's business model is based on a plan to generate a number of diverse upfront and recurring revenue streams
- EEE plans to sub-license the K-Fuel® technology to one or multiple projects in the local market. EEE expects to provide technical, engineering and construction services
- EEE expects to receive an upfront licensing fee for sub-licensing the K-Fuel® technology into a project.
- EEE anticipates to receive a royalty payment based on volume of upgraded coal produced and the price that it is sold at earned equity share of the JV on the output/reserve upgraded as a result of the application of the K-Fuel® technology
- A licensing model minimizes the upfront capital commitment requirement by EEE, and ensures an ongoing economic participation in the project's success via the royalty payment. This also reduces the engineering and construction risk
- Other revenue streams include: coal enhancement fees based on plant output (relating increased energy content of the coal); marketing fees in relation to the marketing of the upgraded coal; management fees in relation to the operation and management of the plants; and participation in any value derived from the reduction in greenhouse gas emissions
- EEE expects to partner with groups who can effectively underwrite a project

# EEE Business Model



# Strategic Joint Venture with WPG Resources

- In February 2011, EEE signed an MOU agreement with WPG Resources (ASX: WPG) to jointly develop and commercialize EEE's K-Fuel® technology throughout Australia
- Under the proposed 50/50 JV, it is anticipated that WPG may contribute its South Australian Penrhyn and other coal assets and EEE will contribute its coal upgrading technology
- Penrhyn is a sub bituminous coal deposit located 25km from the rail loading loop and accommodation village built for WPG's flagship Peculiar Knob iron ore project
- In addition to the announced MOU, WPG has also subscribed to US\$2 million of EEE's capital raising announced on 2 February 2011 to achieve a 3.1% stake in EEE.



# EEE Commercial Strategy for 2011

- EEE's immediate plan is to use its enhanced capital base to accelerate the commercialization of the K-Fuel® technology. In addition to a re-launched test facility in the United States that is expected to be operational prior to the end of August; EEE plans to
  - Execute on Australian Joint Venture with WPG Resources
  - Enter into joint venture agreements with major groups in Asia and USA to commence testing and large scale commercialization of K-Fuel® technology to build earnings and cash flow
- EEE is currently evaluating Asian and US market strategies
  - The ability of the K-Fuel® technology to upgrade a large base of low rank, high moisture coal reserve represents enormous commercial opportunity
  - Significant interest has been expressed by Asian and US coal mining and power utilities seeking to partner with EEE
  - A number of Indonesian and US coal samples have been tested by EEE and successfully processed, confirming the applicability of K-Fuel® technology

# EEE Commercial Strategy 2011 (cont'd)

- Additional strategic plans:
  - Continue to evaluate joint venture opportunities with a view to adding sub-bituminous, lignite and brown coal assets and rolling out K-Fuel® process
  - Continue to develop core K-Fuel® process
  - Invest in potential PCI / Coking coal application of K-Fuel® and pick up from successful research and development previously undertaken
  - Evaluate the potential for a dual listing of EEE on TSX-V to complement existing NYSE Arca listing

# Investment Summary

Highlight	EEE
<b>Operates in Large and Growing Markets</b>	<ul style="list-style-type: none"> <li>▪ Increasing global demand for economic, high energy value coal</li> <li>▪ Global shift towards 'clean' energy sources</li> </ul>
<b>Strong Platform to Establish Dominant Market Position</b>	<ul style="list-style-type: none"> <li>▪ Advanced commercial and technical viability</li> <li>▪ Strategic relationships to accelerate global platform and growth</li> </ul>
<b>Proprietary, Proven and Differentiated Technology</b>	<ul style="list-style-type: none"> <li>▪ Proprietary K-Fuel® technology, upgrading low quality sub-bituminous coal into coal with higher energy content and lower end user greenhouse emissions</li> <li>▪ Patented coal upgrading process developed over 25 years</li> <li>▪ Currently exploring PCI / Coking Coal application of K-Fuel® technology</li> </ul>
<b>Compelling Business Model</b>	<ul style="list-style-type: none"> <li>▪ Margin structure typically sustainable in variable market conditions</li> <li>▪ Evolutionary process presents additional development opportunities</li> </ul>
<b>Diverse Revenue Streams</b>	<ul style="list-style-type: none"> <li>▪ Number of diverse upfront and recurring revenue streams</li> </ul>
<b>Experienced Management Team Focussed on Growth and Profitability</b>	<ul style="list-style-type: none"> <li>▪ Relevant experience in developing and financing coal technologies</li> <li>▪ Significant global expertise and relationships</li> </ul>