

Medicine Bow Coal-to-Liquids Project

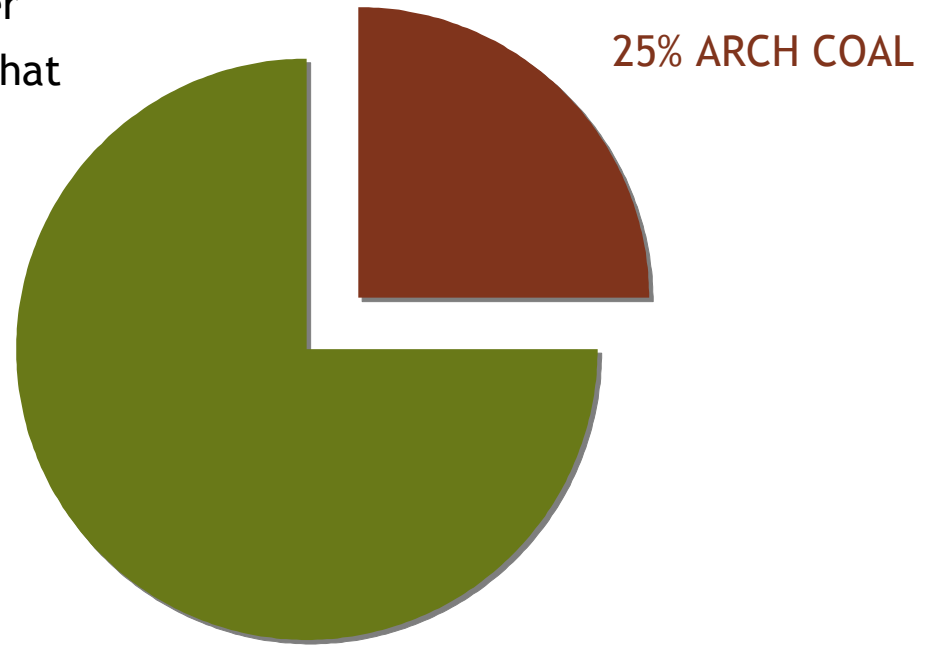
Press Conference - January 12, 2007

Agenda

- DKRW Advanced Fuels LLC
- CTL in the world energy market
- Unconventional oil production
- Global opportunities in CTL
- Key issues in developing CTL
- Medicine Bow CTL project
- Summary & conclusions

DKRW Advanced Fuels LLC

VISION ; To be the world’s leading developer of gasification and liquefaction facilities that convert coal and other hydrocarbons into liquid fuels and other market competitive energy products in an innovative and environmentally responsible manner.



- 75% DKRW ENERGY LLC**
- Och-Ziff Capital Management
 - DKRW Partners

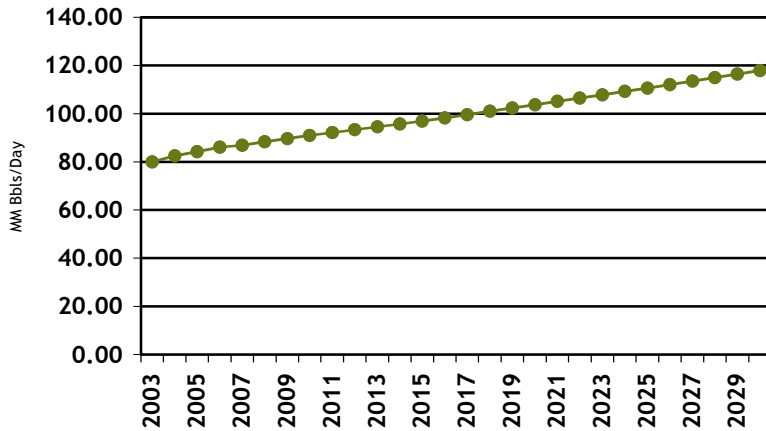
Key Drivers of the CTL Business

- Economics
 - Strong liquid fuel demand & prices
 - Stable coal feedstock prices
- Energy Security
 - Large coal reserves in key industrial nations
- Environment
 - Production of low sulfur liquid fuels
 - Sequesterable CO₂ emissions

Economics: Strong Demand & High Prices

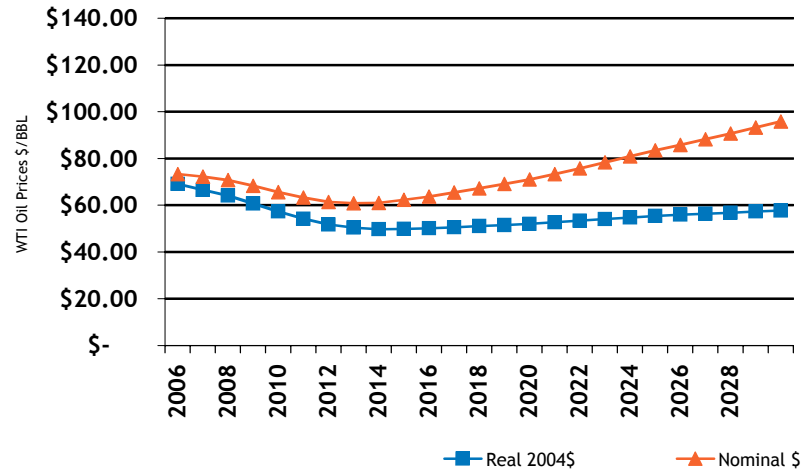
Steadily Increasing World Oil Demand

World Oil Consumption



Strong Demand is Keeping Prices Firm

DOE Oil Forecast



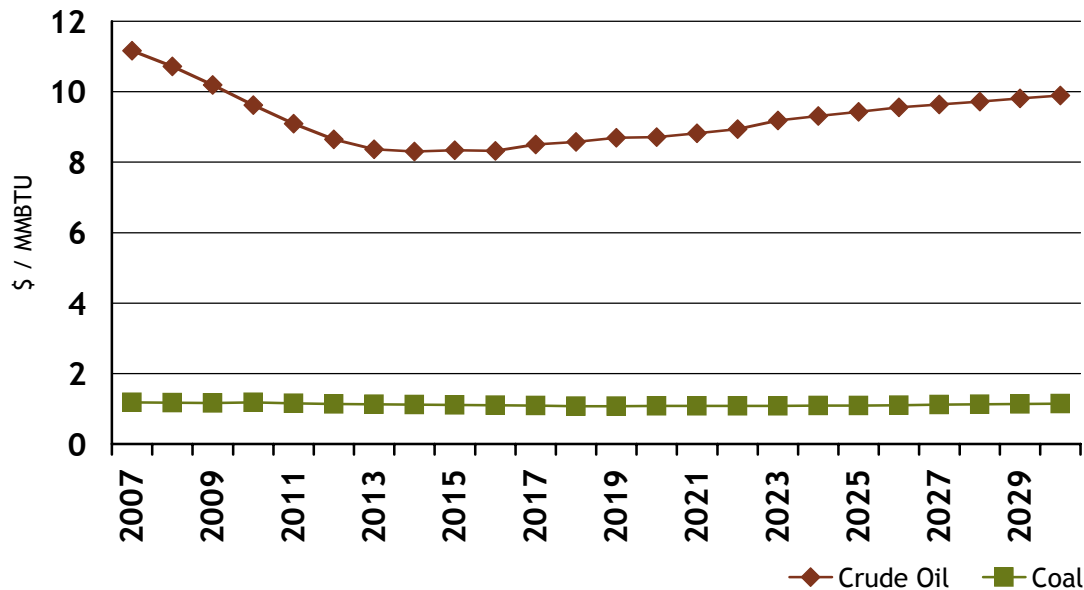
Source: US DOE Annual Energy Outlook 2006

The world will consume 40 million more barrels of oil per day by 2030

Strong Asian demand and tight global supplies keep markets firm

Economics: Low Coal Feedstock Costs

DOE Energy Forecasted Prices
(\$ per MMBTU)

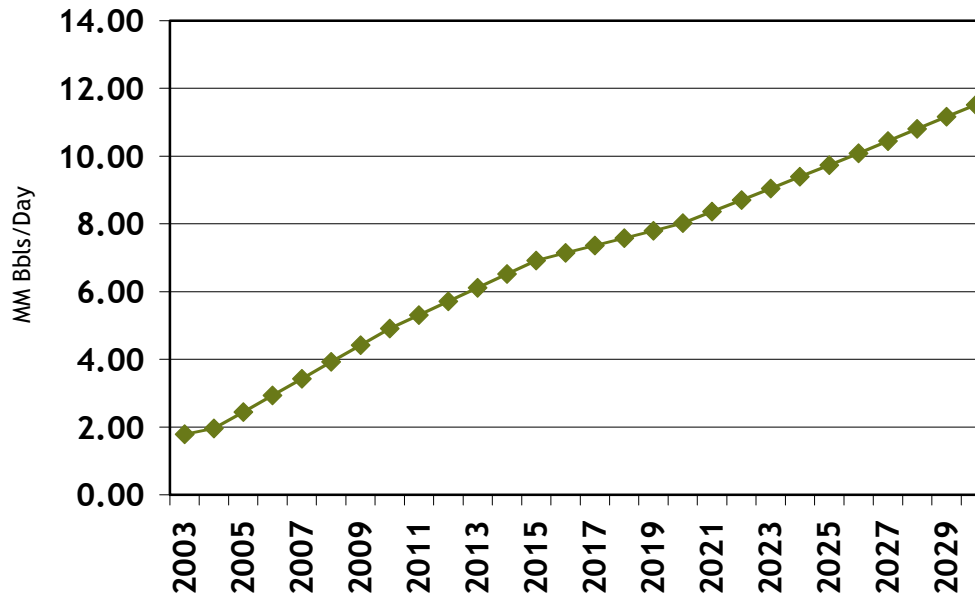


Source: US DOE Annual Energy Outlook 2006

Coal is projected to have a significantly lower cost than oil over the next 25-30 years—BTU arbitrage

Economics: Meeting Oil Demand Challenge

World Unconventional Oil Production

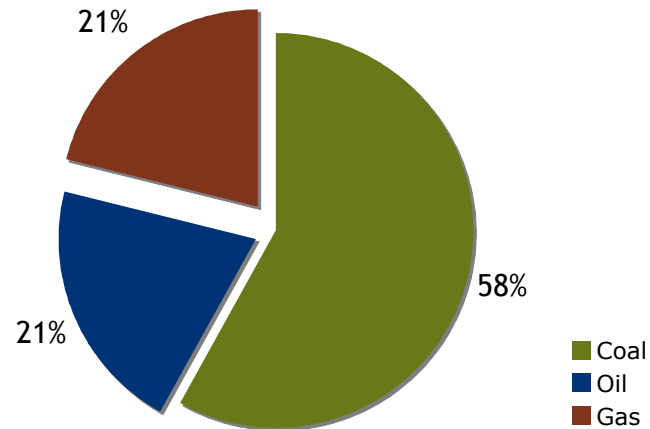


Source: US DOE Annual Energy Outlook 2006

Keeping world supply and demand in balance will require significant growth in unconventional oil production

Energy Security: Coal Reserves Are Huge

World Proved Energy Reserves
2005 (TBOE)



Source: BP Statistical Review of World Energy 2006

World proved fossil fuel reserves total 5.4 trillion barrels of oil equivalent (TBOE)-coal is 58% of this total

Environmental Pressures in the Liquid Fuel Market

- EPA Tier II regulations requires clean diesel
 - Sulfur levels in diesel <15ppm by June 2006
 - Needed to get NOx and PM to low levels
 - Incremental product value of \$2/bbl-\$4/bbl
- Global warming pressures will lead to increased demand for diesel products
- Environmental & market pressure for new investment in US diesel production

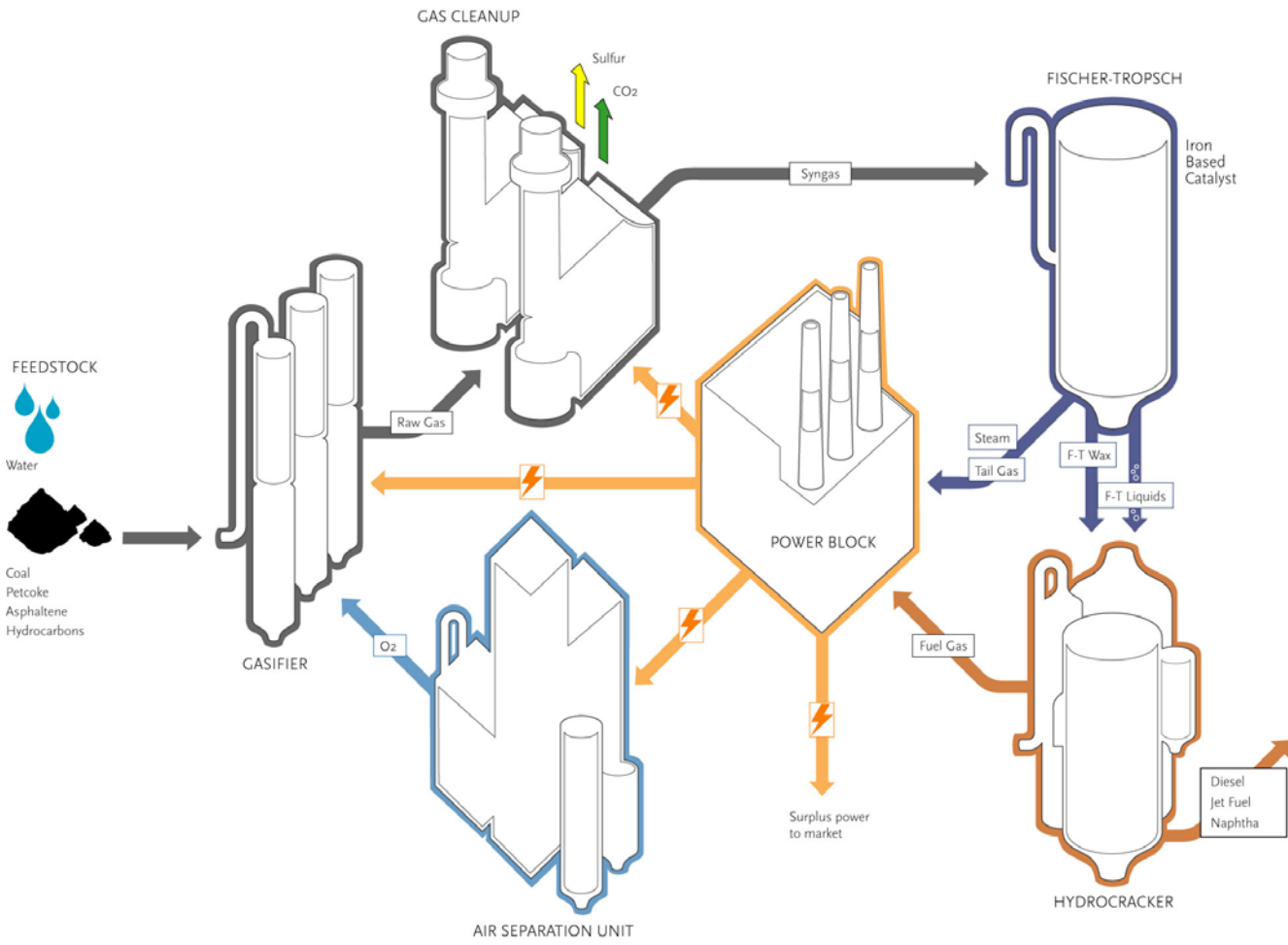
Environmental Benefits of CTL in the Liquid Fuel Market

- FT Fuels are ultra-low in sulfur reducing SO_x emissions
 - Environmental regulators are pushing for limitations on the sulfur content of fuels
 - US sulfur levels in diesel <15ppm by June 2006
- Gasification process and diesel fuel production help in reducing CO₂ emissions
 - Gasification process captures the pure CO₂ thereby facilitating carbon capture and sequestration
 - Diesel engines are technically more efficient than gasoline engines generally producing lower CO₂ per mile driven

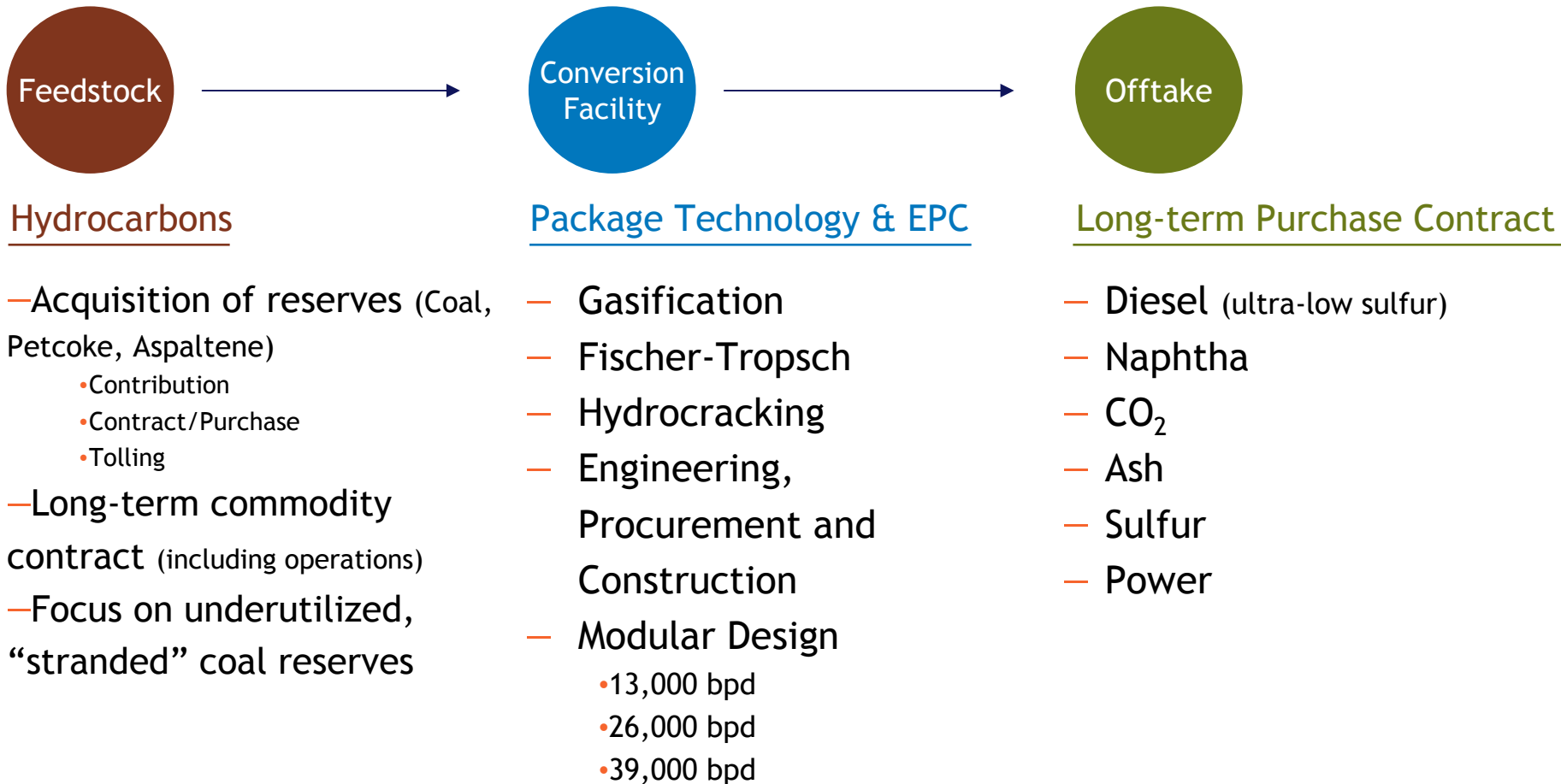
The Technology is Proven & Available

- Coal gasification
 - 31 coal gasification facilities in operation worldwide
- Fischer-Tropsch
 - Utilized by SASOL in South Africa (CTL)
 - Utilized by Shell in Malaysia (GTL)
 - US technology (Rentech, Syntroleum)
- Hydrocracking
 - UOP - long-term record of success

CTL Process



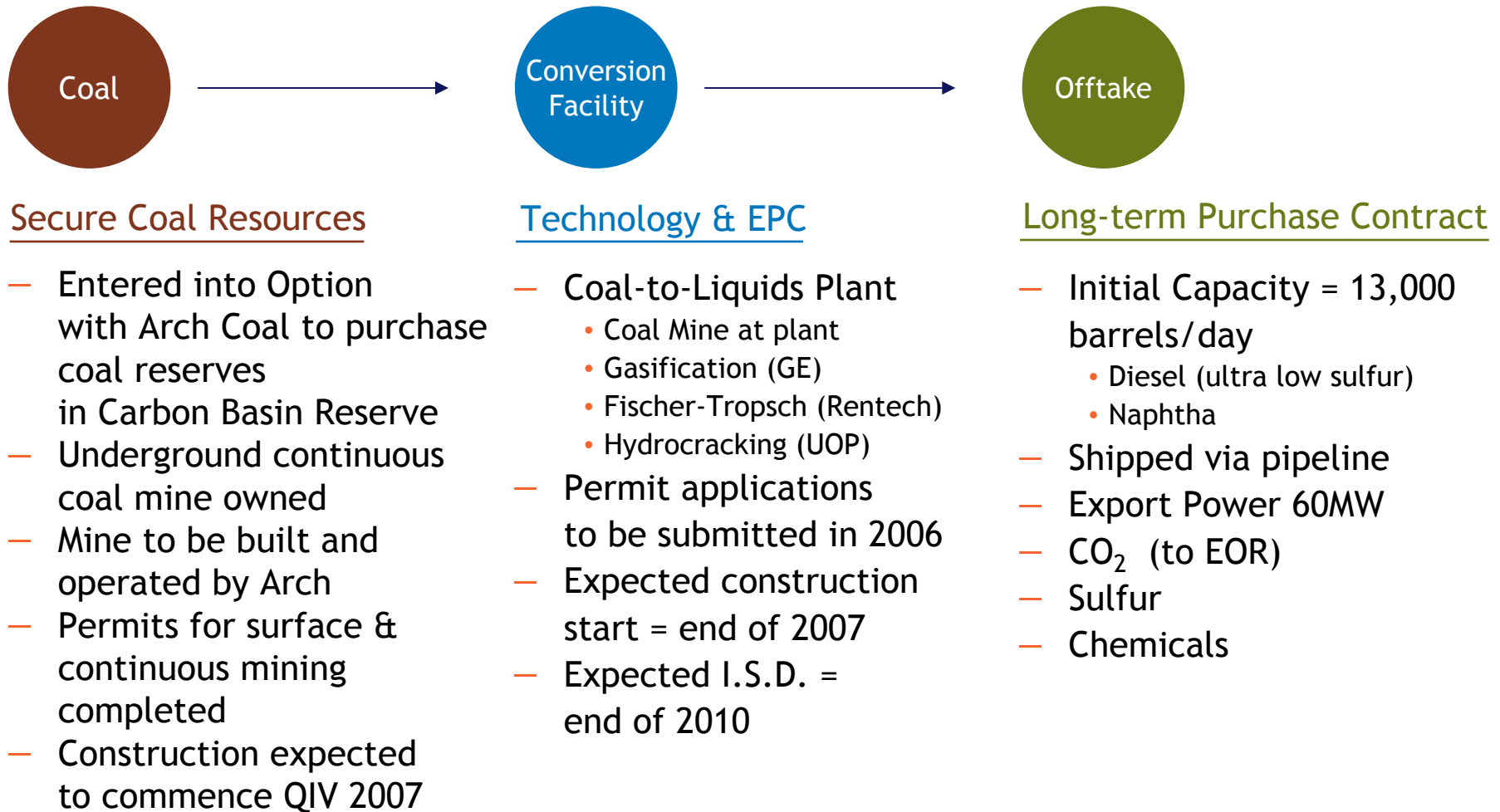
Operations Overview



Medicine Bow Project Participants

- Arch Coal: Carbon Basin Reserve option
- General Electric: Gasification license
- Rentech: Fischer-Tropsch license
- Sinclair: Liquids off-take agreement
- Exploration company: CO₂ off-take agreement
- SNC-Lavalin: EPC contractor
- Citibank: Financial advisor

Medicine Bow Fuel & Power

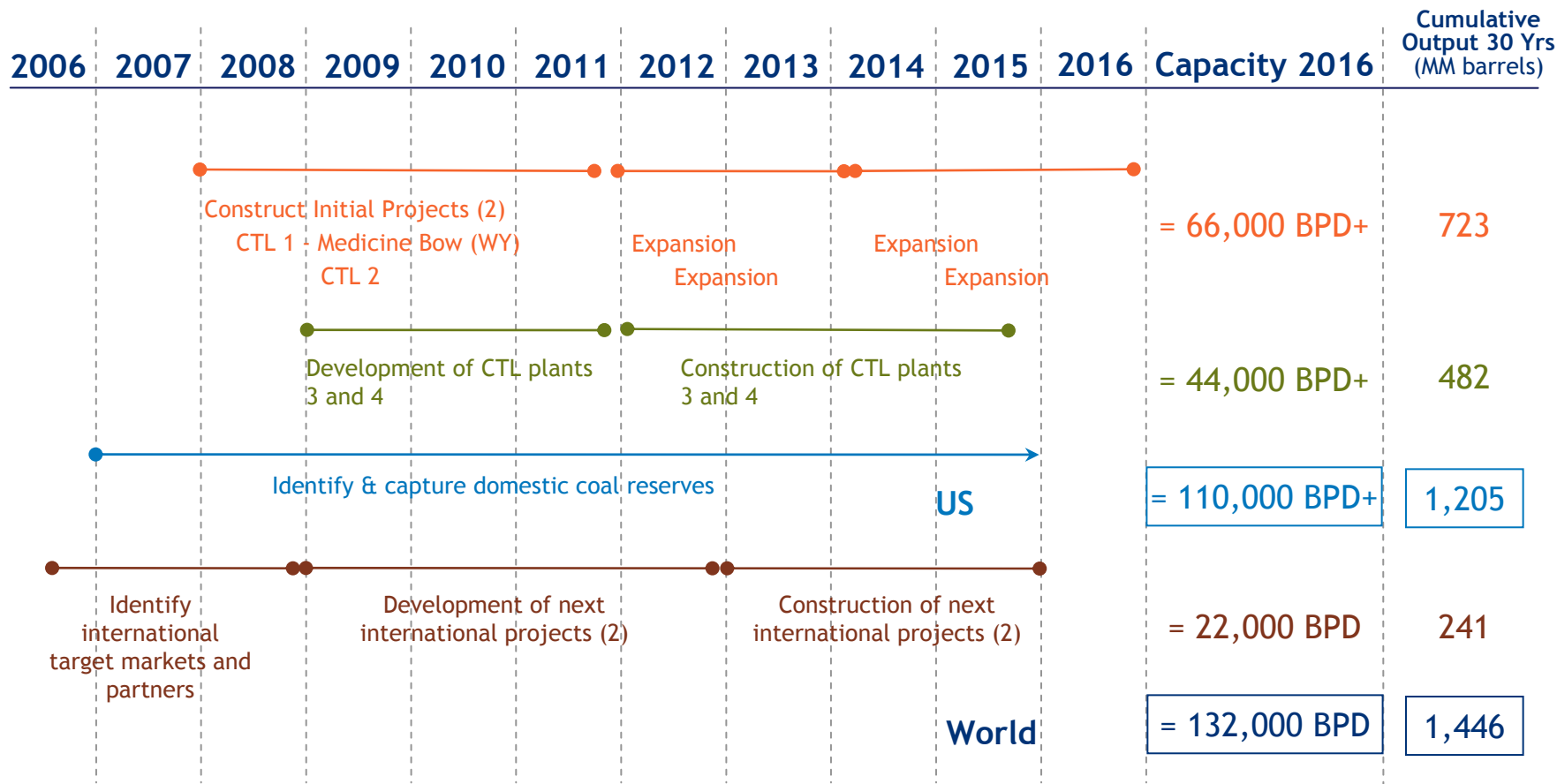


Medicine Bow: Long-Term Plan

- Expansions: Increase scale to 30,000 bpd
- Cost reductions: Experience factor of up to 25%
- Intellectual property: Integration IP advantage
- Product diversity: More valuable products
- Capital market effects: Value of being No. 1

Good initial returns – Long-term sustainability

10-Year Plan



Summary & Conclusions

- The Global CTL market will expand rapidly from 2010-2030
- CTL projects in today's energy markets have attractive returns if properly financed
- Securing key technologies and coal reserves early on competitive terms is important
- Financial markets are poised to provide both equity and debt to well structured projects
- Public policy incentives in the US and other nations can accelerate this trend, whether they will remains to be seen

First mover advantage in a huge global market