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NFR BioEnergy Announces $312 Million Energy Project In South Louisiana (9/8/14)

NFR BioEnergy will convert sugar cane waste, known as bagasse, into hardened energy pellets for use as fuel at global power plants

Project includes 450 new direct jobs at plants that convert sugar cane biomass to energy pellets

PLAQUEMINE, La. — Today, Gov. Bobby Jindal and Chief Operating Officer Frank Randazzo of NFR BioEnergy announced the company will make a $312 million capital investment to install biorefineries at more than 10 sugar refining hubs in South Louisiana, subject to completing lease and biomass agreements with sugar mills. NFR BioEnergy will convert sugar cane waste, known as bagasse, into hardened energy pellets for use as fuel at global power plants. NFR BioEnergy has begun development of the first biorefinery in White Castle, Louisiana, where it is co-locating the facility with the Cora Texas Sugar Mill.

Pending the sugar mill agreements, NFR BioEnergy will construct a series of biorefineries across South Louisiana's sugar cane-growing region and create 450 new direct jobs, with an average salary of $54,000 a year, plus benefits. Louisiana Economic Development estimates the project will result in an additional 1,903 new indirect jobs, for a total of more than 2,300 new jobs in the state. The conversion of sugar cane biomass into energy pellets through a torrefaction process has been aided by research at the University of Louisiana at Lafayette's Energy Institute.

Gov. Jindal said, "When we took office in 2008, we targeted key industries where we could help existing employers grow and thrive, and that includes our agriculture industry. Our sugar cane farmers have used innovation to create a greater product yield through breeding techniques, higher-performing equipment and the daily application of their ingenuity. We are proud to have attracted – for the second time this month – an innovative manufacturer that will be supporting and helping to grow the sugar cane industry here in our state. This project not only will create a new source of sustainable energy, but it will also create additional sources of fertilizer and lower waste and disposal costs for our sugar cane growers. By attracting innovative manufacturers like NFR BioEnergy, we are creating great new career opportunities and providing more jobs to Louisiana families that will further extend our state's economic growth."

NFR BioEnergy, now based in Plandome, New York, will move its headquarters to White Castle as it completes the first part of the project. A demonstration biorefinery will begin operations soon at the Cora Texas Sugar Mill, where NFR BioEnergy is leasing 15 acres. A larger, commercial-scale biorefinery also is being developed at that site with a targeted completion in time for the 2015 sugar cane growing and refining season. NFR BioEnergy plans to negotiate long-term supply agreements with energy customers –

chiefly electricity providers in Europe, but also secondary commercial and residential markets that employ energy pellets in heating units.

As NFR BioEnergy scales up its Louisiana production sites, significant hiring will begin in 2016 with a target of 127 jobs by the end of that year. The company would reach a capital investment of $312 million by the end of 2018 and employment of 450 by the end of its fifth project year in 2019.

“NFR is choosing to invest in Louisiana due to the dynamic sugar industry, hard-working people and business-friendly community,” Randazzo said. “The State of Louisiana and its people have welcomed us with open arms and we look forward to contributing as active members of the community. NFR’s plant at Cora Texas in White Castle will be the first step toward revolutionizing both the energy pellet market and the disposal by Louisiana sugar mills of the excess waste produced in the refining process. Our goal is to build similar plants at additional sugar mills in Louisiana, which will create many quality jobs for the hard-working people of this state.”

“The University of Louisiana at Lafayette’s College of Engineering is excited about working with NFR BioEnergy to increase markets for Louisiana biomass,” said UL Lafayette College of Engineering Dean Mark Zappi. “The (UL Lafayette) Energy Institute and its Cleco Alternative Energy Center offer the infrastructure and research expertise in torrefaction of sugar cane bagasse that is of great relevance to NFR BioEnergy. This project is an excellent example of how industry and academia can work together to grow Louisiana’s economy. UL Lafayette looks forward to continued collaboration with NFR BioEnergy.”

LED began working with NFR BioEnergy on the potential project in March 2013. To secure the project, the State of Louisiana offered the company a competitive incentive package that includes a performance-based, $500,000 Economic Development Award Program grant and the comprehensive workforce solutions of LED FastStart®, ranked the No. 1 state workforce development program in the nation for the past five consecutive years. NFR BioEnergy also is expected to utilize Louisiana’s Quality Jobs and Industrial Tax Exemption programs.

“Iberville Parish is thrilled to welcome NFR BioEnergy,” said Iberville Parish President Mitchell Ourso. “Long before the arrival of the petrochemical industry, the sugar cane industry was the heart and soul of the economy here in Iberville. Thanks to the hard work of the Kessler and Schudmak families, Cora Texas Sugar Mill today stands as one the largest mills in the state of Louisiana. Bringing the technology of renewable fuels by NFR BioEnergy to the Cora Texas Mill and converting a waste byproduct of sugar production into a useful energy fuel signifies a significant step in securing the future of the sugar industry here in Iberville Parish and the state of Louisiana.”

“We are excited to have their facility co-located on our property at the mill and look forward to the benefits this project will bring to the mill and the growers,” said Chief Operating Officer Charles Schudmak of the Cora Texas Sugar Mill. “NFR is offering us an excellent opportunity to venture into new markets, along with capital to improve our efficiency in the production as well as the quality of sugar. The

removal of leaves and soil before it enters the mill will allow us to produce more sugar and at a higher quality than was previously possible."

"BRAC welcomes NFR BioEnergy to the Baton Rouge area," said President and CEO Adam Knapp of the Baton Rouge Area Chamber. "The energy production sector within the region remains strong, which NFR's selection of Iberville Parish underscores. While BRAC assisted with site selection and permitting, the cooperation with Iberville Parish demonstrates how collaborative efforts yield tangible economic results."

About NFR BioEnergy

Based in Plandome, New York, NFR BioEnergy CT LLC began operations as a Louisiana-chartered corporation in December 2013. The company is developing engineered technology solutions to dry, heat and bind sugar cane biomass into pelletized form for use as fuel in global power plants. Through its torrefaction process, NFR BioEnergy will divert agriculture waste from sugar mill refineries and create a value-added energy product while aiding sugar refiners in delivering a higher-yield, higher-profit agricultural product. NFR BioEnergy's refineries will be co-located with sugar mills in South Louisiana.

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