UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2010

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 333-161187

RENEWABLE ENERGY GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-4785427**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
416 South Bell Avenue, Ames, Iowa	**50010**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (515) 239-8000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐		Accelerated filer	☐
Non-accelerated filer ☒	(Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of December 31, 2010, there was no public trading market for the registrant's common stock. There were 33,129,553 shares of the registrant's $0.0001 par value common stock outstanding on February 28, 2011.

DOCUMENTS INCORPORATED BY REFERENCE

All or a portion of Items 10 through 14 in Part III of this Form 10-K are incorporated by reference to the Registrant's definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if the Registrant's Schedule 14A is not filed within such period, will be included in an amendment to this Report on Form 10-K which will be filed within such 120 day period.

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PART I

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This annual report on Form 10-K contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as “may,” “might,” “objective,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “estimate,” “predict,” “potential,” “plan,” “will” or the negative of these terms, and similar expressions intended to identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding:

- existing or proposed legislation affecting the biodiesel industry, including governmental incentives and tax credits;
- our planned expansion strategies for our production and distribution of biodiesel, including through future acquisitions, additional terminal leases, new facility construction, and existing facility upgrades;
- our plans to diversify our business through the production of other renewable fuels, as well as developing and assisting in the development of advanced feedstocks and renewable chemicals;
- facilities currently under development progressing to the construction and operational stages, including capital expenditures and our ability to obtain financing for such construction;
- our ability to further develop our financial, managerial and other internal controls and reporting systems to correct current material weaknesses and to accommodate future growth;
- our utilization of forward contracting and hedging strategies to minimize feedstock and other input price risk;
- anticipated future revenues from our operational management and facility construction services;
- the impact of the termination of our Management Operations Services Agreements on our financial results;
- the expected effect of current and future environmental laws and regulations on our business and financial condition;
- our ability to renew existing contracts at similar or more favorable terms;
- expected technological advances in biodiesel production methods;
- our competitive advantage relating to input costs relative to our competitors;
- the market for biodiesel and potential biodiesel consumers, including expected increases in the demand for biodiesel in jurisdictions that adopt low carbon fuel standards;
- expectations regarding our expenses and sales;
- anticipated cash needs and estimates regarding capital requirements and needs for additional financing; and
- anticipated trends and challenges in our business and the biodiesel market.

These statements reflect current views with respect to future events and are based on assumptions and subject to risks and uncertainties. We note that a variety of factors could cause actual results and experience to differ materially from the anticipated results or expectations expressed in our forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements are also subject to risks and uncertainties that could cause actual results to differ materially from those expected. These risks and uncertainties include, but are not limited to, those risks discussed in Item 1A of this report.

Forward-looking statements contained in this report present management’s views only as of the date of this report. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our 10-Q and 8-K reports filed with the Securities and Exchange Commission.

Item 1. Business

General

Renewable Energy Group, Inc. is a leading marketer and producer of biodiesel in the United States. As of December 31, 2010, our five operating biodiesel production facilities had an aggregate nameplate biodiesel production capacity of 182 million gallons per year, or mmgy. During 2010, we sold approximately 67.9 million gallons of biodiesel, including 62.5 million gallons produced at our owned or leased facilities and 5.4 million gallons produced by third party manufacturers and resold by us. Nearly all of the biodiesel we sold in 2010 was marketed under our own REG-9000™ brand. We had total revenues of approximately $216.5 million for the 2010 fiscal year.

Our biodiesel production capacity includes a 12 mmgy facility in Ralston, Iowa, a 35 mmgy facility near Houston, Texas, a 45 mmgy facility in Danville, Illinois, and a 30 mmgy facility in Newton, Iowa. In April 2010, we signed a seven year lease with a 60 mmgy facility in Seneca, Illinois, to bring total production capacity to 182 mmgy. In addition to these five plants, we began construction of two 60 mmgy production capacity facilities in 2007, one near New Orleans, Louisiana and the other in Emporia, Kansas. In February 2008, we halted construction of these facilities as a result of conditions in the biodiesel industry and our inability to obtain financing necessary to complete construction. Construction of our New Orleans facility is approximately 50% complete and construction of our Emporia facility is approximately 20% complete. In addition, in September 2010, we acquired a 15 mmgy biodiesel production facility in Clovis, New Mexico, which is approximately 70% complete. We plan to complete these three facilities once we obtain project financing.

We are actively pursuing opportunities to diversify our business by becoming involved in the production of other types of renewable fuels, as well as developing and assisting in the development of advanced feedstocks and renewable chemicals, to leverage our experience in the biodiesel production process. We believe we are well suited to act as a development and commercialization partner for other renewable fuel, advanced feedstock and renewable chemical developers and companies in need of further support and capabilities. This diversification effort may result from any variety of business relationships including contracts, licensing, direct investments, and joint ventures, as well as mergers and acquisitions.

History

Our predecessor, REG Biofuels, Inc., formerly named Renewable Energy Group, Inc., was formed under the laws of the State of Delaware in August 2006 upon acquiring the assets and operations of the biodiesel division of West Central Cooperative, or West Central, and two of West Central’s affiliated companies, InterWest, L.C. and REG, LLC. Through these predecessors, we have been producing and selling biodiesel for more than 13 years and providing new facility construction and management services for over six years.

Prior to February 26, 2010, the “Company,” “REG,” “we,” “us,” “our” and similar references refer to the business, results of operations and cash flows of REG Biofuels, Inc., formerly Renewable Energy Group, Inc., which is considered the accounting predecessor to Renewable Energy Group, Inc., formerly, REG Newco, Inc. After February 26, 2010, such references refer to the business, results of operations and cash flows of Renewable Energy Group, Inc., and its consolidated subsidiaries.

In June 2008, we acquired our Houston facility, which has access to deepwater ports, from United States Biodiesel Group, Inc., or USBG, through a transaction which included an equity investment in the Company by USBG. We also acquired a terminal facility with the option to build a biodiesel plant at the Port of Stockton in Stockton, California. In July 2009, we sold the Stockton terminal facility for $3.0 million in cash.

On February 26, 2010, we acquired our Danville facility by merger from Blackhawk Biofuels, LLC. On March 8, 2010, we acquired our Newton Facility, through the purchase of substantially all of the assets and liabilities of Central Iowa Energy, LLC. On April 8, 2010, we closed a transaction in which we agreed to lease and operate the Seneca facility and certain related assets.

On July 16, 2010, we acquired certain assets of Tellurian Biodiesel, Inc., or Tellurian, and American BDF, LLC, or ABDF. Tellurian was a California-based biodiesel company and marketer. ABDF was a joint venture owned by Golden State Service Industries, Restaurant Technologies, Inc., or RTI, and Tellurian. ABDF previously focused on building a national array of small biodiesel plants that would convert used cooking oil into high quality, sustainable biodiesel. The purchase connects RTI’s national used cooking oil collection system, with more than 16,000 installations, with our national network of biodiesel manufacturing facilities.

On September 21, 2010, we acquired for stock the partially constructed Clovis facility and $8.0 million in cash.

Organizational Structure

Our business is organized into two reportable operating segments: Biodiesel and Services.

Biodiesel Segment

Products

Our primary source of revenue is derived from the sale of biodiesel. The Biodiesel segment had revenues of approximately $215.1 million for the 2010 fiscal year, which accounted for approximately 99% of total 2010 revenues. Our REG-9000™ biodiesel product line-up offers more stringent standards than ASTM D 6751specifications. The REG-9000™ brand biodiesel product is available in all 48 continental states, Hawaii and beyond. We sell biodiesel predominantly to resellers, distributors and refiners who typically blend biodiesel with petroleum-based diesel fuel before reselling to end-users. We offer training to distributors to educate their sales forces on the benefits and characteristics of biodiesel in an effort to increase biodiesel demand from end users. All of our facilities are either certified BQ-9000 by the National Biodiesel Accreditation Program or follow the BQ-9000 quality processes and assurance programs and are in the process of obtaining certification.

We derive a small portion of our revenues from the sale of glycerin and fatty acids, which are co-products of the biodiesel production process. In 2010, our revenues from the sale of co-products were less than five percent of our total Biodiesel segment revenues. A portion of the selling price of a gallon of biodiesel may be attributable to Renewable Identification Numbers, or RINs, that are created to track compliance with the Renewable Fuels Standard discussed further below. When we sell biodiesel, we generally attach RINs to each gallon. We can attach from zero to two and one half RINs to any gallon of biodiesel.

We also continue to offer tolling services to the third parties through our facilities. During 2010, we provided tolling services in the amount of 8.2 million gallons, which were produced from our Houston facility.

Inputs

There are three key inputs for biodiesel production: feedstock, including oils and fats, methanol and chemical catalysts. In 2010, feedstock accounted for 76% of our costs of goods sold, while methanol and chemical catalysts accounted for 5% and 3% of our costs of goods sold, respectively.

In the U.S., the predominant feedstocks used in biodiesel production currently are animal fats, inedible corn oil, used cooking oil and soybean oil. Unlike our competitors, many of which must rely solely on refined soybean or other virgin vegetable oils, several of our facilities are multi-feedstock capable, meaning that they can generate biodiesel from lower cost feedstock that include impurities and higher free fatty acid levels like used cooking oil, animal fats or crude or degummed soybean oil, other vegetable oils and animal fats. Our facilities are increasingly using higher free fatty acid level animal fats, used cooking oil and inedible corn oil rather than refined soybean oil. For 2010, approximately 91% of our total feedstock usage was animal fat, used cooking oil or inedible corn oil and 9% was soybean oil, compared to approximately 78% animal fat, used cooking oil or inedible corn oil and 22% soybean oil in 2009. We have produced biodiesel that exceeds ASTM D6751 standards using various types of animal fat, used cooking oil, palm oil and corn oil inputs. We believe it is important to be able to utilize alternative, lower-priced and lower carbon intensity feedstocks, such as animal fats, used cooking oil and inedible corn oil when food grade, refined soybean oil prices are rising. We are also pursuing alternative feedstocks such as Camelina oil, jatropha oil and algae oil.

Animal fats, used cooking oil and inedible corn oil are procured from many different vendors in small to medium volume quantities. There is no established forward market for these purchases. We generally purchase animal fats on a freight delivered basis and purchase in one to four week forward positions. Used cooking oil and inedible corn oil can be purchased in nearby forward positions or forward strips of three to twelve months out, indexed to the New York Mercantile Exchange, or NYMEX, heating oil market.

Soybean oil is procured on a spot or fixed-price forward contract basis from large soybean oil producers such as Ag Processing Inc, Archer Daniels Midland Company, Cargill, Incorporated, CHS Inc., De Bruce Grain, Inc., Minnesota Soy Processors and Bunge North America, or Bunge. Fixed-price forward contracts specify the amount of soybean oil, the price and time period, which is typically one month to three months, over which the soybean oil is to be delivered. Fixed-price forward contracts are at fixed prices or soybean oil prices on the Chicago Board of Trade, or CBOT, plus or minus a basis adjustment reflecting price differentials between local and CBOT supply and demand and the cost of delivery.

Our Ralston facility and our planned New Orleans and Emporia facilities are located near soybean oil or other feedstock producers, in order to reduce or eliminate feedstock transportation costs. For our Ralston facility, we obtain most of our required soybean oil from West Central. The soybean oil from West Central is piped directly from West Central's crush facility located adjacent to our Ralston facility, which eliminates feedstock transportation costs. We pay West Central based on CBOT daily prices plus or minus a negotiated provision fee. We anticipate that a significant portion of any soybean oil we will use in the future will continue to be crude degummed soybean oil, which will continue to reduce our input costs relative to our competitors whose facilities require refined soybean oil.

We obtain methanol, chemical catalysts such as sodium methylate, and hydrochloric acid, under fixed-price contracts and formula-indexed contracts based upon competitive bidding. These procurement contracts typically last from three months to one year. The price of methanol is indexed to the monthly reported published price of methanol plus or minus a negotiated basis.

Risk Management

The prices for feedstocks and biodiesel are volatile and are not closely correlated. We are, therefore, exposed to commodity price risk in our business. In addition, we have in the past, and expect in the future, to utilize forward contracting and hedging strategies, including strategies using futures, options, and over-the-counter products.

However, the extent to which we engage in these risk management strategies varies substantially from time to time, depending on market conditions and other factors. In establishing our risk management strategies, we draw from our own in-house risk management expertise and we consult with industry experts, such as Bunge and ED&F Man Holdings Limited and affiliates, or ED&F Man, two of the largest international commodity trading firms and investors in us. Bunge provides risk management services to us pursuant to a master services agreement. We utilize research conducted by outside firms to provide additional market information and risk management strategies. We believe combining these sources of knowledge, experience, and expertise gives us a more sophisticated and global view of the fluctuating commodity markets for raw materials and energies, which we then can incorporate into our risk management strategies.

We manage feedstock supply risks related to biodiesel production through a combination of long-term supply contracts and spot-traded feedstock contracts with animal fat suppliers, used cooking oil suppliers, inedible corn oil suppliers and soybean oil processors. The purchase price for soybean oil under many of these agreements is indexed to prevailing market prices with a substantial percentage being purchased at a fixed spread, or basis, from the prevailing CBOT prices. We utilize futures contracts and options to hedge, or lock in, the cost of a portion of our future soybean oil requirements, generally for varying periods up to one year. We do not forward hedge our animal fat requirements as there is no established market for animal fat futures.

Our ability to mitigate the risk of falling biodiesel prices is somewhat limited. We have entered into forward contracts to supply biodiesel. However, pricing under these forward sales contracts generally has been indexed to prevailing market prices as fixed price contracts for long periods have generally not been available on acceptable terms. There is no established market for biodiesel futures. Our efforts to hedge against falling biodiesel prices generally involve entering into futures contracts and options on other commodity products, such as diesel fuel and heating oil.

Distribution

We have created a national distribution system to supply biodiesel throughout the United States. Each of our facilities is equipped with an on-site rail loading system and/or a truck loading system. We offer logistics and supply chain management services, including leased rail cars for transportation and terminal space for distribution. We also manage some customers' biodiesel storage tanks and replenishment process. We lease more than 150 railcars for transportation and space in ten terminals, not including our terminals located at our facilities. Typically, our terminals are co-located with petroleum diesel terminals so that fuel distributors and customers can create the desired biodiesel blend at the terminal before further distribution. Terminal leases typically have one to three-year terms and are generally renewable subject to certain terms and conditions. In the future, we plan to increase our number of terminal leases in strategic locations, including on the coasts of the U.S. and other deep water access points, to create an extensive distribution system that enhances our ability to market biodiesel in the U.S. and abroad. We have sold biodiesel in all 48 contiguous states and Hawaii.

Services Segment

Our Services segment provides biodiesel facility management and operational services to third party owners of biodiesel production facilities as well as facility construction management services to third parties. In 2009, we made the decision to terminate substantially all of our contracts for facility management and operational services for outside parties. We did not receive any new orders for new facility construction services in 2009 or 2010. The Services segment had revenues of approximately $1.3 million in 2010, which accounted for 1% of total 2010 revenues.

Operational Management

We have historically provided operational management services that have included:

- training of facility operations personnel and implementation of on-site testing, quality control and safety procedures;
- procuring feedstocks, methanol and chemical inputs;

- monitoring and testing product quality;
- advising on and executing risk management practices and strategies;
- managing manufacturing facilities and employees;
- logistics and supply chain management;
- marketing and selling finished biodiesel and glycerin co-product; and
- providing administrative services, such as accounting, information technology, insurance, human resources, payroll and communications.

In 2009, we provided notice to five third party-owned facilities that we would be terminating our operational services twelve months from the date notice was provided. As of December 31, 2010, we had acquired one of these facilities, had ceased providing services to three of these facilities and remain in discussions to provide limited services to the other facility. While we continue to seek opportunities to provide operational services, we anticipate revenues derived from these services will be minimal in 2011.

Facility Construction Management

We have historically provided a broad range of facility construction management services to the biodiesel industry. To date, we have provided biodiesel facility construction management services for the construction of seven facilities and we significantly upgraded two other facilities. For those projects, we acted as construction manager and general contractor along with providing various development stage services, facility design and engineering services. We did not receive any new orders for new facility construction services in 2009 or 2010; however, we did upgrade two facilities, which we currently own or lease.

Governmental Programs Favoring Biodiesel Production and Use

The biodiesel industry benefits from economic incentives to produce biodiesel, including support from federal biodiesel programs. The American Jobs Creation Act of 2004, the Energy Policy Act of 2005, or EPAct, and the Energy Independence and Security Act of 2007, or EISA, are the primary pieces of federal legislation that have established the groundwork for biodiesel market development. In 2010, we received approximately $7.2 million dollars in revenues from government sponsored biodiesel incentive programs, most of which was attributable to the blenders' tax credit discussed below.

Renewable Fuel Standard

In August 2005, the EPAct established a renewable fuel standard program, or RFS, requiring a specific amount of renewable fuel to be used in motor vehicle fuel nationwide. This requirement has been imposed on refineries and importers in the 48 contiguous states. Beginning in 2008, EISA amended the EPAct to increase the number gallons of renewable fuel required to be used in motor vehicle fuel nationwide. The number of gallons of biomass-based diesel, such as biodiesel, is required to increase from 500 million gallons in 2009 to 1.0 billion gallons in 2012.

On July 1, 2010, an updated Renewable Fuel Standard program, or RFS2, was implemented. RFS2 requires certain volume minimums for the amount of biomass-based diesel that must be utilized each year. Under the program, obligated parties, including petroleum refiners and fuel importers, must show compliance with these standards. Currently, biodiesel meets two categories of an obligated party's required volume obligation—biomass-based diesel and advanced biofuel. Today, biodiesel is the only significant commercially-available advanced biofuel produced in the United States that meets the RFS2 standard based on its greenhouse gas emissions reductions score. Consistent with the RFS2 program, the Environmental Protection Agency, or EPA, announced it would require the domestic use of 800 million gallons of biodiesel in 2011 and one billion gallons in 2012. After implementation of RFS2, the American Petroleum Institute, or API, and National Petrochemical Refiners Association, or NPRA, filed a lawsuit against the EPA relating to timing of enforcement of RFS2. On December 21, 2010, the U.S. District Court of Appeals for the District of Columbia issued a unanimous decision to deny the petition by NPRA and API challenging the RFS2. Although the API and NPRA have appealed, we believe that this decision removes significant uncertainty that has clouded the future of the biodiesel industry.

The Biodiesel Blenders' Tax Credit

The American Jobs Creation Act of 2004 created the Federal Volumetric Ethanol Excise Tax Credit, referred to as the blenders' tax credit, which provided a $1.00 tax credit per gallon of pure biodiesel, or B100, to the first blender of biodiesel with petroleum based diesel fuel. The blenders' tax credit expired on December 31, 2009, but was restored on December 17, 2010, retroactively for 2010 and prospectively for 2011. Because the blenders' tax credit was not in effect for most of 2010, we elected to sell most of our production in 2010 as B100. During April 2010, we temporarily stopped producing biodiesel at our Newton facility and our Ralston facility due to reduced demand for biodiesel because of the lack of reinstatement of the blender's tax credit. At the end of April, our Newton facility began production again. During May, our Ralston facility began producing at a reduced production level. During June 2010, we stopped producing biodiesel at our Houston Facility, which began production again during March of 2011.

State Legislation

Several states have laws on the books requiring and/or incentivizing the use of biodiesel and several are currently considering legislation to enhance these programs. Numerous states have adopted incentives or requirements to encourage renewable fuel use, including the use of biodiesel. For example, Illinois offers a 6.25% sales tax abatement for B11 (diesel fuel comprised of 11% biodiesel and 89% petroleum-based diesel) blends and Iowa offers a $0.03 income tax credit to petroleum marketers of B2 (diesel fuel comprised of 2% biodiesel and 98% petroleum-based diesel) blends. Many states have adopted and/or implemented biodiesel blend requirements. Oregon has implemented B5 biodiesel blend requirements. Washington's renewable fuels standard calls for two percent of all diesel fuel consumed in the state to be biodiesel. Minnesota requires a B5 blend, which is scheduled to increase to B10 in 2012, for all diesel fuel. New Mexico, Pennsylvania, Massachusetts and Louisiana have all adopted biodiesel blend requirements legislation. In addition, several Northeast states, including Connecticut and Massachusetts, and the City of New York have adopted legislation to require biodiesel in home heating oil. Several states provide tax incentives and grants for biodiesel-related studies and biodiesel production, blending, and use. In addition, several state governors have issued executive orders directing state agencies to use biodiesel blends to fuel their fleets. In addition, several states have adopted or are considering adopting low carbon fuel standards, or LCFS, requiring a reduction in the amount of carbon in their transportation fuels. Biodiesel has lower carbon emissions than petroleum diesel and is thus expected to see increased demand in states like California that have adopted a LCFS.

Competition in the Biodiesel Industry

We currently compete with large, multi-product companies and other biodiesel plants with varying capacities. Some of these competitors have greater resources than we do. Archer Daniels Midland Company, LLC, Cargill, Incorporated, Louis Dreyfus Commodities, Ag Processing Inc, Seaboard Farms and Owensboro Grain Company, LLC are major international agribusiness corporations and biodiesel producers with the financial, sourcing and marketing resources to be formidable competitors in the biodiesel industry, without geographical, funding or feedstock constraints. These agribusiness competitors tend to make biodiesel from soybean or canola oil, which they produce as part of their integrated agribusinesses. We also face competition from biodiesel producers who primarily produce biodiesel from lower cost, higher FFA, feedstocks like we do.

Currently, there is excess production capacity built in the U.S. biodiesel industry; however many of these facilities have not operated or are not currently operating. According to the National Biodiesel Board, or NBB, 98 dues paying biodiesel production facilities with self reported annual production capacity of approximately 2.0 billion gallons per year are registered under RFS2. Of these, we estimate that approximately 65% of these capacity gallons are from operational plants that are producing today. The U.S. Census reports that 311 million gallons of biodiesel was produced in the United States during 2010.

The biodiesel industry generally is in competition with the petroleum industry, particularly the diesel fuel portion of the petroleum industry. The size of the biodiesel industry is insignificant compared to the size of the diesel fuel industry and biodiesel producers are able to compete with the assistance of government environmental regulations and incentives, assisted from time to time by high petroleum and diesel fuel prices.

Seasonality

The operating results of biodiesel producers are influenced by seasonal fluctuations in the price of biodiesel and the price of feedstocks. Biodiesel sales tend to be lower during the winter season in the northern part of the United States due to the potential for biodiesel to gel in cold weather. The demand for animal fat based biodiesel in particular is lower in the colder months as it has a higher cloud point than vegetable-based biodiesel. The decrease in demand for animal fat biodiesel generally leads to a reduction in the price of animal fats in winter months. Inedible corn oil prices, because it produces a lower cloud point biodiesel, tend to be higher in the winter as demand for that feedstock increases. Both of these feedstocks are primarily used for biodiesel production. Soybean oil is used for several purposes other than biodiesel production so its seasonality is driven by factors other than biodiesel. In recent years, the spot price for soybean oil has decreased during the late summer and early fall harvest season and increased during the early spring and the late fall and winter months. As a result of seasonal fluctuations, comparisons of operations between consecutive quarters may not be as meaningful as comparisons between longer reporting periods or the same period in previous years.

Feedstock and Technology Development

Our feedstock and technology development team consists of a director of business development, a PhD chemical engineer, a PhD oleo chemist, a director of manufacturing operations, a Six Sigma Black Belt mechanical engineer and other technology support located at our executive offices and resources located at each of our facilities. The team provides services to REG facilities in addition to distributors, terminals and end customers. The team focuses on improving production volumes and quality, evaluating potential new feedstock sources and new technologies, designing and improving equipment and process flow, enhancing the value of co-products, researching reaction kinetics, troubleshooting and educating customers and strategic partners.

Environmental Matters

We are subject to various federal, state and local environmental laws and regulations, including those relating to the discharge of materials into the air, water and ground; the generation, storage, handling, use, transportation and disposal of hazardous materials; and the health and safety of our employees. These laws and regulations require us to obtain and comply with numerous environmental permits to construct and operate each facility. They can require expensive pollution control equipment or operational changes to limit actual or potential impacts to the environment. A violation of these laws, regulations or permit conditions could result in substantial fines, natural resource damage, criminal sanctions, permit revocations and/or facility shutdowns. We do not anticipate a material adverse effect on our business or financial condition as a result of our efforts to comply with these requirements as presently in effect.

We also do not expect to incur material capital expenditures for environmental controls in this or the succeeding fiscal year. However, new laws, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments could require us to make additional significant expenditures. Continued government and public emphasis on environmental issues can be expected to result in increased future investments for environmental controls at our ongoing operations. Future environmental laws and regulations and related interpretations applicable to our operations, more vigorous enforcement policies and discovery of currently unknown conditions may require substantial capital and other expenditures.

Employees

As of December 31, 2010, REG employed 170 full-time employees, including 125 in operations and services, 14 in sales and marketing and 31 in administration. None of our employees are represented by a labor organization or under any collective bargaining agreements.

Item 1A. Risk Factors

Risks Related to our Business

Loss of governmental requirements or incentives for biodiesel production or consumption could impair our ability to operate at a profit and substantially harm our revenues and operating margins.

The biodiesel industry has been substantially aided by federal and state requirements, tax credits and incentives. Because biodiesel has historically been more expensive to produce than diesel fuel, the biodiesel industry has depended on governmental incentives that have effectively brought the price of biodiesel more in line with the price of diesel fuel to the end user. These incentives have supported a market for biodiesel that might not exist without the incentives.

The most important of these government programs is the federal Renewable Fuel Standard, or RFS, which Congress enacted in the Energy Independence and Security Act of 2007. The RFS requires that a specific amount of renewable fuel be used in motor vehicle fuel nationwide. Beginning July 1, 2010, the RFS program began to require certain volumes of biomass-based diesel (a definition that includes biodiesel and renewable diesel) to be used annually. The requirement for 2011 is 800 million gallons, increasing to one billion gallons in 2012. If Congress were to repeal or curtail the RFS program, or if the EPA is not able or willing to enforce the RFS requirements, demand for our product would not increase as we expect under the RFS and revenues would be harmed.

Biodiesel prices are increasingly influenced by the price of the RFS RINs. Biodiesel has historically been priced in relation to ultra low sulfur diesel, or ULSD, plus state and federal tax incentives. Since July 1, 2010, with the introduction of the biomass-based diesel mandate, RINs have become a significant portion of the value of a gallon of biodiesel. Each gallon of biodiesel generates 1.5 biomass-based diesel RINs. Biomass-based diesel RINs had a market value of $0.75 on December 31, 2010 as reported by Oil Price Information Service, or OPIS. Accordingly, on December 31, 2010, approximately 25% of the price of our biodiesel was comprised of the RIN value.

The biodiesel industry is also aided by the federal Biodiesel Excise Tax Credit, referred to as the blenders' tax credit. The blenders' tax credit provides a $1.00 refundable tax credit per gallon of pure biodiesel, or B100, to the first blender of biodiesel with petroleum based diesel fuel. The blenders' tax credit is again set to expire on December 31, 2011, after the U.S. Congress allowed it to expire as of December 31, 2009 and then re-enacted it in December 2010 for 2011 and retro-actively for 2010. It is uncertain what action, if any, Congress may take with respect to the blenders' credit beyond 2011 or when such action might be effective. If Congress decides to eliminate or reduce the blenders' credit, non-RFS2 related demand for our product could be significantly reduced and/or the price we are able to charge for our product could be significantly reduced without a corresponding reduction in the price of feedstock, in either case, harming revenues and profitability.

Numerous states have adopted incentives or requirements to encourage renewable fuel use, including the use of biodiesel. For example, Illinois offers a 6.25% sales tax abatement for B11 (diesel fuel comprised of 11% biodiesel and 89% petroleum-based diesel) blends and Iowa offers a $0.03 income tax credit to petroleum marketers of B2 (diesel fuel comprised of 2% biodiesel and 98% petroleum-based diesel) blends. Many states have adopted and/or implemented biodiesel blend requirements. Oregon has implemented B5 biodiesel blend requirements. Washington's renewable fuels standard calls for two percent of all diesel fuel consumed in the state to be biodiesel. Minnesota requires a B5 blend, which is scheduled to increase to B10 in 2012, for all diesel fuel. New Mexico, Pennsylvania, Massachusetts and Louisiana have all adopted biodiesel blend requirements legislation. In addition, several Northeast states, including Connecticut and Massachusetts and the City of New York have adopted requirements for biodiesel in home heating oil.

Any repeal, expiration, non-renewal, substantial modification or waiver of the renewable fuels mandate or Federal or state incentive programs could reduce the demand for biodiesel and result in our inability to produce and sell biodiesel profitably. Furthermore, our future ability to raise debt or equity capital may be delayed, impaired or made impossible due to the lack of certainty around the continuation of these government programs supporting biodiesel.

Our gross margins are dependent on the spread between feedstock costs and biodiesel prices. If the cost of feedstock increases and the price of biodiesel does not proportionately increase or if the price of biodiesel decreases and the cost of feedstock does not proportionately decrease, our gross margins will decrease and our results of operations will be harmed.

In addition to governmental incentives, our gross margins depend on the spread between feedstock costs and biodiesel prices. The spread between biodiesel prices and feedstock prices has varied significantly during recent periods. Although actual yields vary depending on the feedstock quality, the average monthly spread between the price per gallon of pure biodiesel, or B100, as reported by The Jacobsen Publishing Company, or Jacobsen, and the price of choice white grease, a common animal fat used to make biodiesel, was $1.82 in 2008, $1.21 in 2009 and $1.00 in 2010, assuming 8.0 pounds of choice white grease yields one gallon of biodiesel. The average monthly spread for crude soybean oil used to make one gallon of biodiesel, based on the nearby futures contract as reported on the Chicago Board of Trade, or CBOT, was $0.66 per gallon in 2008, $0.42 in 2009, and $0.26 per gallon in 2010.

For 2010, approximately 91% of our total feedstock usage was animal fat, used cooking oil or inedible corn oil and 9% was soybean oil, compared to approximately 78% for animal fat, used cooking or inedible corn oil and 22% for soybean oil in 2009.

The supply of animal fat has historically been affected by the amount of slaughter kills in the United States and demand for animal fat from other markets, such as animal feed rations. The market for used cooking oil, or UCO, as a feedstock for biodiesel is still developing and supply is constrained. Inedible corn oil, which is extracted from distillers' grain, is also not generally available in quantities sufficient for our operations. At present, there are a limited number of ethanol plants with the corn oil extraction equipment necessary to extract the corn oil that can be used in biodiesel production. If more ethanol plants do not implement the extraction equipment or if ethanol plants remain idle, we may not have the ability to supplement our feedstock requirements with significant amounts of inedible corn oil. These feedstock market dynamics may lead to supply constraints and/or volatile prices, which in turn could adversely affect our ability to produce biodiesel and the profit margins on the biodiesel we do produce.

The competition for feedstocks utilized in the biodiesel industry is significant and we compete for feedstock with many different companies, many of which have greater resources than we do. Furthermore, biodiesel mandates in other parts of the world have increased global competition for feedstocks and for certain feedstocks in particular. Consequently, the price of feedstocks may rise and adversely affect our profit margins and threaten the viability of our operations.

Biodiesel has traditionally been marketed primarily as an additive or alternative to petroleum-based diesel fuel, and as a result biodiesel prices are primarily influenced by the price of petroleum-based diesel fuel and the government incentives and mandates supporting renewable fuels, rather than biodiesel production costs. Any decrease in the spread between biodiesel prices and feedstock costs, whether as a result of an increase in feedstock prices or a reduction in biodiesel prices, including, but not limited to, a reduction in the value of RINs, would adversely affect our profitability and cash flow.

Certain subsidiaries have substantial indebtedness which could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or the biodiesel industry or may require us to dispose of some or all of our assets.

Several of our subsidiaries have a significant amount of indebtedness, some of which we have guaranteed. At December 31, 2010, our total term debt was $86.6 million, including consolidated term debt from Seneca Landlord, LLC of which $2.2 million is guaranteed by Renewable Energy Group, Inc. and the remainder of which constitutes the sole obligation of certain subsidiaries. At December 31, 2010, the borrowed amount on our lines of credit was $9.6 million all of which is guaranteed by

Renewable Energy Group, Inc. Our level of indebtedness could restrict our operations and make it more difficult for us to satisfy our debt obligations or obtain additional working capital borrowings to fund operations. In connection with the Seneca facility transaction, one of our subsidiaries leases the Seneca facility from its owners under a lease agreement. If a termination of the Seneca facility lease is due to breach by our subsidiary, then we would be required to issue to the Seneca facility owners a three year note in the principal amount of $4.0 million plus certain adjustments, which would add to our total debt outstanding.

The significant amount of indebtedness of these subsidiaries could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on indebtedness, thereby reducing the availability of our cash flow to fund working capital and capital expenditures, and for other general corporate purposes. For example, our subsidiaries are required to pay a certain portion of our excess cash flow at our Danville and Newton facilities to their respective lenders annually, which will reduce the cash flow that we receive from these facilities;
- increase our vulnerability to general adverse economic and biodiesel industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the biodiesel industry, which may place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit, along with the financial and other restrictive covenants in the indebtedness, among other things, our ability to borrow additional funds.

Any failure on the part of our subsidiaries to make payments to their respective lenders would constitute a default under their respective loan agreements and could lead to action on the part of the lenders to collect payment, accelerate the maturity of the loans, foreclose on the biodiesel production facilities or other assets that serve as collateral for the debt and place our subsidiaries into bankruptcy. The inability of these subsidiaries to operate profitably could lead to one or more of these consequences. As a result, our results of operations and ability to operate our business may be harmed.

Despite our current debt levels, we and our subsidiaries may incur substantially more debt or take other actions which would intensify the risks discussed above.

Despite our current debt levels, we and our subsidiaries may incur additional debt in the future, including secured debt. We and certain of our subsidiaries are not currently restricted under the terms of our debt from incurring additional debt, pledging assets, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the debt but that could diminish our ability to make payments thereunder.

We have guaranteed certain payment obligations and are subject to a put/call right related to the transaction involving the production facility located in Seneca, Illinois that we lease and operate.

Under the terms of the agreements with the owners of a 60 million gallon per year biodiesel production facility located in Seneca, Illinois, or the Seneca Facility, that we lease and operate, we have guaranteed the payments by REG Seneca, LLC of $150,000 per quarter to the equity owners of the Seneca Facility. If Seneca Landlord, LLC does not have the financial resources to pay its obligations, we will have to continue to fund future investment fees. Furthermore, the owners of the Seneca Facility have a right to put their ownership interest to us after April 8, 2011, provided we have a minimum excess net working capital of 1.5 times the put/call price, which is the greater of three times the initial investment or a 35% internal rate of return on the initial investment. If we are required to purchase the Seneca Facility, pursuant to the put right, it will reduce our available cash on hand to use for other purposes, including debt repayment or payment of other operating expenses.

We have limited working capital and a recent history of unprofitable operations; if we are unable to fund our operations and unable to raise additional capital, it will limit our growth, may cause us to curtail our operations or sell or liquidate our Company or some of our assets.

We have a limited amount of working capital to support our operations. With anticipated increased demand in 2011 for biodiesel due to the RFS2, we believe our working capital requirements will increase. In order to meet this need for increased working capital, we will need to raise additional capital to fund our operations. Rising commodity prices are further increasing our demand for working capital, as both our feedstocks and finished product have increased in price requiring more working capital to manage the same volume of production. If we are unable to increase our working capital, we may find it necessary to curtail operations or forgo sales, harming revenue and profitability.

We became cash flow positive during fourth quarter 2010. If we do not remain cash flow positive, we will need to raise additional working capital to continue our operations. If such capital is not available, we may need to curtail operations or sell or liquidate certain assets.

Our business is primarily dependent upon one product. As a consequence, we may not be able to adapt to changing market conditions or endure any decline in the biodiesel industry.

Our business is currently focused almost entirely on the production and sale of biodiesel, with glycerin and fatty acid sales and the operations of our Services segment representing only a small portion of revenues. Our reliance on biodiesel means that we may not be able to adapt to changing market conditions or to withstand any significant decline in the biodiesel industry.

Technological advances and changes in production methods in the biodiesel industry could render the Company's plants obsolete and adversely affect the Company's ability to compete.

The development and implementation of new technologies may result in a significant reduction in the costs of biodiesel production. If we are unable to adopt or incorporate technological advances into our operations, our production facilities could become less competitive or obsolete. It is expected that technological advances in biodiesel production methods will continue to occur and new technologies for biodiesel production may develop. For example, development of processes to make the conversion of oils and fats into biodiesel faster and more efficiently could significantly change the biodiesel production process. If improved technologies become available, it may be possible to produce biodiesel at a substantially lower cost than is currently the case. This could require us to acquire new technology and retrofit our plants so that they can remain competitive. There is no assurance that third-party licenses for any new proprietary technologies would be available to us on commercially reasonable terms or that any new technologies could be incorporated into our plants. The costs of upgrading our technology and facilities could be substantial. If we are unable to obtain, implement or finance new technologies, our production facilities could be less efficient than our competitors and our results of operations could be substantially harmed.

If we are unable to respond to changes in ASTM or customer standards, our ability to sell biodiesel may be harmed.

We currently produce biodiesel to conform to or exceed standards established by the American Society of Testing and Materials, or ASTM. ASTM standards for biodiesel and biodiesel blends are modified continuously in response to new observations from the industries involved with diesel fuel. New tests, tighter test limits or higher standards may require us to make additional capital investments in, or modify, plant operations to meet these standards. Many biodiesel customers have developed their own biodiesel standards which are stricter than the ASTM standards. If we are unable to respond to new ASTM standards or our biodiesel customers' standards, the market for our product may become obsolete, and/or our ability to sell biodiesel may be harmed, negatively impacting our revenue and profitability.

We have partially constructed plants and planned plant upgrades that require capital that we may not be able to raise.

We have three partially constructed plants, one in New Orleans, Louisiana, one in Emporia, Kansas and one in Clovis, New Mexico, that we expect to complete in order to commence production at these facilities. We also have various upgrades planned for our other facilities. In order to complete construction of these facilities or upgrade our facilities as planned, we will require additional capital. While we intend to finance a portion of these capital expenditures from our cash flow from operations, we will need to raise a significant amount of capital for these projects in the form of new debt or equity. If market conditions prevent us from obtaining such capital on satisfactory terms, or if such capital is otherwise unavailable, or if we encounter cost overruns on these projects such that we have insufficient capital, we may have to postpone completion of these projects indefinitely, which may adversely affect our future revenue and cash flow.

Our success may depend on our ability to manage our growing and changing operations.

Since our formation, our business has grown significantly in size and complexity. This growth has placed, and is expected to continue to place, significant demands on our management, systems, internal controls and financial and physical resources. In addition, we expect that we will need to further develop our financial and managerial controls and reporting systems to accommodate future growth. This will require us to incur expenses related to hiring additional qualified personnel, retaining professionals to assist in developing the appropriate control systems and expanding our information technology infrastructure. Our inability to manage growth effectively could have a material adverse effect on our results of operations, financial position and cash flows.

We may not realize the anticipated benefits of past or future acquisitions, and integration of these acquisitions may disrupt our business and management.

In 2010, we acquired REG Biofuels, Inc, Blackhawk Biofuels, LLC, Central Iowa Energy, LLC, Tellurian Biodiesel, Inc., American BDF, LLC, a partially complete facility in Clovis, New Mexico and entered into a seven year lease on the Seneca, Illinois Facility. We may, in the future, acquire additional companies, products or technologies. We may not realize the anticipated benefits of any or all of these transactions and each transaction has numerous risks. These risks include:

- difficulty in integrating the operations and personnel of the acquired company;

- difficulty in effectively integrating the acquired technologies, products or services with our current technologies, products or services;
- disruption of our ongoing business and distraction of our management and employees from other opportunities and challenges;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our operating results;
- potential failure of the due diligence processes to identify significant problems, liabilities or other shortcomings or challenges of an acquired company or technology, including but not limited to, issues with the acquired company's intellectual property, product quality or product architecture, data back-up and security, revenue recognition or other accounting practices, employee, customer or partner issues or legal and financial contingencies;
- exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, an acquisition, including but not limited to, claims from terminated employees, customers, former stockholders or other third parties; and
- incurring significant exit charges if products or services acquired in business combinations are unsuccessful.

The aforementioned risks apply to our acquisitions mentioned above as well as acquisitions we may do in the future. Mergers and acquisitions are inherently risky, and ultimately, if we do not complete transactions or integrate an acquired business successfully, we may not realize the benefits of the acquisition to the extent anticipated.

We may not successfully identify and complete acquisitions on favorable terms or achieve anticipated synergies relating to any acquisitions, and such acquisitions could result in unforeseen operating difficulties and expenditures and require significant management resources.

We regularly review domestic and international acquisitions, joint ventures, licensing arrangements and other relationships with complementary business, services or products. However, we may be unable to identify suitable acquisition candidates in the future. Even if we identify appropriate acquisition candidates, we may be unable to complete such acquisitions on favorable terms, if at all. In addition, the process of integrating an acquired business, service or product into our existing business and operations may result in unforeseen operating difficulties and expenditures. Integration of an acquired company also may require significant management resources that otherwise would be available for ongoing development of our business. Moreover, we may not realize the anticipated benefits of any acquisition or strategic alliance and such transactions may not generate anticipated financial results. Future acquisitions could also require us to incur debt, assume contingent liabilities or amortize expenses related to intangible assets, any of which could harm our business.

We are dependent upon our key management personnel and the loss of any of these persons could adversely affect our results of operations.

We are highly dependent upon key members of our management team for execution of our business plan. We believe that our future success is highly dependent on the contributions of these key employees. The loss of any of these key employees could have a material adverse effect upon our results of operations and financial position. We do not maintain "key person" life insurance for any of our executive officers. The loss of any of our key management personnel could delay or prevent the achievement of our business objectives.

Our business may suffer if we are unable to attract or retain talented personnel.

Our success depends on the abilities, expertise, judgment, discretion, integrity, and good faith of our management and employees to manage the business and respond to economic, market and other conditions. We have a relatively small but very effective management team and employee base, and the inability to attract suitably qualified replacements or additional staff could adversely affect our business. No assurance can be given that our management team or employee base will continue their employment with the Company, or that replacement personnel with comparable skills could be found. If we are unable to attract and retain key personnel and additional employees, our business may be adversely affected.

If we fail to maintain effective internal control over financial reporting, we might not be able to report our financial results accurately or prevent fraud; in that case, our stockholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the value of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. The process of maintaining our internal controls may be expensive and time consuming and may require significant attention from management. Although we have concluded that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness, the disclosure of that fact, even if quickly remedied, could harm the value of our stock and our business.

Our business is subject to seasonal fluctuations, which are likely to cause our revenues and operating results to fluctuate.

Our operating results are influenced by seasonal fluctuations in the price of biodiesel. Our sales tend to decrease during the winter season due to concerns that biodiesel will not perform adequately in colder weather and a decrease in agricultural activities. Colder seasonal temperatures can cause the higher cloud point biodiesel we make from animal fats to become cloudy and eventually to gel at a higher temperature than petroleum diesel or lower cloud point biodiesel made from soybean, canola or inedible corn oil. Such gelling can lead to plugged fuel filters and other fuel handling and performance problems for customers and suppliers. Reduced demand in the winter for our higher cloud point biodiesel may result in excess supply of such high cloud point biodiesel and/or lower prices for such high cloud point biodiesel. As a result of these seasonal fluctuations, comparisons of operating measures between consecutive quarters may not be as meaningful as comparisons between longer reporting periods.

Risk management transactions could significantly increase our operating costs and working capital requirements if we incorrectly estimate our feedstock demands and biodiesel sales as compared to market conditions.

In an attempt to partially offset the effects of volatility of feedstock costs and biodiesel fuel prices, we may enter into contracts that establish market positions in feedstocks, such as animal fats and soybean oil, and related commodities, such as heating oil and ultra low sulfur diesel. The financial statement impact of such market positions will depend on market prices at the time of performance and could result in more or less favorable results. Risk management arrangements will also expose us to the risk of financial loss in situations where the counter party to the contract defaults on its contract or, in the case of exchange-traded or over-the-counter futures or options contracts, where there is a change in the expected differential between the underlying price in the contract and the actual prices paid or received by us. Risk management activities can themselves result in losses when a position is purchased in a declining market or a position is sold in a rising market. Changes in the value of these futures instruments are recognized in current income and may result in margin calls. We may also vary the amount of risk management strategies we undertake, and we may choose not to engage in risk management transactions at all. Further, our ability to reduce the risk of falling biodiesel prices and rising feedstock costs will be limited as there is not an established futures market for biodiesel or the vast majority of our feedstocks, nor are fixed-price long-term contracts generally available. As a result, our results of operations, working capital requirements and financial position may be adversely affected by increases in the price of feedstocks, or decreases in the price of biodiesel that are not risk managed effectively.

A leak, fire or explosion at any of our production plants or natural disaster damage to our plants would increase our costs and liabilities.

Because biodiesel and some of its inputs and outputs are combustible and flammable, a leak, fire or explosion may occur at a plant which could result in damage to the plant and nearby properties, injury to employees and others, and interruption of operations. Our Houston facility, due to its coastal location, may incur plant damage, injury to employees and others, and interruption of operations as a result of a hurricane. All of our plants may incur damage from tornados, earthquakes or other natural disasters. If any of the foregoing events occur, we may incur significant additional costs including, among other things, loss of profits from inability to operate, clean-up costs, liability for damages or injuries, legal expenses, and reconstruction expenses, which would negatively affect our profitability.

We are reliant on certain strategic raw materials for our operations.

We are reliant on certain strategic raw materials for our operations. We have implemented certain risk management tools, as appropriate, to mitigate short-term market fluctuations in raw material supply and costs. There can be no assurance, however, that such measures will result in cost savings or that all market fluctuation exposure will be eliminated. In addition, natural disasters, changes in laws or regulations, war or other outbreak of hostilities, or other political factors in any of the countries or regions in which we operate or do business, or in countries or regions that are key suppliers of strategic raw materials, could affect availability and costs of raw materials.

While temporary shortages of raw materials may occasionally occur, these items have historically been sufficiently available to cover current requirements. However, their continuous availability and price are impacted by natural disasters, plant interruptions occurring during periods of high demand, domestic and world market and political conditions, changes in government regulation, and war or other outbreak of hostilities. In addition, as we increase our biodiesel production, we will require larger supplies of these materials which have not yet been secured and may not be available for the foregoing reasons, or may be available only at prices higher than current levels. Our operations may be adversely affected by these factors.

One customer accounted for a meaningful percent of revenue and a loss of this customer would have an adverse impact on our total revenue.

One customer accounted for 24% of our total revenue in 2009 and 29% of our total revenue in the 2010. In the event we lose this customer and cannot replace the lost revenue with revenue from other customers, our revenue would decline which would negatively affect our profitability.

Confidentiality agreements with employees and others may not adequately prevent disclosures of trade secrets and other proprietary information.

We rely in part on trade secret protection to protect our confidential and proprietary information and processes. However, trade secrets are difficult to protect. We have taken measures to protect our trade secrets and proprietary information, but these measures may not be effective. We require new employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting arrangement with us. These agreements generally require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. These agreements also generally provide that know-how and inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. Nevertheless, these agreements may not be enforceable, our proprietary information may be disclosed, third parties could reverse engineer our processes and others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We are a holding company and there are limitations on our ability to receive distributions from our subsidiaries.

We conduct substantially all of our operations through subsidiaries and many of these subsidiaries have entered into other agreements that contractually restrict them from paying dividends, making distributions or making loans to our parent company or to any other subsidiary. These limitations may restrict our ability to repay, from operations, indebtedness, finance capital projects or pay dividends to stockholders.

Strategic relationships on which we may rely are subject to change.

Our ability to maintain commercial arrangements with biodiesel customers, feedstock suppliers, and transportation and logistics services providers will depend on maintaining close working relationships with industry participants including some of our current shareholders, particularly Bunge, ED&F Man, and West Central. As we continue to develop our business, we expect to use the business relationships of management and our stockholders in order to form strategic relationships such as contractual arrangements, joint ventures, financings or minority investments. There can be no assurance that we will be able to maintain or establish additional necessary strategic relationships, in which case our business may be negatively affected.

Failure to comply with governmental regulations could result in the imposition of penalties, fines, or restrictions on operations and remedial liabilities.

The biodiesel industry is subject to extensive federal, state and local laws and regulations related to the general population's health and safety and compliance and permitting obligations, including those related to the use, storage, handling, discharge, emission and disposal of municipal solid waste and other waste, pollutants or hazardous substances, or discharges and air and other emissions as well as land use and development. Existing laws also impose obligations to clean up contaminated properties or to pay for the cost of such remediation, often upon parties that did not actually cause the contamination. Compliance with these laws, regulations, and obligations could require substantial capital expenditures. Failure to comply could result in the imposition of penalties, fines or restrictions on operations and remedial liabilities. These costs and liabilities could adversely affect our operations.

Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require us to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on our business in general and on our results of operations, competitive position or financial condition. We are unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially adversely increase our cost of doing business or affect our operations in any area.

Under certain environmental laws and regulations, we could be held strictly liable for the removal or remediation of previously released materials or property contamination regardless of whether we were responsible for the release or contamination, or if current or prior operations were conducted consistent with accepted standards of practice. Such liabilities can be significant and, if imposed, could have a material adverse effect on our financial condition or results of operations.

In addition to the regulations mentioned above, we are subject to various laws and regulations related to RFS2, most significantly regulations related to the generation and dissemination of RINs. These regulations are highly complex and evolving, requiring us to periodically update our compliance systems. Any violation of these regulations by us, inadvertent or otherwise, could result in significant fines and harm our customer's confidence in the RINs we issue, either of which could have a material adverse effect on our business.

Our insurance may not protect us against our business and operating risks.

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance policies may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. Although we will maintain insurance at levels we believe are appropriate for our business and consistent with industry practice, we will not be fully insured against all risks. In addition, pollution and environmental risks generally are not fully insurable. Losses and liabilities from uninsured and underinsured events and delay in the payment of insurance proceeds could have a material adverse effect on our financial condition and results of operations.

Increased biodiesel industry penetration by petroleum companies, agribusiness companies or other multinational companies may adversely impact our margins.

We operate in a very competitive environment. The biodiesel industry is primarily comprised of smaller entities that engage exclusively in biodiesel production and large integrated agribusiness companies that produce biodiesel along with their soybean crush businesses. We face competition for capital, labor, feedstocks and other resources from these companies. Petroleum companies and diesel retailers have not been engaged in biodiesel production to a large extent. These companies, however, form the primary distribution networks for marketing biodiesel through blended petroleum diesel. If these companies seek to engage in direct or indirect biodiesel production, there will be less of a need to purchase biodiesel from independent biodiesel producers like us. Such a structural change in the market could have a material adverse effect on our operations, cash flows and financial position.

We operate in a highly competitive industry.

In the United States, we compete with other soybean processors and refiners, including Archer-Daniels-Midland Company, LLC, Cargill, Inc. and Louis Dreyfus Commodities. Some of our competitors are divisions of larger enterprises and have greater financial resources than we do. Although some of our competitors are larger than we are, we also have many smaller competitors. In 2010, the top ten domestic biodiesel producers accounted for approximately 80% of all biodiesel production. If our competitors consolidate or otherwise grow and we are unable to similarly increase our size and scope, our business and prospects may be significantly and adversely affected.

Risks Related to the Biodiesel Industry

The market price of biodiesel is strongly influenced by the price of petroleum distillate fuels, such as ultra-low sulfur diesel, and decreases in the price of petroleum-based distillate fuels would very likely decrease the price we can charge for our biodiesel, which could harm our revenues and profitability.

Historically, biodiesel prices have generally been strongly correlated to petroleum diesel prices and in particular ultra low sulfer diesel. Petroleum prices are volatile due to global factors such as the impact of wars and other political events, OPEC production quotas, worldwide economic conditions, changes in refining capacity and natural disasters. Just as a small reduction in the real or anticipated supply of crude oil can have a significant upward impact on the price of petroleum-based fuels, a perceived reduction of such threats can result in a significant reduction in petroleum fuel prices. A reduction in petroleum-based fuel prices may have a material adverse affect on our revenues and profits if such price decrease reduces the price we are able to charge for our biodiesel and the cost of our feedstocks do not decrease proportionately.

There is currently excess production capacity and low utilization in the biodiesel industry and if demand does not significantly increase, the price at which we sell biodiesel may be depressed and our revenues and ability to operate may be harmed.

Many biodiesel plants do not operate, and of those that do, many do not operate at full capacity. The EPA reports that 2.2 billion gallons per year of biodiesel production capacity in the United States is registered with them under the RFS program. Further, plants under construction and expansion in the U.S. as of December 2010, if completed, could add an additional

several hundred million gallons of annual biodiesel production capacity. The annual production capacity of existing plants and plants under construction far exceeds the annual consumption of biodiesel in the U.S. This excess production capacity, if it were to come into production, would increase competition for our feedstocks and could increase the volume of biodiesel on the market beyond that mandated by the RFS, either of which would harm our revenues and profitability.

The development of alternative fuels and energy sources may reduce the demand for biodiesel, resulting in a reduction in our profitability.

Our ability to increase our revenues depends on increased demand for biodiesel. If adoption of biodiesel as a diesel fuel additive or alternative does not occur to the extent we anticipate, our business and results of operations will not reach anticipated levels.

Alternative fuels, including a variety of energy alternatives to biodiesel, are continually under development. The construction of several renewable diesel plants has been announced. Petroleum-based fuels and non-petroleum based fuels like renewable diesel that can compete with biodiesel in the marketplace are already in use and in the future more efficient or environmentally friendly alternatives may be developed, which may decrease the demand for biodiesel or the type of biodiesel that we produce. Technological advances in engine and exhaust system design and performance could reduce the use of and demand for biodiesel. Further advances in power generation technologies, based on cleaner hydrocarbon-based fuels, renewable diesel, fuel cells and hydrogen are actively being researched and developed. If these technological advances and alternatives to biodiesel prove to be economically feasible, environmentally superior and accepted in the marketplace, the market for biodiesel could be significantly diminished or replaced, which would substantially reduce our revenues and profitability.

The development of alternative fuels and renewable chemicals also puts pressure on feedstock supply and availability to the biodiesel industry. If these emerging technologies are more profitable or have greater governmental support than biodiesel does, then the biodiesel industry and REG in particular, may have difficulty in procuring necessary feedstocks to be successful.

We face competition from outside the biodiesel industry, including, for example, from manufacturers of renewable diesel and potential alternative clean power engines under development.

The biodiesel industry is in competition with the diesel fuel segment of the petroleum industry. Biodiesel is generally more expensive to produce than diesel fuel, and is able to compete with diesel fuel largely as a result of government environmental regulations and economic incentives. If the diesel fuel industry is able to produce diesel fuel with acceptable environmental characteristics or if governmental regulations and tax incentives cease to favor renewable fuels, we would find it difficult, if not impossible, to compete with petroleum-based diesel fuel. Renewable diesel, which can be made at existing petroleum refineries from renewable feedstocks and may be mixed with crude oil through a thermal de-polymerization process, is eligible for federal blenders' tax credits and other governmental incentives offered to producers of biodiesel. Renewable diesel made from 100% renewable feedstocks benefits from the same $1.00 per gallon tax credit that biodiesel receives and co-processed renewable diesel made from a combination of renewable feedstocks and petroleum crude is eligible for a $0.50 per gallon tax credit. Under the RFS rules, renewable diesel made from biomass meets the definition of biomass-based diesel and thus is eligible, along with biodiesel to satisfy the RFS biomass-based diesel mandate. Furthermore, under the RFS rules, renewable diesel receives 1.7 RINs per gallon, where biodiesel receives 1.5 RINs. As the value of RINs increase, this 0.2 RIN advantage that renewable diesel has over biodiesel may make renewable diesel more cost-effective, both as a petroleum diesel substitute and for meeting the RFS mandate. In addition, the petroleum industry is lobbying states to make renewable diesel eligible for their incentives and mandates. If renewable diesel proves to be more cost-effective than biodiesel, our revenues and results of operations would be adversely impacted.

The biodiesel industry will also face increased competition resulting from the advancement of technology by automotive, industrial and power generation manufacturers which are developing more efficient engines, hybrid engines and alternative clean power systems. Improved engines and alternative clean power systems offer a technological solution to address increasing worldwide energy costs, the long-term availability of petroleum reserves and environmental concerns. If and when these clean power systems are able to offer significant efficiency and environmental benefits and become widely available, the biodiesel industry may not be able to compete effectively with these technologies. This additional competition could reduce the demand for biodiesel, which would negatively impact our revenues.

Concerns about "food vs. fuel" and biodiesel emissions could impair our ability to operate at a profit and substantially harm our revenues and operating margins.

The biodiesel industry has been substantially aided by federal and state mandates, tax credits and incentives. Because biodiesel has historically been more expensive to produce than diesel fuel, the biodiesel industry has depended on governmental incentives that have effectively brought the price of biodiesel more in line with the price of diesel fuel to the end user. These incentives have supported a market for biodiesel that might not exist without the incentives.

Some people believe that biodiesel may increase the cost of food as some feedstocks used to make biodiesel can also be used for animal feed and other food products. This debate is often referred to as food vs. fuel. This controversy is dangerous to the biodiesel industry because biodiesel demand is heavily influenced by government policy and if public opinion were to erode, it is possible that these policies will lose political support. These views could also negatively impact public perception

of biodiesel and acceptance of biodiesel as an alternative fuel. Such claims have led some, including members of Congress, to urge the modification of current government policies which affect the production and sale of biofuels in the United States. To the extent that such state or federal laws were modified or public perception harms acceptance of biodiesel, the demand for biodiesel may be reduced, which could negatively and materially affect our ability to operate profitably.

In some instances biodiesel may increase emissions of nitrogen oxide, which could harm air quality. Texas currently requires that biodiesel blends contain an additive to eliminate this perceived nitrogen oxide increase. California is in the process of formulating biodiesel regulations that may also require such an additive. In such states where an additive is required to sell biodiesel, the additional cost of the additive may make biodiesel less cost competitive against petroleum diesel or renewable diesel, which would negatively impact our revenues and profitability.

Problems with product performance, in cold weather or otherwise, could cause consumers to lose confidence in the reliability of biodiesel which, in turn, would have an adverse impact on our ability to successfully market and sell biodiesel.

Concerns about the performance of biodiesel could result in a decrease in customers and revenues and an unexpected increase in expenses. For example, cold temperatures can cause biodiesel to become cloudy and eventually to gel, and this phenomena can lead to plugged fuel filters and other problems. Cloud point is defined as the temperature below which a fuel exhibits a noticeable cloudiness and is the conventional indicator of a fuel’s potential for cold weather problems. The lower the cloud point, the better the fuel should perform in cold weather. The cloud point of biodiesel is typically between 30 °F and 60 °F, while the cloud point of No. 2 petroleum diesel fuel is typically less than 20 °F. When diesel is mixed with biodiesel to make a two percent biodiesel blend, the cloud point of the blended fuel can be 2 °F to 6 °F higher than petroleum diesel and the cloud point of a twenty percent biodiesel blend is 15 °F to 30 °F higher than petroleum diesel, depending on the individual cloud points of the biodiesel and petroleum diesel. These increased cloud points may cause demand for biodiesel in northern and eastern U.S. markets to diminish during the colder months.

The tendency of biodiesel to gel in colder weather may also result in long-term storage problems. In cold climates, fuel may need to be stored in a heated building or heated storage tanks, which result in higher storage costs. This and other performance problems, including the possibility of particulate formation above the cloud point of a blend of biodiesel and petroleum diesel, may also result in increased expenses as we try to remedy the performance problem. Remedying these performance problems may result in decreased yields, lower process throughput or both, as well as substantial capital costs. Any reduction in the demand for, or production capacity of, our biodiesel product will reduce our revenue and have an adverse effect on our cash flows and results of operations.

Growth in the sale and distribution of biodiesel is dependent on the expansion of related infrastructure which may not occur on a timely basis, if at all, and our operations could be adversely affected by infrastructure limitations or disruptions.

Growth in the biodiesel industry depends on substantial development of infrastructure for the distribution of biodiesel by persons and entities outside our control. Expansion of the distribution system includes, among other things:

- additional terminal and storage facilities for biodiesel;
- growth in the number of service stations offering biodiesel; and
- growth in the manufacture of clean diesel vehicles.

Substantial investment required for these infrastructure changes and expansions may not be made or may not be made on a timely basis. The scope and timing of any infrastructure expansion are generally beyond our control. Also, we compete with other biofuel companies for access to some of the key infrastructure components such as pipeline and terminal capacity. As a result, increased production of biodiesel or other biofuels will increase the demand and competition for necessary infrastructure. Any delay or failure in making the changes to or expansion of distribution infrastructure could hurt the demand for or prices of biodiesel, impede delivery of our biodiesel, and impose additional costs, each of which would have a material adverse effect on our results of operations and financial condition. Our business will be dependent on the continuing availability of infrastructure for the distribution of increasing volumes of biodiesel and any infrastructure disruptions could have a material adverse effect on our business.

The European Commission has imposed anti-dumping and countervailing duties on biodiesel blends of B20 or higher imported into Europe, which have effectively eliminated our ability to sell those biodiesel blends in Europe; the European Commission is considering imposing anti-dumping and countervailing duties on biodiesel blends below B20, which would effectively eliminate our ability to sell these lower blends in Europe as well.

In March 2009, the European Commission imposed anti-dumping and anti-subsidy tariffs on biodiesel produced in the U.S. These tariffs have effectively eliminated European demand for biodiesel blends of B20 or higher from the U.S. The European Commission has extended these tariffs beyond their July 2009 expiration until 2014. These duties significantly increase the

price at which we and other U.S. biodiesel producers will be able to sell such biodiesel blends in European markets, making it difficult or impossible to compete in the European biodiesel market. The European Commission is considering imposing similar anti-dumping and countervailing duties on biodiesel blends below B20. If such anti-dumping and countervailing duties are imposed, it would likely increase the price for such biodiesel blends to the point where such biodiesel blends are not competitive in the European market. These anti-dumping and countervailing duties decrease the demand for biodiesel produced in the United States and increase the supply of biodiesel available in the U.S. market. Such market dynamics may negatively impact our revenues and profitability.

We may face competition from imported biodiesel, which may reduce demand for biodiesel produced by us and cause our revenues to decline.

Biodiesel produced in Canada, South America, Eastern Asia, the Pacific Rim, or other regions may be imported into the U.S. market to compete with U.S. produced biodiesel. These regions may benefit from biodiesel production incentives or other financial incentives in their home countries that offset some of their biodiesel production costs and enable them to profitably sell biodiesel in the U.S. at lower prices than U.S. based biodiesel producers. Under the RFS rules, imported biodiesel may be eligible and, therefore, may compete to meet the volumetric requirements. This could make it more challenging for us to market or sell biodiesel in the U.S., which would harm our revenues.

If automobile manufacturers and other industry groups express reservations regarding the use of biodiesel, our ability to sell biodiesel will be negatively impacted.

Because it is a relatively new product, the research on biodiesel use in automobiles and its effect on the environment is ongoing. Some industry groups, including the World Wide Fuel Charter, have recommended that blends of no more than 5% biodiesel be used for automobile fuel due to concerns about fuel quality, engine performance problems and possible detrimental effects of biodiesel on rubber components and other parts of the engine. Although some manufacturers have encouraged use of biodiesel fuel in their vehicles, cautionary pronouncements by other manufacturers or industry groups may impact our ability to market our biodiesel.

In addition, certain studies have shown that nitrogen oxide emissions increase when biodiesel is used. Nitrogen oxide is the chief contributor to ozone and smog. New engine technology is available and is being implemented to eliminate this problem. However, these emissions may decrease the appeal of biodiesel to environmental groups and agencies who have been historic supporters of the biodiesel industry, potentially harming our ability to market our biodiesel.

Several biofuels companies throughout the country have filed for bankruptcy over the last several years due to industry and economic conditions.

Unfavorable worldwide economic conditions, lack of credit and volatile biofuel prices and feedstock costs have likely contributed to the necessity of bankruptcy filings by biofuel producers. Our business has been and in the future may be negatively impacted by the industry conditions that influenced the bankruptcy proceedings of other biofuel producers, or we may encounter new competition from buyers of distressed biodiesel properties who enter the industry at a lower cost than original plant investors.

Risks Related to our Stock

There is no public market for our stock and approximately 75% of our shares are subject to transfer restrictions, which limits the ability of our stockholders to sell their stock.

There is currently no public market for our stock and we do not know when, if ever, our stock will be listed on a public exchange. As a result, a stockholder's ability to sell our stock is limited and our stockholders may not be able to sell their stock at all. Approximately 75% of our combined Preferred Stock and Common Stock is subject to the Stockholder Agreement which restricts transfer of their shares. If a market were to develop in the remaining unrestricted shares, there is no assurance that the market price would be at a level stockholders perceive reflects the full value of our stock.

In the event we are sold, the holders of our Series A Preferred Stock will be entitled to receive a significant preference payment prior to any distribution to the holders of our common stock.

In the event of a merger, consolidation, sale of all or substantially all of the assets or liquidation of our Company, which are referred to as liquidation events, the holders of our Series A Preferred Stock are entitled to receive a preferential distribution of $13.75 per share, plus any accrued but unpaid dividends up to an aggregate per share preference amount of $16.50. Upon any of the liquidation events described above, the holders of our Series A Preferred Stock collectively would be entitled to receive approximately $222 million (assuming accrued but unpaid dividends existed to the maximum amount) prior to the distribution of any amounts to the holders of our common stock. In addition, the holders of shares of Series A Preferred

Stock are also entitled to share ratably with the holders of our common stock, on an as converted to our common stock basis, following the preferential distribution. As a result of this liquidation preference, the holders of our common stock will receive less than their pro rata share upon the occurrence of a liquidation event and would receive nothing in the event that the amount involved does not exceed the aggregate liquidation preference of our Series A Preferred Stock.

We are a party to a Stockholder Agreement with certain of our principal stockholders pursuant to which these stockholders are able to elect all or substantially all of our directors and give these stockholders the right to cause the sale of control of us, all without the vote or consent of our other stockholders.

A few of our stockholders who collectively hold a majority of our voting power are party to a Stockholder Agreement pursuant to which these stockholders have agreed to vote their shares in favor of four board nominees designated by NGP Energy Technology Partners, LP and Natural Gas Partners, VIII, LP, or NGP, ED&F Man, Bunge, USRG and West Central, with West Central having the right to designate five board nominees to be supported by this group of stockholders. So long as the parties to the Stockholder Agreement collectively hold a majority of our voting power, they will have the power to elect all of our directors, without regard to the vote of other stockholders. In addition, the Stockholder Agreement provides that after August 1, 2011, a majority of our Series A Preferred Stockholders that are party to the Stockholder Agreement may under certain circumstances cause all parties to the Stockholder Agreement to sell all of their shares in response to a third party offer for all of our shares or to vote their shares in favor of a third party acquisition proposal. As a result, these parties to the Stockholder Agreement may have the ability to cause a future change of control of our Company, without the consent of non-parties to the Stockholder Agreement.

We may be obligated to redeem our Series A Preferred Stock beginning in 2014.

At any time after February 26, 2014, certain holders of our outstanding shares of our Series A Preferred Stock may require that all or part of any of our issued and outstanding shares of Series A Preferred Stock be redeemed by us out of funds lawfully available at a price per share equal to the greater of the then fair market value of their shares, or $13.75 plus accrued interest in an aggregate amount not to exceed $16.50 per share. If all of our holders of Series A Preferred Stock elect to have their shares redeemed, our obligation would be approximately $222 million. In the event we do not have funds available to satisfy any redemption request, we are obligated under our corporate charter to use commercially reasonable efforts to obtain funds for the redemption during the subsequent 18 month time period. In order to satisfy any redemption request, we may be required to borrow money, issue equity securities or sell assets to meet this obligation, which could impair our ability to raise the funds necessary to operate our business, involve significant dilution to our holders of Common Stock or require the disposition of our key assets.

We are not able to take certain corporate actions without the prior consent of certain holders of our Series A Preferred Stock, which places significant control in the hands of these stockholders who may have interests that conflict with our interests and the interests of our common stockholders.

We have to obtain the consent of certain holders of our Series A Preferred Stock before we may:

- issue equity securities on parity with or having a preference over the Series A Preferred Stock;
- increase or decrease the number of authorized shares of any series of preferred stock;
- amend our certificate of incorporation or bylaws;
- alter or change the rights, preferences or privileges of the shares of any series of preferred stock;
- issue, or cause any subsidiary to issue, any indebtedness, other than certain indebtedness incurred in the ordinary course of business;
- amend, renew, increase or otherwise alter in any material respect the terms of any indebtedness previously approved or required to be approved by the holders of preferred stock, other than the incurrence of debt solely to fund the payment of accrued dividends on our Preferred Stock or solely to fund the redemption of our Series A Preferred Stock;
- increase the authorized number of directors constituting our Board of Directors;
- redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any of our shares of capital stock subject to certain exceptions;
- declare or pay dividends or otherwise make distributions with respect to any shares of our capital stock, other than dividends on our Series A Preferred Stock;
- declare bankruptcy, dissolve, liquidate or wind up our affairs or any subsidiary;
- modify or change the nature of our business such that a material portion of our business is devoted to any business other than the business of (A) designing, constructing or operating facilities for biofuels, chemicals or by-products thereof and (B) procurement, manufacturing, selling, distribution, logistics, marketing or risk management related to biofuels, chemicals or by-products thereof;
- make or permit any subsidiary to make any capital expenditure in excess of $500,000 which is not otherwise included in the annual budget previously approved by our board of directors;
- effect any sale of assets in excess of $500,000 or merge into another entity;

- acquire directly, or through a subsidiary, the stock or any material assets of another corporation, partnership or other person or entity for consideration valued at more than ten percent of our total assets; or
- agree or commit to do any of the foregoing.

The interests of these holders of our Series A Preferred Stock may differ significantly from the interests of the holders of our Common Stock or other holders of Series A Preferred Stock. The holders of our Series A Preferred Stock may not take into consideration any interests other than their own when voting on any of the matters referred to above and, as a result, we and the holders our Common Stock or other holders of Series A Preferred Stock may be harmed.

If we issue additional shares in the future, it will result in dilution to our existing stockholders.

If we issue additional shares of preferred or common stock or securities convertible into common stock, our stockholders may be unable to maintain their pro rata ownership of our capital stock. The issuance of additional securities may result in a reduction of the book value of the outstanding shares of our common stock and preferred stock. If we issue any such additional shares or securities convertible into or exercisable into common shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current stockholders who do not purchase such shares. Further, such issuance may result in a change of control of our Company. There is no assurance that further dilution will not occur in the future.

We do not intend to pay dividends on our common stock and thus stockholders must look solely to appreciation of our common stock to realize a gain on their investments.

Our Series A Preferred Stock accrues dividends at a rate of $0.88 per share per annum, compounded annually. So long as any accrued dividends on the Series A Preferred Stock have not been paid, we may not pay or declare any dividend or make any distribution upon or in respect of our Common Stock or other capital stock ranking on a parity with or junior to our Series A Preferred Stock. Furthermore, we currently intend to retain any future earnings for funding growth and, therefore, do not expect to pay any dividends on our common stock in the foreseeable future. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our business, financial condition, results of operations, capital requirements, and investment opportunities. Accordingly, stockholders must look solely to appreciation of our common stock to realize a gain on their investment. This appreciation may not occur.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table lists each of our biodiesel production facilities and its location, use, and nameplate production capacity. Each facility listed below is used by our Biodiesel Segment.

FACILITIES IN OPERATION

Location	Use	Leased or Owned	Production Capacity (mmgy)	Operations Commenced
Ralston, Iowa	Biodiesel production	Owned	12	March 2003
Newton, Iowa	Biodiesel production	Owned	30	May 2007
Seabrook, Texas	Biodiesel production	Owned	35	July 2008
Danville, Illinois	Biodiesel production	Owned	45	January 2009
Seneca, Illinois	Biodiesel production	Leased	60	August 2010

The following table lists each of our partially constructed biodiesel production facilities, the planned nameplate capacity and the approximate level of completion.

PARTIALLY CONSTRUCTED FACILITIES

Location	Use	Current Owner	Production Capacity (mmgy)	Approximate Completion Level
St. Rose, Louisiana	Biodiesel production	REG	60	50%
Emporia, Kansas	Biodiesel production	REG	60	20%
Clovis, New Mexico	Biodiesel production	REG	15	70%

Item 3. Legal Proceedings

We believe there is no pending litigation that would have a material adverse effect on our financial position, operations or liquidity.

Item 4. (Removed and Reserved)

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market For Our Common Equity

There is currently no public trading market for our common stock.

Holders

As of March 15, 2011, there were approximately 1,202 registered holders of our common stock.

Dividends

We have never paid, and do not intend to pay in the future, a cash dividend on our common stock. In addition, we conduct substantially all of our operations through subsidiaries and are dependent on dividends or other intercompany transfers of funds from our subsidiaries to meet our obligations. We have entered into agreements that contractually restrict our subsidiaries from paying dividends, making distributions or making loans to our parent company or to any other subsidiary. In addition, our Series A Preferred Stock accrues dividends at a rate of $0.88 per share per annum, compounded annually. As long as any accrued dividends on the Series A Preferred Stock have not been paid, we may not pay or declare any dividend or make any distribution upon or in respect of our common stock or other capital stock ranking on a parity with or junior to our Series A Preferred Stock. See Note 4 – Redeemable Preferred Stock to our financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” filed with this annual report for a discussion of the limitations and restrictions on our ability to pay dividends to our shareholders.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides certain information as of December 31, 2010, with respect to our equity compensation plans:

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
Equity compensation plans approved by security holders	2,845,504 [1]	$ 9.50 [2]	2,772,812
Equity compensation plans not approved by security holders	258,535 [3]	— [2]	—
Total	3,104,039	9.50	2,772,812

1 Includes stock options of 218,816 and restricted stock units of 2,626,688

2 Restricted Stock Units do not have an exercise price and therefore have not been included in the calculation of weighted average exercise price.

3 Represents restricted stock units for our common stock issued in exchange for services.

Issuer Purchases of Equity Securities

There are currently no authorized repurchase programs in effect under which we may repurchase shares of our outstanding common stock.

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Item 6. Selected Financial Data

The following selected consolidated financial data should be read together with “Management’s Discussion and Analysis of Financial Condition” beginning on page 23 and our financial statements and related notes included elsewhere in this annual report. The selected consolidated balance sheet data as of December 31, 2010 and 2009, and the selected consolidated statements of operations data for each year ended December 31, 2010, 2009 and 2008, have been derived from our audited consolidated financial statements which are included elsewhere in this annual report. The selected consolidated balance sheet data as of December 31, 2008, 2007 and 2006, and the selected consolidated statements of operations data for the years ended December 31, 2007 and 2006 have been derived from our audited consolidated financial statements not included in this annual report.

	Year Ended December 31,				
	2010 (1)	2009	2008 (2)	2007	2006
			(In thousands)		
Consolidated Statement of Operations Data:					
Revenues:					
Biodiesel sales	$207,902	$ 109,027	$ 69,509	$130,562	$ 93,649
Biodiesel government incentives	7,240	19,465	6,564	9,970	8,915
Total biodiesel	215,142	128,492	76,073	140,532	102,564
Services	1,313	3,009	9,379	94,018	75,465
Total revenues	216,455	131,501	85,452	234,550	178,029
Costs of goods sold:					
Biodiesel	194,016	127,373	78,736	141,748	92,423
Services	807	1,177	4,470	71,258	70,751
Total costs of goods sold	194,823	128,550	83,206	213,006	163,174
Gross profit	21,632	2,951	2,246	21,544	14,855
Total operating expenses	29,681	24,144	24,208	29,453	11,688
Income (loss) from operations	(8,049)	(21,193)	(21,962)	(7,909)	3,167
Total other income (expense), net	(16,102)	(1,364)	(2,318)	36,623	(377)
Income (loss) before income tax benefit (expense) and income (loss) from equity investments	(24,151)	(22,557)	(24,280)	28,714	2,790
Income tax benefit (expense)	3,252	(45,212)	9,414	3,198	745
Income (loss) from equity investments	(689)	(1,089)	(1,013)	113	493
Net income (loss)	(21,588)	(68,858)	(15,879)	32,025	4,028
Less: Net (income) loss attributable to noncontrolling interests	—	7,953	2,788	(141)	—
Net income (loss) attributable to the company	(21,588)	(60,905)	(13,091)	31,884	4,028
Effects of recapitalization	8,521	—	—	—	—
Less: accretion of preferred stock to redemption value	(27,239)	(44,181)	(26,692)	(4,434)	—
Net income (loss) attributable to the company’s common stockholders	$ (40,306)	$(105,086)	$ (39,783)	$ 27,450	$ 4,028

	Year Ended December 31,				
	2010 (1)	2009	2008 (2)	2007	2006
			(In thousands)		
Consolidated Balance Sheet Data:					
Total assets	$369,643	$ 200,558	$251,984	$169,706	$143,606
Long-term obligations	61,024	25,749	41,251	6,424	34,076
Redeemable preferred stock	122,436	149,122	104,607	43,707	20,934

(1) Reflects the deconsolidation of Blackhawk as of January 1, 2010, the acquisition of Blackhawk as of February 26, 2010, acquisition of CIE as of March 8, 2010, acquisition and consolidation of Seneca Landlord as of April 8, 2010, acquisition of Tellurian and ABDF as of July 16, 2010, and the acquisition of Clovis as of September 21, 2010.

(2) Reflects the consolidation of Blackhawk as of May 9, 2008 and the acquisition of USBG as of June 26, 2008.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes thereto that appear elsewhere in this report. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this report.

Overview

We own four operating biodiesel production facilities: a 12 million gallon per year, or mmgy, facility in Ralston, Iowa, a 35 mmgy facility near Houston, Texas, or the Houston Facility, a 45 mmgy facility in Danville, Illinois and a 30 mmgy facility in Newton, Iowa. In April 2010, we signed a seven year lease for a 60 mmgy facility in Seneca, Illinois bringing our total production capacity to 182 mmgy. In addition to these five plants, we began construction of two 60 mmgy production capacity facilities in 2007, one in New Orleans, Louisiana and the other in Emporia, Kansas. In February 2008, we halted construction of these facilities as a result of conditions in the biodiesel industry and our inability to obtain financing necessary to complete construction of the facilities. Construction of the New Orleans facility is approximately 50% complete and construction of the Emporia facility is approximately 20% complete. In addition, during third quarter 2010, we acquired a 15 mmgy biodiesel production facility in Clovis, New Mexico which is approximately 70% complete. We continue to pursue a variety of options with respect to financing the completion of construction of these facilities and we plan to complete these facilities once we obtain project financing.

Recent Developments

Prior to February 26, 2010, the "Company," "we" "us" "our" and similar references refer to the business, results of operations and cash flows of REG Biofuels, Inc., formerly Renewable Energy Group, Inc., which is considered the accounting predecessor to Renewable Energy Group, Inc., formerly, REG Newco, Inc. After February 26, 2010, such references refer to the business, results of operations and cash flows of Renewable Energy Group, Inc., and its consolidated subsidiaries, including REG Biofuels, Inc., REG Danville, LLC, or REG Danville, and REG Newton, LLC or REG Newton.

On February 26, 2010, we acquired by merger all of the equity interests in Blackhawk Biofuels, LLC, referred to as the Blackhawk Merger, and REG Biofuels, Inc., referred to as the Biofuels Merger. Subsequent to the Blackhawk Merger, Blackhawk Biofuels, LLC changed its name to REG Danville. On March 8, 2010, one of our wholly owned subsidiaries, REG Newton, acquired substantially all of the assets and liabilities of Central Iowa Energy, LLC, or CIE, which is referred to as the CIE Asset Acquisition.

In connection with these transactions, we issued 29,881,258 shares of our Common Stock and 13,455,522 shares of our Series A Preferred Stock excluding shares issued to one of our subsidiaries relating to our pre-existing ownership interest in CIE. For additional information regarding these transactions, see "Note 6 – Acquisitions and Equity Transactions" to our consolidated financial statements.

On April 8, 2010, our wholly-owned subsidiary REG Seneca, LLC, or REG Seneca, agreed to lease and operate a 60 mmgy biodiesel production facility located in Seneca, Illinois and certain related assets. The facility is owned by Seneca Landlord, LLC, or Landlord, an entity controlled by certain of our stockholders, and because of the lease and put/call option, it is considered a variable interest entity and is consolidated for financial statement purposes. For additional information regarding this transaction, which is referred to as the Seneca Transaction, see "Note 6 – Acquisitions and Equity Transactions" and "Note 7 – Variable Interest Entities" to our consolidated financial statements.

On July 16, 2010, we issued 598,295 shares of Common Stock and agreed to issue up to an additional 731,250 shares of Common Stock in connection with our acquisition of certain assets of Tellurian and ABDF. Tellurian was a California-based biodiesel company and marketer. ABDF was a joint venture owned by Golden State Service Industries, Restaurant Technologies, Inc., or RTI, and Tellurian and previously focused on building a national array of small biodiesel plants that would convert used cooking oil into high quality, sustainable biodiesel. The purchase connects RTI's national used cooking oil collection system, with more than 16,000 installations, and our biodiesel manufacturing facilities. For additional information regarding this transaction, see "Note 6 – Acquisitions and Equity Transactions" to our consolidated financial statements.

On September 21, 2010, we acquired a partially constructed 15 mmgy biodiesel production facility in Clovis, New Mexico, or the Clovis Facility. In exchange for the Clovis Facility and $8 million in cash, we issued 2,150,000 shares of Common Stock. Construction of the Clovis Facility is approximately 70% complete. For additional information regarding this transaction, see "Note 6 – Acquisitions and Equity Transactions" to our consolidated financial statements.

The Federal Volumetric Ethanol Excise Tax Credit, referred to as the blenders' tax credit, provides a $1.00 tax credit per gallon of pure biodiesel, or B100, to the first blender of biodiesel with petroleum based diesel fuel. The blenders' tax credit expired on December 31, 2009, but was reenacted on December 17, 2010, retroactively for 2010 and prospectively for 2011. As a result of the uncertainty about the blenders' tax credit for most of 2010; we elected to sell mostly unblended biodiesel, or B100. Accordingly, we are not entitled to claim the tax credit for these gallons on a retroactive basis. The absence of the blenders' tax credit during most of 2010 also affected our ability to cost effectively sell biodiesel and as a consequence, during April 2010, we temporarily stopped producing biodiesel at our Newton facility and our Ralston facility. At the end of April, our Newton facility began production again. During May, our Ralston facility began producing at a reduced production level. During June, we stopped producing biodiesel at our Houston Facility, which began production again during March 2011.

The Energy Independence and Security Act of 2007 created the Renewable Fuel Standard. On July 1, 2010, an updated Renewable Fuel Standard program, or RFS2, was implemented. RFS2 mandates volume requirements for the amount of biomass-based diesel that must be utilized each year. Under the program, obligated parties—including petroleum refiners and fuel importers—must show compliance with these standards. Currently, biodiesel meets two categories of an obligated party's required volume obligation—biomass-based diesel and advanced biofuel. Today, biodiesel is the only significant commercially-available advanced biofuel that meets the RFS2 standard based on its greenhouse gas emissions reductions score. Consistent with the RFS2 program, the Environmental Protection Agency, or EPA, announced it would require the domestic use of 800 million gallons of biodiesel in 2011 and one billion gallons by 2012. After implementation of RFS2, the American Petroleum Institute, or API, and National Petrochemical Refiners Association, or NPRA, filed a lawsuit against the EPA relating to timing of enforcement of RFS2. On December 21, 2010, the U.S. District Court of Appeals for the District of Columbia rendered a unanimous decision to deny the petition by NPRA and the API challenging the RFS2. We believe that this decision removes a significant uncertainty that has clouded the future of the biodiesel industry.

Segments

We derive revenue from two reportable business segments: Biodiesel and Services.

Biodiesel Segment

Our Biodiesel segment includes:

- the operations of the following biodiesel production facilities:
  - our wholly-owned 12 mmgy biodiesel production facility located in Ralston, Iowa;
  - our wholly-owned 35 mmgy biodiesel production facility located in Houston, Texas;
  - beginning February 26, 2010, our wholly-owned 45 mmgy biodiesel production facility located in Danville, Illinois;
  - beginning March 8, 2010, our wholly-owned 30 mmgy biodiesel production facility located in Newton, Iowa; and,
  - beginning April 8, 2010, our 60 mmgy biodiesel production facility located in Seneca, Illinois, which began production in August 2010;
- purchases and resale of biodiesel produced by third parties; and
- toll manufacturing activities we provide to third parties.

We derive a small portion of our revenues from the sale of glycerin and fatty acids, which are co-products of the biodiesel production process. In 2009 and 2010, our revenues from the sale of co-products were less than five percent of our total Biodiesel segment revenues.

A portion of the selling price of a gallon of biodiesel may be attributable to Renewable Identification Numbers, or RINs, that are created to track compliance with RFS2. When we sell biodiesel, we generally attach RINs to each gallon. We can attach from zero to two and one half RINs to any gallon of biodiesel.

Services Segment

Our Services segment includes:

- biodiesel facility management and operational services, whereby we provide day-to-day management and operational services to biodiesel production facilities; and
- construction management services, whereby we act as the construction manager and general contractor for the construction of biodiesel production facilities.

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Historically, we provided facility operations management services to owners of biodiesel production facilities. Pursuant to a Management Operations Services Agreement, or MOSA, with a facility owner, we provided a broad range of management and operations services, typically for a monthly fee based on gallons of biodiesel produced or marketed and a contingent payment based on the facility's net income. We do not recognize revenue from the sale of biodiesel produced at managed facilities, which we sold for the account of the third party owner. In 2009, we provided notice of termination of our five remaining third party MOSAs and, as of December 31, 2010, we had ceased providing services to three of these facilities, acquired one and continue to provide limited services to the other facility. We do not anticipate the termination of our MOSAs will have a significant impact on our financial statements.

In addition, historically we have provided construction management services to the biodiesel industry, including assistance with pre-construction planning, such as site selection and permitting, facility and process design and engineering, engagement of subcontractors to perform construction activity and supply biodiesel processing equipment and project management services. Because we do not have internal construction capabilities and do not manufacture biodiesel processing equipment, we rely on our prime subcontractors, Todd & Sargent and its joint venture with the Weitz Company, TSW, to fulfill the bulk of our obligations to our customers. Payments to these prime subcontractors historically represented most of the costs of goods sold for our Services segment.

Demand for our construction management and facility management and operational services depends on capital spending by potential customers and existing customers, which is directly affected by trends in the biodiesel industry. Due to the current economic climate, overcapacity in the biodiesel industry and reduced demand for biodiesel, we did not receive any orders for new facility construction services in 2009 or 2010. During the first quarter of 2009, we were completing our engagement to upgrade the facility in Danville, Illinois. This revenue was eliminated for financial reporting purposes, in 2009, as a result of our consolidation of Blackhawk's financial statements – see "Note 5 – Blackhawk" in our consolidated financial statements. During second quarter of 2010, we agreed to manage construction of the upgrades to the Seneca Facility. This revenue was eliminated for financial reporting purposes in 2010 as a result of our consolidation of Seneca Landlord – see "Note 7 – Variable Interest Entities" in our consolidated financial statements. We anticipate revenues derived from construction management services will be minimal in future periods until conditions in the biodiesel industry improve.

Components of Revenues and Expenses

We derive revenues in our Biodiesel segment from the following sources:

- sales of biodiesel produced at our wholly-owned facilities, including transportation, storage and insurance costs to the extent paid for by our customers;
- fees from toll manufacturing arrangements with ED&F Man at our Houston Facility;
- revenues from our sale of biodiesel produced by third parties through toll manufacturing arrangements with us;
- resale of finished biodiesel acquired from others;
- sales of glycerin, other co-products of the biodiesel production process and RINs; and
- incentive payments from federal and state governments, including the federal biodiesel blenders' tax credit, which we receive directly when we sell our biodiesel blended with petroleum diesel, primarily as B99.9, a less than one percent petroleum diesel mix with biodiesel, rather than in pure form or B100.

We derive revenues in our Services segment from the following sources:

- fees received from operations management services that we provide for biodiesel production facilities, typically based on production rates and profitability of the managed facility; and
- amounts received for services performed by us in our role as general contractor and construction manager for biodiesel production facilities.

Cost of goods sold for our Biodiesel segment includes:

- with respect to our wholly-owned production facilities, expenses incurred for feedstocks, catalysts and other chemicals used in the production process, leases, utilities, depreciation, salaries and other indirect expenses related to the production process, and, when required by our customers, transportation, storage and insurance;
- with respect to biodiesel acquired from third parties produced under toll manufacturing arrangements, expenses incurred for feedstocks, transportation, catalysts and other chemicals used in the production process and toll processing fees paid to the facility producing the biodiesel;
- changes during the applicable accounting period in the market value of derivative and hedging instruments, such as exchange traded contracts, related to feedstocks and commodity fuel products; and
- the purchase price of finished biodiesel acquired from third parties on the spot market, and related expenses for transportation, storage, insurance, labor and other indirect expenses.

Cost of goods sold for our Services segment includes:

- our facility management and operations activities, primarily salary expenses for the services of management employees for each facility and others who provide procurement, marketing and various administrative functions; and
- our construction management services activities, primarily our payments to subcontractors constructing the production facility and providing the biodiesel processing equipment, and, to a much lesser extent, salaries and related expenses for our employees involved in the construction process.

Selling, general and administrative expense consists of expenses generally involving corporate overhead functions and operations at our Ames, Iowa headquarters.

Other income (expense), net is primarily comprised of the changes in fair value of the embedded derivative related to the Series A Preferred Stock conversion feature, changes in fair value of interest rate swap, interest expense, interest income, the impairment of investments we made in biodiesel plants owned by third parties and the changes in valuation of the Seneca Holdco liability associated with the put and call options on the equity interest in Landlord.

Accounting for Investments

We use the equity method of accounting to account for the operating results of entities over which we have significant influence. Significant influence may be reflected by factors such as our significant operational influence due to our management of biodiesel operations at a third party owned facility and participation by one of our employees on the facility's board of directors. We currently account for our interest in SoyMor Biodiesel, LLC under the equity method and in the past used this method to account for our interests in other entities where we had a significant management roll under a MOSA and had board participation. Additionally, we use the equity method of accounting to account for the operating results of 416 S Bell, LLC, which owns our headquarters building. Under the equity method, we recognize our proportionate share of the net income (loss) of each entity in the line item "Loss from equity method investees."

We use the cost method of accounting to account for our minority investment in three previously managed plants, East Fork Biodiesel, LLC, or EFB, Western Iowa Energy, LLC, or WIE, since May, 2010, and Western Dubuque Biodiesel, LLC, or WDB since August 2010. Because we do not have the ability to influence the operating and financial decisions of EFB, WIE, or WDB, and do not maintain a position on the board of directors, the investment is accounted for using the cost method. Under the cost method, the initial investment is recorded at cost and assessed for impairment. There was $0.4 million impairment recorded during 2010, relating to the wind up and liquidation of EFB, which fully impaired the remaining investment. We have not recorded any impairment of our investments in WIE or WDB.

In June 2009, the Financial Accounting Standards Board, or "FASB", amended its guidance on accounting for variable interest entities, or VIEs. As of January 1, 2010, we evaluated each investment and determined we do not hold a controlling interest in any of our investments in third party owned plants that would empower us to direct the activities that most significantly impact economic performance. As a result, we are not the primary beneficiary and do not consolidate these VIE's. See "Note 7 – Variable Interest Entities" to our consolidated financial statements for more information.

For additional information with regards to prior accounting treatment for now acquired investments including Blackhawk and CIE, please see "Note 5 – Blackhawk", "Note 6 – Acquisitions and Equity Transactions" and "Note 7 – Variable Interest Entities" to our consolidated financial statements.

On April 8, 2010, we determined that Landlord was a VIE and was consolidated into our financial statements as we are the Primary Beneficiary, or PB. See "Note 6 – Acquisitions and Equity Transactions" for a description of the transaction. We have a put/call option with Seneca Holdco to purchase Landlord and currently lease the plant for production of biodiesel, both of which represent a variable interest in Landlord that are significant to the VIE. Although we do not have an ownership interest in Seneca Holdco, it was determined that we are the PB due to the related party nature of the entities involved, our ability to direct the activities that most significantly impact Landlord's economic performance and the design of Landlord that ultimately gives us the majority of the benefit from the use of Seneca's assets.

Risk Management

The profitability of the biodiesel production business largely depends on the spread between prices for feedstocks and for biodiesel fuel. We actively monitor changes in prices of these commodities and attempt to manage a portion of the risks of these price fluctuations. However, the extent to which we engage in risk management activities varies substantially from time to time, depending on market conditions and other factors. Adverse price movements for these commodity products directly affect our operating results. As a result of our recent acquisitions, our exposure to these risks has increased. In making risk management decisions, we receive input from others with risk management expertise and utilize research conducted by outside firms to provide additional market information.

We manage feedstock supply risks related to biodiesel production in a number of ways, including through long-term supply contracts. For example, most of the feedstock requirements for our Ralston facility are supplied under a three year agreement with West Central Cooperative, or West Central, that expired on July 8, 2010; although we continue to purchase under, and expect to renegotiate terms similar to, the expired agreement. The purchase price for soybean oil under this agreement is indexed to prevailing Chicago Board of Trade, or CBOT, soybean oil market prices with a negotiated market basis. We utilize futures contracts and options to hedge, or lock in, the cost of portions of our future soybean oil requirements generally for varying periods up to one year.

Animal fat is the primary feedstock that we used to produce biodiesel in 2010. We have increased our use of animal fat as a result of the tolling arrangements with plants with animal fat processing capabilities and our acquisition of the Danville and Newton facilities. We utilize several varieties of animal fat, including but not limited to poultry fat, choice white grease, tallow and yellow grease. We manage animal fat supply risks related to biodiesel production through supply contracts with animal fat suppliers/producers. There is no established futures market for animal fat. The purchase price for animal fat is generally set on a negotiated flat price basis or spread to a prevailing market price reported by the USDA price sheet. Our limited efforts to hedge against changing animal fat prices have involved entering into futures contracts or options on other commodity products, such as soybean oil or heating oil. However, these products do not always experience the same price movements as animal fats, making risk management for these feedstocks challenging.

Our ability to mitigate our risk of falling biodiesel prices is limited. We have entered into forward contracts to supply biodiesel. However, pricing under these forward sales contracts generally has been indexed to prevailing market prices, as fixed price contracts for long periods on acceptable terms have generally not been available. There is no established market for biodiesel futures. Our efforts to hedge against falling biodiesel prices, which have been relatively limited to date, generally involve entering into futures contracts and options on other commodity products, such as diesel fuel and heating oil. However, these products do not always experience the same price movements as biodiesel.

Changes in the value of these futures or options instruments are recognized in current income or loss.

See “Critical Accounting Policies—Derivative Instruments and Hedging Activities”.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, equities, revenues and expenses and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for judgments we make about the carrying values of assets and liabilities that are not readily apparent from other sources. Because these estimates can vary depending on the situation, actual results may differ from the estimates.

We believe the following critical accounting policies affect our more significant judgments used in the preparation of our consolidated financial statements:

Revenue recognition.

We recognize revenues from the following sources:

- the sale of biodiesel and its co-products including RINs – both purchased and produced by us at owned manufacturing facilities, and leased manufacturing facilities;
- fees received under toll manufacturing agreements with third parties;
- fees received from federal and state incentive programs for renewable fuels;
- fees from construction and project management; and
- fees received for the marketing and sales of biodiesel produced by third parties.

Biodiesel sales revenues are recognized when there is persuasive evidence of an arrangement, delivery has occurred, the price has been fixed or is determinable, and collectability can be reasonably assured.

Fees received under toll manufacturing agreements with third parties are generally established as an agreed upon amount per gallon of biodiesel produced. The fees are recognized where there is persuasive evidence of an arrangement, delivery has occurred, the price has been fixed or is determinable, and collectability can be reasonably assured.

Revenues associated with the governmental incentive programs are recognized when the amount to be received is determinable, collectability is reasonably assured and the sale of product giving rise to the incentive has been recognized.

Historically, we have provided consulting and construction services under turnkey contracts. These jobs require design and engineering effort for a specific customer purchasing a unique facility. We record revenue on these fixed-price contracts on the percentage of completion basis using the ratio of costs incurred to estimated total costs at completion as the measurement basis for progress toward completion and revenue recognition. The total contract price includes the original contract plus any executed change orders only when the amounts have been received or awarded.

Contract cost includes all direct labor and benefits, materials unique to or installed in the project and subcontract costs. Contract accounting requires significant judgment relative to assessing risks, estimating contract costs and making related assumptions for schedule and technical issues. We routinely review estimates related to contracts and reflect revisions to profitability in earnings on a current basis. If a current estimate of total contract cost indicates an ultimate loss on a contract, we would recognize the projected loss in full when it is first determined. We recognize additional contract revenue related to claims when the claim is probable and legally enforceable.

Changes relating to executed change orders, job performance, construction efficiency, weather conditions, and other factors affecting estimated profitability may result in revisions to costs and revenues and are recognized in the period in which the revisions are determined.

Billings in excess of costs and estimated earnings on uncompleted contracts represents amounts billed to customers prior to providing related construction services.

Fees for managing ongoing operations of third party plants, marketing biodiesel produced by third party plants and from other services are recognized as services are provided. We also have performance-based incentive agreements that are included as management service revenues. These performance incentives are recognized as revenues when the amount to be received is determinable and collectability is reasonably assured.

We act as a sales agent for certain third parties and recognize revenues on a net basis in accordance with ASC Topic 605-45, "*Revenue Recognition".*

Impairment of Long-Lived Assets and Certain Identifiable Intangibles. We review long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment in accordance with ASC Topic 360-10, "*Property, Plant, and Equipment*". Asset impairment charges are recorded for long-lived assets and intangible assets subject to amortization when events and circumstances indicate that such assets may be impaired and the undiscounted net cash flows estimated to be generated by those assets are less than their carrying amounts. If estimated future undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the carrying amount of the assets exceeds its fair value. Fair value is determined by management estimates using discounted cash flow calculations. The estimate of cash flows arising from the future use of the asset that are used in the impairment analysis requires judgment regarding what we would expect to recover from the future use of the asset. Changes in judgment that could significantly alter the calculation of the fair value or the recoverable amount of the asset may result from, but are not limited to, significant changes in the regulatory environment, the business climate, management's plans, legal factors, commodity prices, and the use of the asset or the physical condition of the asset. There were $7.5 million and $0.8 million of asset impairments recorded during 2010 and 2009, respectively.

Goodwill asset valuation. While goodwill is not amortized, it is subject to periodic reviews for impairment. As required by ASC Topic 350, "*Intangibles—Goodwill and Other",* we review the carrying value of goodwill for impairment annually on July 31 or when we believe impairment indicators exist. The analysis is based on a comparison of the carrying value of the reporting unit to its fair value, determined utilizing a discounted cash flow methodology. Additionally, we review the carrying value of goodwill whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Changes in estimates of future cash flows caused by items such as unforeseen events or sustained unfavorable changes in market conditions could negatively affect the fair value of the reporting unit's goodwill asset and result in an impairment charge. There has been no goodwill impairment recorded in the last three fiscal years.

Income taxes. We recognize deferred taxes by the asset and liability method. Under this method, deferred income taxes are recognized for differences between the financial statement and tax bases of assets and liabilities at enacted statutory tax rates in effect for the years in which differences are expected to reverse. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. In addition, valuation allowances are established if necessary to reduce deferred tax assets to amounts expected to be realized.

On December 31, 2009, we determined that it is unlikely that our deferred tax assets will be fully realized in the future based on available evidence; therefore, a full valuation allowance was established against the assets. On a quarterly basis, any deferred tax assets are reviewed to determine the probability of realizing the assets. At December 31, 2010, we had net deferred income tax assets of approximately $39.2 million with a valuation allowance of $37.7 million, which resulted in a net deferred tax asset of $1.5 million and is offset by an accrued liability for uncertain tax benefits. We believe there is a reasonable basis in the tax law for all of the positions we take on the various federal and state tax returns we file. However, in recognition of the fact that various taxing authorities may not agree with our position on certain issues, we expect to establish and maintain tax reserves. As of December 31, 2010, we had a net deferred tax asset of $1.5 million relating to uncertain tax benefits.

Prior to the Blackhawk Merger, Blackhawk was treated as a partnership for federal and state income tax purposes and generally did not incur income taxes. Instead, its earnings and losses were included in the income tax returns of its members. Therefore, no provision or liability for federal or state income taxes was included in our consolidated financial statements aside from our pro-rata share included on our Schedule K-1 determined based on our ownership interest for the year ending December 31, 2009 and the period ending February 26, 2010 prior to acquisition.

Consolidations. As of June 30, 2010, we determined the acquisition price of Blackhawk and CIE. For the Blackhawk Merger and CIE Asset Purchase Agreement, the allocation of the recorded amounts of consideration transferred and the recognized amounts of the assets acquired and liabilities assumed are based on the final appraisals and evaluation and estimations of fair value as of the acquisition date. We determined the goodwill recorded was $44.2 million and $24.6 million for REG Danville and REG Newton, respectively.

On April 8, 2010, we determined that Landlord was a Variable Interest Entity, or VIE, and will be consolidated into our financial statements as we are the primary beneficiary (ASC Topic 810, *"Consolidations"*). We have a put/call option with Seneca Holdco, LLC, or Seneca Holdco to purchase Landlord and we currently lease the plant for production of biodiesel, both of which represent a variable interest in Landlord that are significant to the VIE. Although we do not have an ownership interest in Seneca Holdco, we determined that we are the primary beneficiary because the equity owners are our stockholders; our ability to direct the activities that most significantly impact Landlord's economic performance; and the design of the leasing arrangement that ultimately gives us the majority of the benefit from the use of Landlord's assets. We have elected the fair value option available under ASC Topic 825, *"Financial Instruments"* on the $4.0 million investment made by Seneca Holdco and the associated put and call options. Changes in the fair value after the date of the transaction are recorded in earnings. Those assets are owned by and those liabilities are obligations of Landlord, which we have consolidated as the primary beneficiary.

See "Note 6 – Acquisitions and Equity Transactions" to our consolidated financial statements for a description of the acquisitions.

Valuation of Preferred Stock Embedded Derivatives. The terms of our Series A Preferred Stock provide for voluntary and, under certain circumstances, automatic conversion of the Series A Preferred Stock to Common Stock based on a prescribed formula. In addition, shares of Series A Preferred Stock are subject to redemption at the election of the holder beginning February 26, 2014. The redemption price is equal to the greater of (i) an amount equal to $13.75 per share of Series A Preferred Stock plus any and all accrued dividends, not exceeding $16.50 per share, and (ii) the fair market value of the Series A Preferred Stock. Under ASC Topic 815-40, we are required to bifurcate and account for as a separate liability certain derivatives embedded in our contractual obligations. An "embedded derivative" is a provision within a contract, or other instrument, that affects some or all of the cash flows or the value of that contract, similar to a derivative instrument. Essentially, the embedded terms contain all of the attributes of a free-standing derivative, such as an underlying market value, a notional amount or payment provision, and can be settled "net," but the contract, in its entirety, does not meet the ASC 815-40 definition of a derivative. For a description of the redemption and liquidation rights associated with Series A Preferred Stock, see "Note 4 – Redeemable Preferred Stock" to our consolidated financial statements.

We have determined that the conversion feature of Series A Preferred Stock is an embedded derivative because the redemption feature allows the holder to redeem Series A Preferred Stock for cash at a price which can vary based on the fair market value of the Series A Preferred Stock, which effectively provides the holders of the Series A Preferred Stock with a mechanism to "net settle" the conversion option. Consequently, the embedded conversion option must be bifurcated and accounted for separately because the economic characteristics of this conversion option are not considered to be clearly and closely related to the economic characteristics of the Series A Preferred Stock, which is considered more akin to a debt instrument than equity.

Upon issuance of Series A Preferred Stock, we recorded a liability representing the estimated fair value of the right of preferred holders to receive the fair market value of the Common Stock issuable upon conversion of the Series A Preferred Stock on the redemption date. This liability is adjusted each quarter based on changes in the estimated fair value of such right, and a corresponding income or expense is recorded as Other Income in our statements of operations.

We use the option pricing method to value the embedded derivative. We use the Black-Scholes options pricing model to estimate the fair value of the conversion option embedded in the Series A Preferred Stock. The Black-Scholes options pricing model requires the development and use of highly subjective assumptions. These assumptions include the expected volatility of the value of our equity, the expected conversion date, an appropriate risk-free interest rate, and the estimated fair value of our equity. The expected volatility of our equity is estimated based on the volatility of the value of the equity of publicly traded companies in a similar industry and general stage of development as us. The expected term of the conversion option is based on the period remaining until the contractually stipulated redemption date of February 26, 2014. The risk-free interest rate is based on the yield on U.S. Treasury STRIPs with a remaining term equal to the expected term of the conversion option. The development of the estimated fair value of our equity is discussed below in the "Valuation of the Company's Equity."

The significant assumptions utilized in our valuation of the embedded derivative are as follows:

	December 31, 2010	February 26, 2010	December 31, 2009	December 31, 2008	June 30, 2008
Expected volatility	40.00%	40.00%	50.00%	55.00%	55.00%
Risk-free rate	4.10%	4.40%	4.11%	4.39%	4.58%

The estimated fair values of the conversion feature embedded in the Series A Preferred Stock is recorded as a derivative liability. The derivative liability is adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as change in fair value of Series A Preferred Stock embedded derivative. The impact of the change in the value of the embedded derivative is not included in the determination of taxable income.

Valuation of Seneca Holdco Liability. In connection with the agreements under which we lease the Seneca facility (See "Note 6 – Acquisitions and Equity Transactions" to our consolidated financial statements), we have the option to purchase (Call Option) and Seneca Holdco has the option to require us to purchase (Put Option) the membership interest of Landlord whose assets consist primarily of a biodiesel plant located in Seneca, Illinois. Both the Put Option and the Call Option have a term of seven years and are exercisable by either party at a price based on a pre-defined formula. We have valued the amounts financed by Seneca Holdco, the Put Option, and the Call Option using an option pricing model. The fair values of the Put Option and the Call Option were estimated using an option pricing model, and represent the probability weighted present value of the gain that is realized upon exercise of each option. The option pricing model requires the development and use of highly subjective assumptions. These assumptions include (i) the value of our equity, (ii) expectations regarding future changes in the value of our equity, (iii) expectations about the probability of either option being exercised, including the our ability to list our securities on an exchange or complete a public offering, and (iv) an appropriate risk-free rate. We considered current public equity markets, relevant regulatory issues, biodiesel industry conditions and our position within the industry when estimating the probability that we will raise additional capital. Differences in the estimated probability and timing of this event may significantly impact the fair value assigned to the Seneca Holdco liability as we determined it is not likely that the Put Option will become exercisable in the absence of this event.

The significant assumptions utilized in our valuation of the Seneca Holdco liability are as follows:

	December 31, 2010	April 9, 2010
Expected volatility	50.00%	50.00%
Risk-free rate	4.10%	4.60%
Probability of IPO	70.00%	60.00%

Preferred Stock Accretion. Beginning October 1, 2007, the date that we determined that there was a more than remote likelihood that our then outstanding preferred stock would become redeemable, we commenced accretion of the carrying value of the preferred stock over the period until the earliest redemption date, which was August 1, 2011, to the preferred stock's redemption value, plus accrued but unpaid dividends using the effective interest method. This determination was based upon the current state of the public equity markets which restricted our ability to execute a qualified public offering, our historical

operating results, and the volatility in the biodiesel and renewable fuels industries which have resulted in lower projected profitability. Prior to October 1, 2007, we had determined that it was not probable that the preferred stock would become redeemable; therefore, the carrying value was not adjusted in accordance with ASC Topic 480-10-S99, "*Classification and Measurement of Redeemable Securities*".

On February 26, 2010, after issuance of the Series A Preferred Stock, we determined that there was a more than remote likelihood that the Series A Preferred Stock would become redeemable, we commenced accretion of the carrying value of the Series A Preferred Stock over the period until the earliest redemption date (February 26, 2014) to the Series A Preferred Stock's redemption value, plus dividends using the effective interest method. This determination was based upon the current state of the public equity markets which has restricted our ability to execute a qualified public offering, our historical operating results, and the volatility in the biodiesel and renewable fuels industries.

Accretion of $27.2 million and $44.2 million for 2010 and 2009, respectively, has been recognized as a reduction to income available to common stockholders in accordance with paragraph 15 of ASC Topic 480-10-S99.

Valuation of the Company's Equity. We considered three generally accepted valuation approaches to estimate the fair value of our aggregate equity: the income approach, the market approach, and the cost approach. Ultimately, the estimated fair value of our aggregate equity is developed using the Income Approach – Discounted Cash Flow, or DCF, method. The value derived using this approach is supported by a variation of the Market Approach, specifically comparisons of the implied multiples derived using the DCF method to the multiples of various metrics calculated for guideline public companies.

Material underlying assumptions in the DCF analysis include the gallons produced and managed, gross margin per gallon, expected long-term growth rates, and an appropriate discount rate. Gallons produced and managed as well as the gross margin per gallon were determined based on historical and forward-looking market data.

The discount rate used in the DCF analysis is based on macroeconomic, industry, and company-specific factors and reflects the perceived degree of risk associated with realizing the projected cash flows. The selected discount rate represents the weighted average rate of return that a market participant investor would require on an investment in our debt and equity. The percent of total capital assumed to be comprised of debt and equity when developing the weighted average cost of capital was based on a review of the capital structures of our publicly traded industry peers. The cost of debt was estimated utilizing the adjusted average 20-Year B-rated corporate bond rate during the previous 12 months representing a reasonable market participant rate based on our publicly traded industry peers. Our cost of equity was estimated utilizing the capital asset pricing model, which develops an estimated market rate of return based on the appropriate risk-free rate adjusted for the risk of the industry relative to the market as a whole, an equity risk premium, and a company specific risk premium. The risk premiums included in the discount rate were based on historical and forward looking market data.

Discount rates utilized in our DCF model are as follows:

	December 31, 2010	February 26, 2010	December 31, 2009	December 31, 2008	June 30, 2008
Discount rate	16.00%	15.00%	13.00%	15.00%	13.50%

Valuations derived from this model are subject to ongoing internal and external verification and review. Selection of inputs involves management's judgment and may impact net income. This analysis is done on a regular basis and takes into account factors that have changed from the time of the last Common Stock issuance. Other factors affecting our assessment of price include recent purchases or sales of Common Stock, if available.

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Results of Operations

Fiscal year ended December 31, 2010 and fiscal year ended December 31, 2009

Set forth below is a summary of certain financial information (in thousands) for the periods indicated:

	Twelve Months Ended December 31,	
	2010	2009
Revenues		
Biodiesel	$207,902	$ 109,027
Biodiesel government incentives	7,240	19,465
Total Biodiesel	215,142	128,492
Services	1,313	3,009
Total	216,455	131,501
Cost of Goods Sold		
Biodiesel	194,016	127,373
Services	807	1,177
Total	194,823	128,550
Gross Profit	21,632	2,951
Selling, general and administrative expenses	22,187	25,565
Gain on sale of assets – related party	—	(2,254)
Impairment of assets	7,494	833
Operating Loss	(8,049)	(21,193)
Other income (expense)	(16,102)	(1,364)
Income tax benefit (expense)	3,252	(45,212)
Loss from equity investments	(689)	(1,089)
Net Loss	(21,588)	(68,858)
Net loss attributable to non-controlling interests	—	7,953
Net Loss Attributable to REG	(21,588)	(60,905)
Effects of recapitalization	8,521	—
Less - accretion of preferred stock to redemption value	(27,239)	(44,181)
Net Loss Attributable to the Company's Common Shareholders	$ (40,306)	$(105,086)

During 2009, Blackhawk was consolidated in our financial results. During first quarter 2010, Blackhawk was excluded from our financial results until the date of the Blackhawk Merger, February 26, 2010. After February 26, 2010, Blackhawk was included in our financial results. See "Note 5 – Blackhawk" and "Note 7 – Variable Interest Entities" on the consolidated financial statements for additional information relating to the Blackhawk consolidation.

Revenues. Our total revenues increased $85.0 million, or 65%, to $216.5 million in 2010, from $131.5 million in 2009. This increase was due to an increase in biodiesel revenues, offset by a small decrease in services revenues, as follows:

Biodiesel. Biodiesel revenues including government incentives increased $86.6 million, or 67%, to $215.1 million during the year ended December 31, 2010, from $128.5 million for the year ended December 31, 2009. This increase in biodiesel revenues was due to an increase in both average selling price and gallons sold. As a result of higher energy prices during 2010, the average sales price per gallon increased $0.57, or 22%, to $3.16, compared to $2.59 during 2009. Total gallons sold increased 34% to 59.5 million gallons during 2010 from 44.5 million gallons during 2009. The increase in gallons sold was primarily the result of additional demand. We produced and sold 54.1 million gallons at our owned or leased facilities during 2010; compared to 41.5 million gallons at our owned or tolling facilities during 2009, which represents an increase of 12.6 million gallons, or 30.4%. We also purchase third party product of 5.4 million gallons and 3.0 million gallons in 2010 and 2009, respectively. During 2010 under a tolling arrangement, our Houston facility shipped 8.2 million gallons compared to 14.0 million gallons during 2009. As a result of these shipments, we earned toll fee revenues $3.8 million during 2010, and $5.6 million during 2009. We had biodiesel government incentives revenue of $3.6 million during fourth quarter 2010 due to the reenactment of the blenders' tax credit on December 17, 2010. We expect to continue to increase production based on anticipated additional demand for our product as a result of the implementation of RFS2.

Services. Services revenues decreased $1.7 million, or 56%, to $1.3 million for the year ended December 31, 2010, from $3.0 million for the year ended December 31, 2009. Our revenues generated from management services decreased during 2010 due to decreased production at the third party plants driven by the expiration of the blender's tax credit and due to the termination of the MOSA arrangements.

Cost of goods sold. Our cost of goods sold increased $66.2 million, or 51%, to $194.8 million for the year ended December 31, 2010, from $128.6 million for the year ended December 31, 2009. This increase was primarily due to costs associated with the increase in gallons sold in the 2010 period as follows:

Biodiesel. Biodiesel cost of goods sold increased $66.6 million, or 52%, to $194.0 million for the year ended December 31, 2010, compared to $127.4 million for the year ended December 31, 2009. The increase in cost of goods sold is primarily the result of additional gallons sold in the 2010 period as outlined above and an increase in feedstock prices. Average animal fat costs for 2010 and 2009 were $0.30 and $0.24 per pound, respectively. Average soybean oil costs for 2010 and 2009 were $0.38 and $0.33 per pound, respectively. We had losses of $1.2 million from hedging activity during 2010, compared to a loss of $1.1 million from hedging activities in 2009. Hedge gains and losses are generally offset by other corresponding changes in gross margin through changes in either biodiesel sales price and/or feedstock price.

Services. Cost of services decreased $0.4 million, or 33%, to $0.8 million for the year ended December 31, 2010, from $1.2 million for the year ended December 31, 2009. We had limited construction activity during 2010 and minimal associated costs. Costs incurred to perform services under the MOSAs decreased due to reduced employee costs stemming from the termination of our MOSAs during 2010.

Selling, general and administrative expenses. Our selling, general and administrative, or SG&A, expenses were $22.2 million for the year ended December 31, 2010, compared to $25.6 million for the year ended December 31, 2009. The decrease was primarily due to our 2009 expenses including the consolidation of Blackhawk SG&A expenses, which although still included in expenses during 2010, have been greatly reduced due to the completion of the Blackhawk Merger and start up of the facility. SG&A was further reduced by other cost cutting measures undertaken by management during 2010, which reduced wages by $1.4 million and reduced information technology expenses by $0.6 million during 2010.

Gain on sale of assets – related party. In July 2009, we sold the Stockton, California terminal facility to Westway for $3.0 million in cash. We recognized a gain on the sale of this asset of $2.3 million. We had no similar sales in 2010.

Impairment of Long Lived and Intangible Assets. During 2010, the raw material supply agreements for the New Orleans and Emporia facilities were cancelled. The original agreements were recorded as an intangible asset in the amount of $7.0 million. As a result of the cancellations the full amount was charged off during the three months ended December 31, 2010. We also impaired deferred financing costs related to the New Orleans project because we determined that it was unlikely that the previously contemplated GoZone bond financing would be completed prior to the deadline. The amount of the impairment for 2010 was $0.3 million.

Other income (expense), net. Other expense was $16.1 million for the year ended December 31, 2010 and $1.4 million during the year ended December 31, 2009. Other income and expense is primarily comprised of the changes in fair value of the Series A Preferred Stock conversion feature embedded derivative, changes in fair value of the Seneca Holdco liability, interest expense, interest income, and the other non-operating items. The change in fair value of the Series A Preferred Stock conversion feature embedded derivative resulted in $8.2 million expense for year ended December 31, 2010, compared $2.3 million expense for the year ended December 31, 2009. The change in the fair value of the Seneca Holdco liability for the year ending December 31, 2010, was an expense of $4.2 million. Interest expense increased $2.5 million to $4.9 million for the year ended December 31, 2010, from $2.4 million for the year ended December 31, 2009. This increase was primarily attributable to the Seneca Transaction during the second quarter of 2010, the $49.4 million of debt assumed in connection with the Blackhawk Merger and the CIE Asset Acquisition during the first quarter of 2010. Other income and expense during 2009 included $1.4 million of miscellaneous income from the release of an escrow related to our Stockton terminal facility that occurred in the first half of 2009 and grant income of $1.0 million. In addition, during 2010 we fully wrote off our investment in East Fork Biodiesel, LLC for an additional expense of $0.4 million.

Income tax benefit (expense). We recorded income tax expense for the year ended December 31, 2009 due to the full valuation allowance against the income tax expense. Income tax benefit was $3.3 million for the year ending December 31, 2010, compared to income tax expense of $45.2 million for the year ended December 31, 2009. Deferred tax liabilities were recorded as a result of the Blackhawk Merger and CIE Asset Purchase. As the deferred tax liabilities were recorded, the resulting decrease in net deferred tax assets required a lower valuation allowance. The release of the associated valuation allowance resulted in an income tax benefit. The income tax expense for the year ended December 31, 2009 was the result of our recording a full valuation allowance for our deferred tax assets.

Loss from equity investments. Loss from equity investments was $0.7 million for the year ended December 31, 2010 and $1.1 million for the year ended December 31, 2009.

Non-controlling interest. Net benefit from the removal of non-controlling interests was $8.0 million for the year ended December 31, 2009, resulting from the consolidation of Blackhawk in 2009. In 2010, there was no income or loss from non-controlling interest due to our acquisition of Blackhawk.

Effects of Recapitalization. Net effects of recapitalization were $8.5 million for the year ended December 31, 2010. This is a one-time item due to the Biofuels Merger share issuances.

Preferred stock accretion. Preferred stock accretion was $27.2 million for the year ended December 31, 2010, compared to $44.2 million for the year ended December 31, 2009. The accretion amount increases as the redemption date becomes closer due to the use of the effective interest rate method. Accretion during 2009 was higher based on the previous redemption date of August 1, 2011. During 2010, we accreted two months of the previously issued REG Biofuels, Inc. preferred stock (redemption date of August 1, 2011) and ten months of newly issued Series A Preferred Stock (redemption date February 26, 2014). Monthly accretion expense decreased after issuance of our new Series A Preferred Stock as a result of the new redemption amount and redemption date.

Fiscal year ended December 31, 2009 and fiscal year ended December 31, 2008

Set forth below is a summary of certain financial information (in thousands) for the periods indicated:

	Twelve Months Ended December 31,	
	2009	2008
Revenues		
Biodiesel	$ 109,027	$ 69,509
Biodiesel government incentives	19,465	6,564
Total Biodiesel	128,492	76,073
Services	3,009	9,379
Total	131,501	85,452
Cost of Goods Sold		
Biodiesel	127,373	78,736
Services	1,177	4,470
Total	128,550	83,206
Gross Profit	2,951	2,246
Selling, general and administrative expenses	25,565	24,048
Gain on sale of assets – related party	(2,254)	—
Impairment of assets	833	160
Operating Loss	(21,193)	(21,962)
Other income (expense)	(1,364)	(2,318)
Income tax benefit (expense)	(45,212)	9,414
Loss from equity investments	(1,089)	(1,013)
Net Loss	(68,858)	(15,879)
Net loss attributable to non-controlling interests	7,953	2,788
Net Loss Attributable to REG	(60,905)	(13,091)
Less - accretion of preferred stock to redemption value	(44,181)	(26,692)
Net Loss Attributable to the Company’s Common Shareholders	$ (105,086)	$ (39,783)

During 2008 and 2009, Blackhawk was consolidated in our financial results.

Revenues. Our total revenues increased $46.0 million, or 54%, to $131.5 million for the year ended December 31, 2009 from $85.5 million for the year ended December 31, 2008. This increase was due to an increase in revenues from the Biodiesel segment and a decrease in revenues from the Services segment, as follows:

Biodiesel. Biodiesel revenues including government incentives increased $52.4 million, or 69%, to $128.5 million for the year ended December 31, 2009 from $76.1 million for the year ended December 31, 2008. This increase in biodiesel revenue was primarily due to an increase in gallons sold. Gallons sold increased 220% from 13.9 million gallons during 2008 to 44.5 million gallons during 2009, excluding gallons tolled at our Houston facility. The increase in gallons sold is primarily the result of finished biodiesel produced by CIE and Blackhawk for us under tolling arrangements of 23.7 million gallons during 2009. Our acquisition of the Houston facility in June 2008 resulted in 6.0 million gallons of production for our account during 2009, compared to 8.8 million gallons during 2008. These increases in gallons sold were partially offset by a reduction in our average B100 sales price from $4.07 in 2008 to $2.59 in 2009, reflecting lower market pricing. Under the Houston facility's tolling arrangement we produced 14.0 million gallons, during 2009, at our Houston facility compared to 1.4 million gallons during the same period of 2008. As a result of this production, revenues include an average toll fee of $0.40 per gallon.

Services. Services revenues decreased $6.4 million, or 68%, to $3.0 million for the year ended December 31, 2009 from $9.4 million for the year ended December 31, 2008 almost entirely as a result of lower construction management services revenues due to decreased construction activity. The consolidation of Blackhawk as of May 9, 2008 resulted in the elimination for financial reporting purposes of all construction revenue related to the Blackhawk construction project, which, prior to the elimination represented substantially all of our construction revenues in 2009. In first nine months of 2008, REG recognized $2.5 million of revenue from construction services including completion activities related to one other facility. Revenues generated from management services we provided to third party owned facilities were $1.6 million for the year ended December 31, 2009, compared to $3.7 million for the year ended December 31, 2008. This decrease was due to decreased production at the third party plants driven by the narrowing of the spread between feedstock and biodiesel prices.

Cost of goods sold. Our cost of goods sold increased $45.4 million, or 55%, to $128.6 million for the year ended December 31, 2009 from $83.2 million for the year ended December 31, 2008. This increase is due to an increase in cost of goods sold in the Biodiesel segment, partially offset by lower cost of services, as follows:

Biodiesel. Biodiesel costs of goods sold increased $48.7 million, or 62%, to $127.4 million for the year ended December 31, 2009 from $78.7 million for the year ended December 31, 2008. The increase in cost of goods sold is primarily the result of additional gallons sold in the 2009 periods as outlined above. Cost of goods during 2009 includes $59.4 million of cost of goods for 23.7 million gallons produced through tolling arrangements with others. Increases in gallons were offset mostly by average feedstock price reductions. Average feedstock cost for the year ended December 31, 2008 was $0.50 per pound, reflecting high soybean oil prices as we did not process a significant amount of animal fat in 2008. Average feedstock cost for the year ended December 31, 2009 was $0.33 per pound for soybean oil, which represents an approximate 34% cost reduction for soybean oil compared to 2008. Average animal fat cost during 2009 was $0.24 per pound. The remaining feedstock cost reduction was due to use of animal fat under the tolling arrangements during 2009, which is generally a lower cost feedstock. Risk management gains, which offset costs of goods sold, were approximately $1.1 million for 2009, compared to $0.4 million for 2008. Hedge gains and losses are generally offset by other corresponding changes in gross margin through changes in either biodiesel sales price and/or feedstock price.

Services. Cost of services decreased $3.3 million, or 73%, to $1.2 million for the year ended December 31, 2009 from $4.5 million for the year ended December 31, 2008. The decrease in cost of services revenue was attributable to decreased construction activity in 2009. Costs incurred to perform services under the MOSAs were consistent for both periods as we provided services to the same number of third party facilities in each period.

Selling, general and administrative expenses. Our general and administrative expense increased $1.6 million, or 7%, to $25.6 million for the year ended December 31, 2009 from $24.0 million for the year ended December 31, 2008. The increase was attributable to a $4.3 million increase in professional expenses for the year ending December 31, 2009 compared to year ending December 31, 2008. This increase is almost entirely related to the consolidation transactions during 2009. Costs also increased due to the inclusion of $2.8 million in expenses relating to Blackhawk in 2009 compared to $1.3 million during 2008. Also, during the first quarter of 2009, we collected a doubtful receivable account which was accounted for as a $1.5 million decrease to selling, general and administrative expenses.

Gain on sale of assets – related party. In July 2009, we sold the Stockton terminal facility to Westway for $3.0 million in cash. We recognized a gain on the sale of this asset of $2.3 million. We had no similar sale in 2008.

Impairment of Long Lived and Intangible Assets. Impairment of long lived assets increased $0.6 million, to $0.8 million for the year ended December 31, 2009 from $0.2 million for the year ended December 31, 2008. The $0.8 million impairment in 2009 related to a write off of construction inventory. The $0.2 million impairment in 2008 related to a partial write off of abandoned capital assets.

Other income (expense), net. Other income and expense was $1.4 million of expense for the year ended December 31, 2009 and $2.3 million of expense for the year ended December 31, 2008. Other expense is primarily comprised of the changes in fair value of the preferred stock conversion feature embedded derivative, interest expense, interest income, and the other non-operating items. The change in fair value of the preferred stock conversion feature embedded derivative resulted in expense of $2.3 million for the year ending December 31, 2009, compared to income of $2.1 million for the year ending December 31, 2008. The expense was recorded as a result of a net increase in the fair market value of our Common Stock. The change in fair value of interest rate swap recognized a gain of $0.4 million for the year ended December 31, 2009 and a loss of $1.4 million for the year ended December 31, 2008 as a result of the consolidation of Blackhawk into our financial statements. Interest expense increased $0.5 million, to $2.4 million for the year ended December 31, 2009 from $1.9 million for the year ended December 31, 2008. This increase was primarily attributable to new debt of $1.8 million for 2009 and interest paid to TSW during 2009 and the consolidation of Blackhawk into our financial statements, which accounted for $0.2 million in interest expense for 2008. We incurred impairment of investments of $0.2 million for the year ended December 31, 2009 versus $1.4 million for the year ended December 31, 2008 related to a write down of our investment in East Fork Biodiesel, LLC. Other income during 2009 included $1.4 million of miscellaneous income relating to release of an escrow related to REG's Stockton terminal facility that occurred in the first quarter and $1.0 million of grant income.

Income tax (expense) benefit. Income tax expense was $45.2 million for the year ended December 31, 2009 compared to an income tax benefit of $9.4 million for the year ended December 31, 2008. The expense was a result of our conclusion as of December 31, 2009 that we were required to establish a valuation allowance for the entire amount of the net deferred tax assets since evidence was not available to prove that it was more likely than not that we would be able to realize these assets.

Loss from equity investments. Loss from equity investments was $1.1 million for the year ended December 31, 2009 compared to a loss of $1.0 million for the year ended December 31, 2008. The loss from equity investments was primarily attributable to losses sustained by partially owned facilities.

Non-controlling interest. Non-controlling interest was $8.0 million for the year ended December 31, 2009 compared to a loss of $2.8 million for the year ended December 31, 2008. The increase in non-controlling interest was primarily attributable to the losses sustained by Blackhawk which were consolidated.

Preferred stock accretion. Preferred stock accretion was $44.2 million for the year ended December 31, 2009, compared to $26.7 million for the year ended December 31, 2008. Accretion of preferred stock to redemption value increased during 2009 due to the full year impact of issuances of preferred stock during 2008, as well as the impact of using the effective interest rate method. As the redemption date becomes closer, the accretion amount increases.

Liquidity and Capital Resources

Sources of liquidity. Since inception, a significant portion of our operations have been financed through the sale of our capital stock. From 2006 through December 31, 2010, we received cash proceeds of $136.8 million from private sales of preferred stock and Common Stock. At December 31, 2010, we had cash and cash equivalents of $4.3 million, total assets of $369.6 million, and debt of $96.1 million.

Our borrowings (in millions) are as follows:

	2010	2009
Revolving Lines of Credit	$ 9.5	$ —
REG Danville term loan	23.6	24.4
REG Newton term loan	23.6	—
Revenue bond	2.0	2.4
Other	1.1	1.7
Total Notes Payable	$ 59.8	$ 28.5
Seneca Landlord term loan	$ 36.3	$ —

On February 26, 2010, in connection with the Blackhawk Merger, one of our subsidiaries, REG Danville, assumed a $24.6 million term loan and a $5.0 million revolving credit line with Fifth Third Bank. As of December 31, 2010, there was $23.6 million of principal outstanding under the term loan and none outstanding under the revolving credit line. The Illinois Finance Authority guarantees 61% of the term loan and the loan is secured by our Danville facility. The term loan bears interest at a fluctuating rate per annum equal to LIBOR plus the applicable margin of 4%. Until June 30, 2010, REG Danville was required to make only monthly payments of accrued interest. Beginning on July 1, 2010, REG Danville was required to make monthly principal payments equal to $135,083 plus accrued interest. In addition to these monthly payments, as a result of the amendment to the loan agreement, REG Danville is required to make annual principal payments equal to 50% of REG Danville's Excess Cash Flow, or the 50% Excess Payment, with respect to each fiscal year until $2.5 million has been paid from the Excess Cash Flow. Thereafter, REG Danville is required to make annual payments equal to 25% of its Excess Cash Flow. Excess Cash Flow is equal to EBITDA less certain cash payments made during the period including principal payments, lease payments, interest payments, tax payments, approved distributions and capital expenditures. REG Danville did not have excess Cash Flow during 2010; therefore, no amounts have been accrued or paid. REG Danville is subject to various loan covenants that restrict its ability to take certain actions, including prohibiting it from paying any dividend to us until the 50% Excess Payment is made and certain financial ratios are met. On November 30, 2010, the revolving credit line expired. As of December 31, 2010, REG Danville was not in compliance with certain term loan covenants. On March 30, 2011, REG Danville received a waiver from Fifth Third relating to these loan covenants and REG Danville's Excess Cash Flow requirements. The term loan matures on November 3, 2011.

On March 8, 2010, in connection with the CIE acquisition, one of our subsidiaries, REG Newton, refinanced a $23.6 million term loan, or the AgStar Loan, and obtained a $2.4 million line of credit, or the AgStar Line, with AgStar Financial Service, PCA, or AgStar. As of December 31, 2010, there was $23.6 million of principal outstanding under the AgStar Loan and $0.6 million of principal outstanding under the AgStar Line. These amounts are secured by our Newton facility. We have guaranteed the obligations under the AgStar Line and have a limited guarantee related to the obligations under the AgStar Loan; which provides that we will not be liable for more than the unpaid interest, if any, on the AgStar Loan that has accrued during an 18-month period beginning on March 8, 2010. The AgStar Loan bears interest at 3% plus the greater of (i) LIBOR or (ii) two percent. Beginning on October 1, 2011, month principal payments of approximately $120,000 and accrued interest are due based on a 12-year amortization period. Under the AgStar Loan, REG Newton is required to maintain a debt service reserve account, or the Debt Reserve, equal to 12-monthly payments of principal and interest on the AgStar Loan. Beginning on January 1, 2011 and at each fiscal year end thereafter until such time as the balance in the Debt Reserve contains the required 12-months of payments, REG Newton must deposit an amount equal to REG Newton's Excess Cash Flow, which is defined in the AgStar Loan agreement as EBITDA, less the sum of required debt payments, interest expense, any increase in working capital from the prior year until working capital exceeds $6.0 million, up to $0.5 million in maintenance capital expenditure, allowed distributions and payments to fund the Debt Reserve. REG Newton does not require a Debt Reserve deposit for 2010. In the event any amounts are past due, AgStar may withdraw such amounts from the Debt Reserve. Also beginning on January 1, 2011, provided that REG Newton is in compliance with the working capital ratios and the Debt Reserve is funded, REG Newton must make an annual payment equal to 50% of its Excess Cash Flow calculated based upon the prior year's audited financial statements within 120 days of the fiscal year end and each fiscal year end thereafter until such time as the balance in the Debt Reserve contains the required 12-months of payments. REG Newton is subject to various standard loan covenants that restrict its ability to take certain actions, including prohibiting REG Newton from making any cash distributions to us in excess of 35% of REG Newton's net income for the prior year. On November 15, 2010, REG Newton amended the loan agreement to revise certain financial covenants. In exchange for these revisions, REG Newton agreed to begin reduced principal payments of approximately $60,000 per month within two months after the enactment of the reinstated tax credit, which is March 1, 2011. The AgStar Loan matures on March 8, 2013 and the AgStar Line expires on March 5, 2012, which was extended for one year on March 7, 2011. The AgStar Line is secured by REG Newton's account receivable and inventory.

During July 2009, we and certain subsidiaries entered into an agreement with Bunge for Bunge to provide services related to the procurement of raw materials and the purchase and resale of biodiesel produced. The agreement provides for Bunge to purchase up to $10.0 million in feedstock for, and biodiesel from, us. In September 2009, we entered into an extended payment terms agreement with West Central to provide up to $3.0 million in outstanding payables for up to 45 days. Both of these agreements provided additional working capital resources to us. As of December 31, 2010 we had $3.4 million outstanding under these agreements.

We and certain of our subsidiaries entered into a Revolving Credit Agreement, or the WestLB Revolver, dated as of April 8, 2010, with WestLB, AG. We guarantee the WestLB Revolver. The initial available credit amount under the WestLB Revolver is $10 million with additional lender increases up to a maximum commitment of $18 million. Advances under the WestLB Revolver are limited to the amount of certain of our qualifying assets that secure amounts borrowed. The WestLB Revolver requires that we maintain compliance with certain financial covenants. The term of the WestLB Revolver is two years. The interest rate varies depending on the loan type designation and is either 2.0% over the higher of 50 basis points above the Federal Funds Effective Rate or the WestLB prime rate for Base Rate loans or 3.0% over adjusted LIBOR for Eurodollar loans. The WestLB Revolver is secured by assets and ownership interests of our subsidiaries. See "Note 14 - Borrowings" to our consolidated financial statements for additional information. As of December 31, 2010, we had approximately $9.0 million outstanding under the WestLB Revolver.

In connection with our agreement to lease the Seneca facility, we received from Seneca Holdco, which is owned by three of our investors, an investment of $4.0 million in Landlord, the company that owns the Seneca biodiesel production facility, the Seneca Facility, at closing to pay for repairs to the Seneca facility. Landlord leases the Seneca Facility to REG Seneca, LLC, on a triple net basis with rent being set at an amount to cover debt service and other expenses. REG Seneca, LLC will pay Seneca Landlord a $600,000 per year fee, payable quarterly, which is guaranteed by us. See "Note 7 – Variable Interest Entities" to our consolidated financial statements for additional information.

On April 8, 2010, Landlord entered into a note payable agreement with West LB. The note requires that interest be accrued at different rates based on whether it is a Base Rate Loan or Eurodollar loan. Interest is at either 2.0% over the higher of 50 basis points above the Federal Funds Effective Rate or the WestLB prime rate for Base Rate loans or 3.0% over adjusted LIBOR for Eurodollar loans. The loan was a Eurodollar loan as of December 31, 2010. The effective rate at December 31, 2010 was 3.26%. Interest is paid monthly. Principal payments have been deferred until February 2012. At that time, Landlord will be

required to make monthly principal payments of $201,389 with remaining unpaid principal due at maturity on April 8, 2017. The note payable is secured by the property located at the Seneca, Illinois location. The balance of the note as of December 31, 2010 is $36.3 million.

The credit agreements of our subsidiaries contain various customary affirmative and negative covenants. Many of the agreements, but not all, also contain certain financial covenants, including a current ratio, net worth ratio, fixed charge coverage ratio, maximum funded debt to earnings before interest depreciation and amortization ratio and a maximum capital expenditure limitation. Negative covenants include restrictions on incurring certain liens; making certain payments, such as distributions and dividend payments; making certain investments; transferring or selling assets; making certain acquisitions; and incurring additional indebtedness. The agreements generally provide that the payment of obligations may be accelerated upon the occurrence of customary events of default, including, but not limited to, non-payment, change of control, or insolvency.

REG Danville was not in compliance with certain of its financial covenants as of December 31, 2010 on the Fifth Third term loan. Subsequently, Fifth Third agreed to a waiver of the financial covenants that were not in compliance as of December 31, 2010. We expect that REG Danville will not be in compliance as of March 31, 2011, which will require us to obtain another waiver. With that exception, we and our subsidiaries were in compliance with all covenants associated with the borrowings as of December 31, 2010.

Cash flow. The following table presents information regarding our cash flows and cash and cash equivalents for the years ended December 31, 2010, 2009 and 2008:

	Year Ended December 31,		
	2010	2009	2008
		(in thousands)	
Net cash flows from operating activities	$(14,593)	$(8,209)	$ (3,636)
Net cash flows from investing activities	(4,562)	371	(26,173)
Net cash flows from financing activities	17,559	(1,618)	26,155
Net change in cash and cash equivalents	(1,596)	(9,456)	(3,654)
Cash and cash equivalents, end of period	$ 4,259	$ 5,855	$ 15,311

Operating activities. Net cash used in operating activities was $14.6 million and $8.2 million for the year ended December 31, 2010 and 2009, respectively. For 2010, net loss was $21.6 million which includes non-cash charges for impairment of intangible assets of $7.3 million, depreciation and amortization expense of $5.9 million, non-cash change in the preferred stock embedded derivative liability of $8.2 million and non-cash change in the Seneca Holdco liability of $3.7 million. These charges were offset by non-cash benefits including a $3.3 million increase for changes in the deferred tax benefit. We also used $17.8 million to fund net working capital requirements, which resulted in a net cash use from operations of $14.6 million. The net use of cash from operating activities during 2009, of $8.2 million resulted primarily from a $68.9 million net loss from operations, a $2.3 million gain on the sale of property, and changes in allowance for doubtful accounts of $1.4 million. Those were primarily offset by a charge to deferred taxes of $45.2 million. In addition, they were partially offset by net working capital decrease of $5.9 million, non-cash depreciation and amortization of $5.8 million and stock-based compensation expenses totaling $2.5 million. Cash used in operating activities in 2008 was $3.6 million, as a net loss of $15.9 million and $8.3 million in non-cash deferred tax benefits were partially offset by positive working capital changes of $13.6 million.

Investing activities. Net cash used for investing activities for the year ended December 31, 2010 was $4.6 million, consisting mostly of cash used to pay for Seneca construction of $4.0 million. Net cash provided from investing activities for the year ended December 31, 2009 was $0.4 million, as $7.4 million in facility construction costs for Danville were partially offset by receipt of $4.7 million from a construction escrow fund related to construction of the Danville facility. We also received $3.0 million for the sale of our Stockton terminal facility to Westway. Net cash used in investing activities for the year ended December 31, 2008 was $26.2 million. In 2008, we invested $67.2 million in construction of facilities, which includes $15.9 million from a construction escrow fund related to the Danville facility and $16.9 million related to the acquisition of USBG.

Financing activities. Net cash provided from financing activities for the year ended December 31, 2010 was $17.6 million, which represents $8.0 million cash investment from ARES Corporation, $4.0 million cash proceeds received from the Seneca investors and $9.4 million in borrowings on our line of credit. This was partially offset by principal payments in connection with the note payable and cash paid for debt issuance. Net cash used in financing activities for the year ended December 31, 2009 was $1.6 million, which consisted of the payoff of the WestLB borrowings of $1.8 million, pay down of notes payable of $0.8 million and changes in the balance of the REG Danville line of credit for a net result of $0.9 million. Net cash provided by financing activities was $26.2 million in 2008. In 2008, cash provided by financing activities related primarily to the issuance of the Blackhawk notes payable. In February 2008, we through two of our subsidiaries obtained the first line of credit from WestLB. Borrowings ranged from $1.3 million to $4.2 million during the one year loan period.

Capital expenditures. We plan to make significant capital expenditures when debt or equity financing becomes available to complete construction of three facilities, one in New Orleans, Louisiana, one in Emporia, Kansas and one in Clovis, New Mexico, with aggregate production capacity of 135 mmgy. We estimate completion of the New Orleans facility will require approximately $60 million in additional capital. Completion of the Emporia facility will require an additional $54 million and completion of the Clovis Facility will require an estimated $15 million. Additional construction expenditures will be required for the Seneca facility, most of which have been funded through the cash provided by the Seneca investors, but some will be funded through the operation of the facility. We also plan to undertake various facility upgrades when funding becomes available to further expand processing capabilities at our existing facilities, most significantly the Houston Facility.

We continue to be in discussions with lenders in an effort to obtain financing for facilities under construction and capital improvement projects for our operating facilities. Since these discussions are ongoing, we are uncertain when or if financing will be available. We are seeking to enter into equity and debt financing arrangements to meet our projected financial needs for operations, upgrades to existing plants and for completion of the New Orleans, Louisiana facility, the Emporia, Kansas facility and the Clovis, New Mexico facility. The financing may consist of common or preferred stock, debt, project financing or a combination of these financing techniques. Additional debt would likely increase our leverage and interest costs and would likely be secured by certain of our assets. Additional equity or equity-linked financings would likely have a dilutive effect on our existing shareholders. It is likely that the terms of any project financing would include customary financial and other covenants on our project subsidiaries, including restrictions on the ability to make distributions, to guarantee indebtedness, and to incur liens on the plants of such subsidiaries.

Contractual Obligations

The following table describes our commitments to settle contractual obligations in cash as of December 31, 2010:

	Payments Due by Period				
	Total	Less Than 1 Year	Years 1-3	Years 4-5	More Than 5 Years
			(in thousands)		
Long Term Debt (1)	$ 99,774	$ 30,097	$ 36,660	$ 7,974	$ 25,043
Operating Lease Obligation (2)	89,214	7,268	23,799	15,005	43,142
Purchase Obligation (3)	18,087	10,039	8,048	—	—
Other Long-Term Liabilities (4)	2,201	160	301	80	160
	$ 209,276	$ 47,564	$ 68,808	$ 23,059	$ 68,345

(1) See footnotes to the financial statements for additional detail. Includes fixed interest associated with these obligations.
(2) Operating lease obligations consist of terminals, rail cars, vehicles, ground leases and the Ames office lease.
(3) Purchase obligations for our production facilities and partially completed facilities.
(4) Includes incentive compliance and other facility obligations. Also, represents $1,500 of liability for unrecognized tax benefits as the timing and amounts of cash payments are uncertain the amounts have not been classified by period.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Recent Accounting Pronouncements

In June 2009, the FASB issued ASU No. 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,* which amends ASC Topic 810, *"Consolidations"*. This Statement requires a qualitative analysis to determine the primary beneficiary of a VIE. The analysis identifies the primary beneficiary as the enterprise that has both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could be significant to the VIE. The Statement also requires additional disclosures about an enterprise's involvement in a VIE. The effective date is the beginning of fiscal year 2010. We adopted this statement effective January 1, 2010, which resulted in the deconsolidation of Blackhawk and additional disclosure requirements. See "Note 7 – Variable Interest Entities" to our consolidated financial statements for additional information.

In January 2010, the FASB issued Accounting Standards Update, or ASU, No. 2010-06, "*Fair Value Measurements and Disclosures"*, ASU 2010-06, which amends ASC Topic 820, adding new requirements for disclosures for Levels 1 and 2, separate disclosures of purchases, sales issuances, and settlements related to Level 3 measurements and clarification of existing fair value disclosures. ASU 2010-06 is effective for interim and annual periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The adoption of this guidance did not have a material effect on our financial statements and we do not anticipate the remaining disclosures will have a material effect on the our financial statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The primary objectives of our investment activity are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Some of the securities we invest in are subject to market risk. This means that a change in prevailing interest rates may cause the principal amount of the investment to fluctuate. To minimize this risk, we maintain a portfolio of cash equivalents in short-term investments in money market funds.

Over the period from January 2007 through December 2010, average diesel prices based on Platts reported pricing for Group 3 (Midwest) have ranged from approximately $3.81 per gallon reported in June 2008 to approximately $1.22 per gallon in February 2009, with prices averaging $2.26 per gallon during this period. Over the period from January 2005 through December 2010, soybean oil prices (based on closing sales prices on the CBOT nearby futures, for crude soybean oil) have ranged from $0.6395 per pound in June 2008 to $0.1972 per pound in January 2005, with closing sales prices averaging $0.3545 per pound during this period. Over the period from January 2005 through December 2010, animal fat prices (based on prices from The Jacobsen Missouri River, for choice white grease) have ranged from $0.4892 per pound in July 2008 to $0.1226 per pound in May 2006, with sales prices averaging $0.2333 per pound during this period.

Higher feedstock prices or lower biodiesel prices result in lower profit margins and, therefore, represent unfavorable market conditions. Traditionally, we have not been able to pass along increased feedstock prices to our biodiesel customers. The availability and price of feedstocks are subject to wide fluctuations due to unpredictable factors such as weather conditions during the growing season, kill ratios, carry-over from the previous crop year and current crop year yield, governmental policies with respect to agriculture, and supply and demand.

We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to our soybean oil requirements, animal fat requirements and sales contracts and the related exchange-traded contracts for 2010. Market risk is estimated as the potential loss in fair value, resulting from a hypothetical 10.0% adverse change in the fair value of our soybean oil and animal fat requirements and biodiesel sales. The results of this analysis, which may differ from actual results, are as follows:

	2010 Volume (in millions)	Units	Hypothetical Adverse Change in Price	Change in Annual Gross Profit (in millions)	Percentage Change in Gross Profit
Biodiesel	67.9	gallons	10.0%	$ 19.2	87.2%
Animal Fats	398.3	pounds	10.0%	$ 11.8	53.5%
Soybean Oil	40.5	pounds	10.0%	$ 1.6	7.1%

Interest Rate Risk

We are subject to interest rate risk in connection with our $2.0 million loan from the proceeds of Variable Rate Demand Industrial Development Revenue Bonds, or the IFA Bonds, issued by the Iowa Finance Authority to finance our Ralston facility. The IFA Bonds bear interest at a variable rate determined by the remarketing agent from time to time as the rate necessary to produce a bid for the purchase of all of the Bonds at a price equal to the principal amount thereof plus any accrued interest at the time of determination, but not in excess of 10% per annum. The interest rate on the bonds was 0.54% for the last week of December 2010. A hypothetical increase in interest rate of 10% would not have a material effect on our annual interest expense.

We are subject to interest rate risk relating to REG Danville's $24.6 million term debt financing with Fifth Third Bank. The term loan bears interest at a fluctuating rate based on a range of rates above 30-day LIBOR and will mature on November 3, 2011. Interest will accrue on the outstanding balance of the term loan at the 30 day LIBOR plus 400. Interest accrued on the outstanding balance of the loan at December 31, 2010 at 4.26 %.

Blackhawk entered into an interest rate swap agreement in connection with the aforementioned term loan in May 2008. The agreement was assumed by REG Danville. The swap agreement effectively fixes the interest rate at 3.67% on a notional amount of approximately $20.7 million of REG Danville's term loan through November 2011. The fair value of the interest rate swap agreement was $0.6 million and $1.0 million at December 31, 2010 and 2009, respectively, and is recorded in the other noncurrent liabilities. The interest rate swap agreement is not designated as a cash flow or fair value hedge. Gains and losses based on the fair value change in the interest rate swap agreement are recognized in the statement of operations as a change in the fair value of interest rate swap agreement. A hypothetical increase in interest rate of 10% would not have a material effect on our annual interest expense.

REG Newton is subject to interest rate risk relating to its $23.6 million term debt financing and its $2.4 million revolving line of credit both from AgStar. Interest will accrue on the outstanding balance of the term loan at 30 day LIBOR or 2.00%, whichever is higher, plus 300 basis points (effective rate at December 31, 2010 of 5.00%). The revolving line of credit accrues interest at 30 day LIBOR or 2.00%, whichever is higher, plus 300 basis points (effective rate at December 31, 2010 of 5.00%). A hypothetical increase in interest rate of 10% would not have a material effect on our annual interest expense.

REG Seneca, LLC is subject to interest rate risk relating to its lease payments for the facility. The lease provides that REG Seneca, LLC will pay rent in the amount of the interest payments due to WestLB from Seneca Landlord, LLC. The note requires that interest be accrued at different rates based on whether it is a Base Rate Loan or Eurodollar loan. Each Base Rate Loan shall accrue interest at a rate per annum equal to 2% plus the higher of (i) the Federal Funds Effective Rate plus 0.5% and (ii) the rate of interest in effect for such day as publicly announced from time to time by WestLB as its "prime rate". Each Eurodollar Loan shall accrue interest at a rate per annum equal to 3.0% plus the greater of (a) one and one half percent (1.5%) per annum, and (b) the rate per annum obtained by dividing (x) LIBOR for such Interest Period and Eurodollar Loan, by (y) a percentage equal to (i) 100% minus (ii) the Eurodollar Reserve Percentage for such Interest Period. The loan is a Eurodollar Loan through December 31, 2010 (effective rate at December 31, 2010 of 3.26%). Interest is paid monthly. A hypothetical increase in interest rate of 10% would not have a material effect on our annual interest expense.

REG Marketing and Logistics Group, LLC and REG Services Group, LLC, together the WestLB Loan Parties, are subject to interest rate risk relating to their $10.0 million revolving line of credit from WestLB. The note requires that interest be accrued at different rates based on whether it is a Base Rate Loan or Eurodollar loan. Each Base Rate Loan shall accrue interest at a rate per annum equal to 2% plus the higher of (i) the Federal Funds Effective Rate plus 0.5% and (ii) the rate of interest in effect for such day as publicly announced from time to time by WestLB as its "prime rate". Each Eurodollar Loan shall accrue interest at a rate per annum equal to 3.0% plus the greater of (a) one and one half percent (1.5%) per annum, and (b) the rate per annum obtained by dividing (x) LIBOR for such Interest Period and Eurodollar Loan, by (y) a percentage equal to (i) 100% minus (ii) the Eurodollar Reserve Percentage for such Interest Period. The loan is a Eurodollar Loan through December 31, 2010 (effective rate at December 31, 2010 of 3.26%). Interest is paid monthly. A hypothetical increase in interest rate of 10% would not have a material effect on our annual interest expense.

Inflation

To date, inflation has not significantly affected our operating results, though costs for construction, labor, taxes, repairs, maintenance and insurance are all subject to inflationary pressures. Inflationary pressure in the future could affect our ability to maintain our production facilities adequately, build new biodiesel production facilities and expand our existing facilities as well as the demand for our facility construction management and operations management services.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Renewable Energy Group, Inc.
Ames, Iowa

We have audited the accompanying consolidated balance sheets of Renewable Energy Group, Inc. and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of operations, redeemable preferred stock and equity (deficit), and cash flows for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Renewable Energy Group, Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
Des Moines, Iowa
March 31, 2011

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RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,259	$ 5,855
Restricted cash	2,667	2,156
Accounts receivable, net (includes amounts owed by related parties of $1,146 and $2,328 as of December 31, 2010 and 2009, respectively)	18,801	12,162
Inventories	28,985	12,840
Prepaid expenses and other assets (includes amounts paid to related parties of $269 as of December 31, 2009)	3,933	4,689
Total current assets	58,645	37,702
Property, plant and equipment, net	166,391	124,429
Property, plant and equipment, net - Seneca Landlord, LLC	42,692	—
Goodwill	84,864	16,080
Intangible assets, net	3,169	7,203
Deferred income taxes	1,500	1,500
Investments	4,259	6,149
Other assets	7,821	7,495
Restricted cash	302	—
TOTAL ASSETS	$ 369,643	$ 200,558
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Revolving line of credit	$ 9,550	$ 350
Current maturities of notes payable	25,551	2,756
Accounts payable (includes amounts owed to related parties of $3,827 and $5,415 as of December 31, 2010 and 2009, respectively)	14,237	14,133
Accrued expenses and other liabilities	3,549	4,197
Deferred revenue	9,339	5,480
Total current liabilities	62,226	26,916
Unfavorable lease obligation	11,293	11,783
Preferred stock embedded conversion feature derivatives	61,761	4,104
Seneca Holdco liability, at fair value	10,406	—
Notes payable	24,774	25,749
Notes payable - Seneca Landlord, LLC	36,250	—
Other liabilities	5,381	10,015
Total liabilities	212,091	78,567
COMMITMENTS AND CONTINGENCIES (NOTE 23)		
Redeemable preferred stock ($.0001 par value; 60,000,000 shares authorized; 13,455,522 and 12,464,357 shares outstanding at December 31, 2010 and 2009, respectively; redemption amount $222,016 and $247,587 at December 31, 2010 and 2009, respectively)	122,436	149,122
EQUITY (DEFICIT):		
Company stockholders' equity (deficit):		
Common stock ($.0001 par value; 140,000,000 shares authorized; 33,129,553 and 19,575,117 shares outstanding at December 31, 2010 and 2009, respectively)	3	2
Common stock - additional paid-in-capital	82,634	15,676
Warrants - additional paid-in-capital	4,820	4,619
Accumulated deficit	(52,341)	(60,905)
Total stockholders' equity (deficit)	35,116	(40,608)
Noncontrolling interests	—	13,477
Total equity (deficit)	35,116	(27,131)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	$ 369,643	$ 200,558

See notes to consolidated financial statements.

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RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008
(IN THOUSANDS)

	2010	2009	2008
REVENUES:			
Biodiesel sales	$203,641	$ 91,870	$ 58,786
Biodiesel sales - related parties	4,261	17,157	10,723
Biodiesel government incentives	7,240	19,465	6,564
	215,142	128,492	76,073
Services	653	1,888	4,143
Services - related parties	660	1,121	5,236
	216,455	131,501	85,452
COSTS OF GOODS SOLD:			
Biodiesel	81,125	73,994	39,387
Biodiesel - related parties	112,891	53,379	39,349
Services	516	1,177	4,470
Services - related parties	291	—	—
	194,823	128,550	83,206
GROSS PROFIT	21,632	2,951	2,246
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (includes related party amounts of $1,601, $1,836 and $1,946 for the years ended December 31, 2010, 2009 and 2008, respectively)	22,187	25,565	24,048
GAIN ON SALE OF ASSETS - related party	—	(2,254)	—
IMPAIRMENT OF ASSETS	7,494	833	160
LOSS FROM OPERATIONS	(8,049)	(21,193)	(21,962)
OTHER INCOME (EXPENSE), NET:			
Change in fair value of preferred stock conversion feature embedded derivatives	(8,208)	(2,339)	2,118
Change in fair value of interest rate swap	469	382	(1,413)
Change in fair value of Seneca Holdco liability	(4,179)	—	—
Other income (includes related party amounts of $355 for the year ended December 31, 2009)	956	3,147	—
Interest expense (includes related party amounts of $334 and $26 for the years ended December 31, 2010 and 2009, respectively)	(4,940)	(2,414)	(1,902)
Interest income (includes related party amounts of $180 for the year ended December 31, 2010)	200	60	279
Impairment of investments	(400)	(200)	(1,400)
	(16,102)	(1,364)	(2,318)
LOSS BEFORE INCOME TAXES AND LOSS FROM EQUITY INVESTMENTS	(24,151)	(22,557)	(24,280)
INCOME TAX BENEFIT (EXPENSE)	3,252	(45,212)	9,414
LOSS FROM EQUITY INVESTMENTS	(689)	(1,089)	(1,013)
NET LOSS	(21,588)	(68,858)	(15,879)
LESS - NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	—	7,953	2,788
NET LOSS ATTRIBUTABLE TO THE COMPANY	(21,588)	(60,905)	(13,091)
EFFECTS OF RECAPITALIZATION	8,521	—	—
LESS - ACCRETION OF PREFERRED STOCK TO REDEMPTION VALUE	(27,239)	(44,181)	(26,692)
NET LOSS ATTRIBUTABLE TO THE COMPANY’S COMMON STOCKHOLDERS	$ (40,306)	$(105,086)	$(39,783)

See notes to consolidated financial statements.

RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REDEEMABLE PREFERRED STOCK AND EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008 (IN THOUSANDS EXCEPT SHARE AMOUNTS)

			Company Stockholders' Equity (Deficit)						
	Redeemable Preferred Stock Shares	Redeemable Preferred Stock	Common Stock Shares	Common Stock	Common Stock - Additional Paid-in Capital	Warrants - Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Noncontrolling Interest	Total
BALANCE, January 1, 2008	8,578,945	$ 43,707	13,334,874	$ 1	$ 62,629	$ 4,556	$ 25,723	$ 807	$ 93,716
Issuance of preferred stock, net of $246 of issuance cost and $302 for embedded derivative	3,855,059	34,208	—	—	—	—	—	—	—
Issuance of common stock, net of $234 of issuance costs	—	—	5,970,243	1	5,080	—	—	—	5,081
Issuance of warrants	—	—	—	—	(63)	63	—	—	—
Contributions	—	—	—	—	—	—	—	22,820	22,820
Removal of noncontrolling interest as a result of deconsolidation	—	—	—	—	—	—	—	(602)	(602)
Stock compensation expense	—	—	—	—	3,574	—	—	—	3,574
Accretion of preferred stock to redemption value	—	26,692	—	—	(14,060)	—	(12,632)	—	(26,692)
Net loss	—	—	—	—	—	—	(13,091)	(2,788)	(15,879)
BALANCE, December 31, 2008	12,434,004	104,607	19,305,117	2	57,160	4,619	—	20,237	82,018
Issuance of preferred stock	30,353	334	—	—	—	—	—	—	—
Issuance of common stock	—	—	270,000	—	1,368	—	—	—	1,368
Stock compensation expense	—	—	—	—	2,522	—	—	—	2,522
Accretion of preferred stock to redemption value	—	44,181	—	—	(44,181)	—	—	—	(44,181)
Increase in Blackhawk Biofuels LLC members' equity from issuance of common stock	—	—	—	—	(1,193)	—	—	1,193	—
Net loss	—	—	—	—	—	—	(60,905)	(7,953)	(68,858)
BALANCE, December 31, 2009	12,464,357	149,122	19,575,117	2	15,676	4,619	(60,905)	13,477	(27,131)
Derecognition of REG Holdco preferred stock, common stock, and common stock warrants	(12,464,357)	(158,475)	(19,575,117)	(2)	(6,323)	(4,619)	—	—	(10,944)
Issuance of preferred stock, common stock, and common stock warrants to REG Holdco, net of $52,394 for embedded derivatives	13,164,357	102,287	18,875,117	2	14,221	4,619	—	—	18,842
Issuance of common stock in acquisitions, net of $862 for issue cost	—	—	13,754,436	1	79,304	—	—	—	79,305
Issuance of preferred stock in acquisitions, net of $1,158 for embedded derivatives	291,165	2,263	—	—	—	—	—	—	—
Issuance of warrants in acquisitions	—	—	—	—	—	1,269	—	—	1,269
Issuance of common stock	—	—	500,000	—	3,015	—	—	—	3,015
Conversion of warrants to restricted stock units	—	—	—	—	1,068	(1,068)	—	—	—
Blackhawk Biofuels LLC deconsolidation and transition adjustment	—	—	—	—	1,192	—	30,152	(13,477)	17,867
Stock compensation expense	—	—	—	—	1,720	—	—	—	1,720
Accretion of preferred stock to redemption value	—	27,239	—	—	(27,239)	—	—	—	(27,239)
Net loss	—	—	—	—	—	—	(21,588)	—	(21,588)
BALANCE, December 31, 2010	13,455,522	$ 122,436	33,129,553	$ 3	$ 82,634	$ 4,820	$ (52,341)	$ —	$ 35,116

See notes to consolidated financial statements.

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RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008
(IN THOUSANDS)

	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(21,588)	$(68,858)	$(15,879)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Depreciation expense	5,291	4,438	1,798
Amortization expense of assets and liabilities, net	637	1,334	(716)
Gain on sale of property, plant & equipment	—	(2,254)	(127)
Provision (benefit) for doubtful accounts	105	(1,432)	740
Stock compensation expense	1,376	2,522	3,574
Loss from equity method investees	689	1,089	1,013
Deferred tax expense (benefit)	(3,252)	45,212	(8,268)
Impairment of intangible assets	7,336	—	—
Impairment of investments	400	200	1,400
Impairment of long lived assets	158	833	160
Change in fair value of preferred stock conversion feature embedded derivatives	8,208	2,339	(2,118)
Change in fair value of Seneca Holdco liability	3,742	—	—
Distributions received from equity method investees	100	110	363
Expense settled with stock issuance	—	334	867
Changes in asset and liabilities, net of effects from mergers and acquisitions:			
Accounts receivable	(4,876)	(3,671)	10,585
Inventories	(15,937)	(1,045)	2,162
Prepaid expenses and other assets	1,866	2,915	362
Accounts payable	(3,378)	3,443	(1,346)
Accrued expenses and other liabilities	671	(1,087)	2,718
Deferred revenue	3,859	5,480	—
Billings in excess of costs and estimated earnings on uncompleted contracts	—	(111)	(924)
Net cash flows from operating activities	(14,593)	(8,209)	(3,636)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for purchase of property, plant and equipment	(4,550)	(7,350)	(67,235)
Proceeds from the sale of fixed assets	303	3,032	1,315
Change in restricted cash	(513)	4,689	15,904
Cash received from escrow for purchase of investments	—	—	500
Cash provided through Blackhawk transaction	—	—	2,225
Cash provided through USBG acquisition	—	—	16,895
Return of investment in Bell, LLC	—	—	4,223
Deconsolidation of Blackhawk	(206)	—	—
Cash provided through Blackhawk acquisition	1	—	—
Cash provided through Central Iowa Energy acquisition	403	—	—
Net cash flows from investing activities	(4,562)	371	(26,173)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on line of credit	9,400	880	5,522
Repayments on line of credit	(750)	(1,822)	(4,230)
Cash received for issuance of note payable	—	100	28,821
Cash paid on notes payable	(2,109)	(776)	(3,270)
Cash proceeds from investment in Seneca Landlord	4,000	—	—
Cash received from issuance of common stock to ARES Corporation	8,000	—	—
Cash paid for issuance cost of common and preferred stock	(280)	—	(480)
Cash paid for debt issuance costs	(702)	—	(208)
Net cash flows from financing activities	17,559	(1,618)	26,155
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,596)	(9,456)	(3,654)
CASH AND CASH EQUIVALENTS, Beginning of period	5,855	15,311	18,965
CASH AND CASH EQUIVALENTS, End of period	$ 4,259	$ 5,855	$ 15,311

(continued)

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RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008
(IN THOUSANDS)

	2010	2009	2008
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:			
Cash received for income taxes	$ 584	$ 2,827	$ 2,535
Cash paid for interest	$ 4,226	$ 2,128	$ 2,582
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Effects of recapitalization	$ 8,521		
Accretion of preferred stock to redemption value	$ 27,239	$44,181	$ 26,692
Amounts included in period-end accounts payable for:			
Purchases of property, plant and equipment	$ 192	$ 38	$ 1,020
Equity method investment received from REG, LLC			$ 63
Removal of cost method investee as a result of consolidation	$ 1,000		
Issuance of common stock for debt financing cost	$ 3,015		
Reduction of accounts payable in exchange for assets			$ 773
Removal of equity method investee as a result of consolidation	$ 3,969		$ 2,000
Property, plant and equipment acquired through the assumption of liabilities	$ 39,314		
Issuance of restricted stock units for equity issuance cost	$ 582		
Assets (liabilities) acquired through the issuance of stock:			
Cash	$ 8,404	$ —	$ —
Restricted cash	2,302	—	22,749
Other current assets	1,342	—	61
Property, plant, and equipment	89,597	—	9,420
Goodwill	68,784	—	—
Intangible assets	3,027	—	410
Deferred tax assets	—	—	27,383
Other noncurrent assets	231	1,359	67
Line of credit	(900)	—	—
Other current liabilities	(5,548)	—	(3,059)
Debt	(72,668)	—	—
Unfavorable lease obligation	—	—	(12,128)
Noncontrolling interest	—	—	(24,820)
Other noncurrent liabilities	(11,454)	—	—
	$ 83,117	$ 1,359	$ 20,083

See “Note 7 - Variable Interest Entities” for noncash items related to the deconsolidation of Blackhawk

(concluded)

See notes to consolidated financial statements.

RENEWABLE ENERGY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Three Years Ended December 31, 2010, 2009 and 2008
(In Thousands, Except Share and Per Share Amounts)

NOTE 1 — ORGANIZATION, PRESENTATION, AND NATURE OF THE BUSINESS

On February 26, 2010, Renewable Energy Group, Inc. (the Company) (formerly known as REG Newco, Inc.) completed its acquisitions of REG Biofuels, Inc. (Biofuels) (formerly known as Renewable Energy Group, Inc. and REG Intermediate Holdco, Inc.) and Blackhawk Biofuels, LLC (Blackhawk) and on March 8, 2010 the Company completed its asset purchase of Central Iowa Energy, LLC (CIE) (collectively, the Acquisitions).

On February 26, 2010, a wholly owned subsidiary of the Company was merged with and into Biofuels (the Biofuels Merger). As a result of the Biofuels Merger, each share of Biofuels' common stock issued and outstanding immediately prior to the effective time was converted into the right to receive one share of the Company's common stock, $0.0001 par value per share (the Common Stock), and each share of the Biofuels' preferred stock issued and outstanding immediately prior to the effective time was converted into the right to receive one share of the Company's Series A Preferred Stock, $0.0001 par value per share (the Series A Preferred Stock).

Also on February 26, 2010, a wholly owned subsidiary of the Company was merged with and into Blackhawk (the Blackhawk Merger). Blackhawk was renamed REG Danville, LLC (REG Danville) immediately following the merger. As a result of the Blackhawk Merger, each outstanding Blackhawk Series A Unit (other than such units held by Biofuels or any affiliate of Biofuels) was converted into 0.4479 shares of Common Stock and 0.0088 shares of Series A Preferred Stock. Each outstanding warrant for the purchase of series A units of Blackhawk became a warrant for the purchase of shares of Common Stock, with the number of shares and exercise price per share adjusted based on the 0.4479 common shares exchange ratio. The former members of Blackhawk received 132,680 shares of Series A Preferred Stock, 6,753,311 shares of Common Stock and 335,924 warrants. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition and its accounting treatment.

On March 8, 2010, the Company acquired substantially all of the assets and liabilities of CIE (CIE Asset Purchase) in exchange for an aggregate of 4,252,830 shares of Common Stock and 158,485 shares of Series A Preferred Stock. The assets and liabilities were acquired from CIE by REG Newton, LLC (REG Newton), a wholly owned subsidiary of the Company. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition and its accounting treatment.

On April 9, 2010, the Company entered into a series of agreements related to the asset purchase agreement with Nova Biosource Fuels, Inc. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition and its accounting treatment.

On July 16, 2010, the Company acquired certain assets from Tellurian Biodiesel, Inc. (Tellurian) and American BDF, LLC (ABDF). ABDF was a joint venture owned by Golden State Service Industries, Restaurant Technologies, Inc. (RTI) and Tellurian Biodiesel. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition and its accounting treatment.

On September 21, 2010, the Company acquired substantially all of the assets of Clovis Biodiesel, LLC (Clovis), a wholly owned subsidiary of ARES Corporation, and received $8,000 cash in exchange for the Company's Common Stock. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition and its accounting treatment.

Prior to February 26, 2010, the Company refers to the business, results of operations and cash flows of Biofuels, which is considered the accounting predecessor to the Company. For the period after February 26, 2010, the Company refers to the business, results of operations and cash flows of Renewable Energy Group, Inc. (formerly, REG Newco, Inc.) and its consolidated subsidiaries, including Biofuels, REG Danville, and REG Newton.

Nature of Business

As of December 31, 2010, the Company owned biodiesel production facilities with a total of 182 million gallons per year (mmgy) of production capacity, which includes a 60 mmgy biodiesel facility in Seneca, Illinois leased by the Company from a consolidated variable interest entity (see Note 6 – Acquisitions and Equity Transactions).

In 2007, the Company commenced construction of a 60 mmgy production capacity facility near New Orleans, Louisiana and a 60 mmgy production capacity facility in Emporia, Kansas. In 2008, the Company halted construction of these facilities as a result of conditions in the biodiesel industry and the credit markets. The Company continues to pursue financing and intends to finish the New Orleans, Louisiana facility, which is approximately 50% complete, and the facility in Emporia, Kansas, which is approximately 20% complete, when industry conditions improve and financing becomes available. In September 2010, the Company purchased the assets of Clovis which includes a partially completed 15 mmgy biodiesel plant located in Clovis, New Mexico. The plant is approximately 70% complete. The Company continues to be in discussions with lenders in an effort to obtain financing for facilities under construction and capital improvement projects. The city incentive package for the Emporia construction project has been renewed for an additional three years starting July 1, 2010. Additionally, as a result of halting construction, the Company performed an analysis to evaluate if the assets under construction were impaired. Based on the projected gross cash flows of the projects the Company determined that no impairment has occurred.

As of December 31, 2010, the Company managed one other biodiesel production facility owned primarily by an independent investment group with an aggregate of 30 mmgy capacity (hereafter referred to as Network Plant). For this facility, the Company has entered into an agreement to manage the facility while the investment group determines how to raise capital for production facility upgrades. In 2009, the Company provided notice to five networks facilities that it would be terminating services under the Management and Operational Services Agreement (MOSA) twelve months from the date notice was provided as permitted by the MOSAs. Of the five cancellation notices given in 2009, three facilities did not renew their MOSA, the Company is managing one while the facility is working on raising capital and another facility was purchased through an asset purchase agreement.

The biodiesel industry and the Company's business have relied on the continuation of certain federal and state incentives and mandates. On December 17, 2010, Congress reinstated the federal biodiesel tax credit retroactive to January 1, 2010 with an expiration date of December 31, 2011. Current incentives to the biodiesel industry may not continue beyond their scheduled expiration date or, if they continue, the incentives may not be at the same level. The revocation or amendment of any one or more of those laws, regulations or programs could adversely affect the financial results of the Company. Revenues include amounts related to federal subsidies and regulatory support totaling $7,240, $19,465 and $6,564 for the years ended December 31, 2010, 2009 and 2008, respectively.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, consolidated with the accounts of all of its subsidiaries and affiliates in which the Company holds a controlling financial interest as of the financial statement date. Normally, a controlling financial interest reflects ownership of a majority of the voting interests. Other factors considered in determining whether a controlling financial interest is held include whether the Company possesses the authority to purchase or sell assets or make other operating decisions that significantly affect the entity's results of operations and whether the Company is the primary beneficiary of the economic benefits and financial risks of the entity. Intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents consists of money market funds and demand deposits with financial institutions. The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

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Restricted Cash

Restricted cash consists of project funds and debt reserve funds that are invested in money market mutual funds related to various Company entities totaling $2,969 and $2,156 as of December 31, 2010 and 2009, respectively, which have been restricted in accordance with the terms of loan agreements. The Company classifies restricted cash between current and non-current assets based on the length of time of the restricted use.

Accounts Receivable

Accounts receivable are carried on a gross basis, less allowance for doubtful accounts. Management estimates the allowance for doubtful accounts based on existing economic conditions, the financial conditions of customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for doubtful accounts only after reasonable collection attempts have been exhausted. A significant portion of the reserves as of December 31, 2008 was established as a result of past due receivables with a single customer. During 2009, the Company settled the outstanding receivable. Activity regarding the allowance for doubtful accounts was as follows:

Balance, January 1, 2008	$ 1,955
Amount charged to selling, general and administrative expenses	740
Charge-offs, net of recovery	(165)
Balance, December 31, 2008	2,530
Amount charged (benefited) to selling, general and administrative expenses	(1,432)
Charge-offs, net of recovery	(885)
Balance, December 31, 2009	213
Amount charged to selling, general and administrative expenses	103
Charge-offs, net of recovery	—
Balance, December 31, 2010	$ 316

Inventories

Inventories consist of raw materials, work in process and finished goods and are valued at the lower of cost or market. Inventory values as of December 31, 2010 and 2009 include adjustments to reduce inventory to the lower of cost or market in the amount of $35 and $194, respectively. Cost is determined based on the first-in, first-out method.

Derivative Instruments and Hedging Activities

The Company has entered into derivatives to hedge its exposure to price risk related to feedstock inventory and biodiesel finished goods inventory. Additionally, the Company has entered into an interest rate swap with the objective of managing risk caused by fluctuations in interest rates associated with the REG Danville note payable.

These derivative contracts are accounted for in accordance with ASC Topic 815, *Derivatives and Hedging* (ASC Topic 815). ASC Topic 815 requires that an entity recognize and record all derivatives on the balance sheet at fair value. All of the Company's derivatives are designated as non-hedge derivatives and are utilized to manage cash flow. Although the contracts may be effective economic hedges of specified risks, they are not designated as, nor accounted for, as hedging instruments. Unrealized gains and losses on commodity futures, swaps, and options contracts used to hedge feedstock purchases or biodiesel inventory are recognized as a component of biodiesel costs of goods sold reflected in current results of operations. Unrealized gains and losses on the interest rate swap are recorded in change in fair value of interest rate swap in the Company's statements of operations.

Valuation of Preferred Stock Conversion Feature Embedded Derivatives

As stated in "Note 1 – Organization, Presentation and Nature of the Business", in connection with the Biofuels Merger, all outstanding shares of Biofuels preferred stock were converted into Company Series A Preferred Stock.

The Series A Preferred Stock terms provide for voluntary and, under certain circumstances, automatic conversion of the Series A Preferred Stock to Common Stock based on a prescribed formula. In addition, shares of Series A Preferred Stock are subject to redemption at the election of the holder beginning February 26, 2014. The redemption price is equal to the greater of (i) an amount equal to $13.75 per share of Series A Preferred Stock plus

any and all accrued dividends, not to exceed $16.50 per share, or (ii) the fair market value of the Series A Preferred Stock. Under ASC Topic 815, the Company is required to bifurcate and account for as a separate liability certain derivatives embedded in its contractual obligations. An "embedded derivative" is a provision within a contract, or other instrument, that affects some or all of the cash flows or the value of that contract, similar to a derivative instrument. Essentially, the embedded provision within the contract contains all of the attributes of a free-standing derivative, such as an underlying market variable, a notional amount or payment provision, and can be settled "net," but the contract, in its entirety, does not meet the ASC Topic 815 definition of a derivative.

The Company has determined that the conversion feature of the Series A Preferred Stock is an embedded derivative because the redemption feature allows the holder to redeem Series A Preferred Stock for cash at a price which can vary based on the fair market value of the Series A Preferred Stock, which effectively provides the holders with a mechanism to "net settle" the conversion option. Consequently, the embedded conversion option must be bifurcated and accounted for separately because the economic characteristics of this conversion option are not considered to be clearly and closely related to the economic characteristics of the Series A Preferred Stock, which is considered more akin to a debt instrument than equity.

Upon issuance of the Series A Preferred Stock, the Company recorded a liability representing the estimated fair value of the right of holders of the Series A Preferred Stock to receive the fair market value of the Common Stock issuable upon conversion of the Series A Preferred Stock on the redemption date. This liability is adjusted each quarter based on changes in the estimated fair value of such right, and a corresponding income or expense is recorded in change in fair value of the Series A Preferred Stock conversion feature embedded derivatives in the Company's statements of operations.

The Company uses the option pricing method to value the embedded derivative. The Company used the Black-Scholes options pricing model to estimate the fair value of the conversion option embedded in each series of Biofuels preferred stock prior to February 26, 2010 and the Series A Preferred Stock as of and subsequent to February 26, 2010. The Black-Scholes options pricing model requires the development and use of highly subjective assumptions. These assumptions include the expected volatility of the value of the Company's equity, the expected conversion date, an appropriate risk-free interest rate, and the estimated fair value of the Company's equity. The expected volatility of the Company's equity is estimated based on the volatility of the value of the equity of publicly traded companies in a similar industry and general stage of development as the Company. The expected term of the conversion option is based on the period remaining until the contractually stipulated redemption date of February 26, 2014. The risk-free interest rate is based on the yield on U.S. Treasury STRIPs with a remaining term equal to the expected term of the conversion option. The development of the estimated fair value of the Company's equity is discussed below in "Valuation of the Company's Equity."

The significant assumptions utilized in the Company's valuation of the embedded derivative are as follows:

	December 31, 2010	February 26, 2010	December 31, 2009	December 31, 2008	June 30, 2008
Expected volatility	40.00%	40.00%	50.00%	55.00%	55.00%
Risk-free rate	4.10%	4.40%	4.11%	4.39%	4.58%

Valuation of Seneca Holdco Liability

Associated with the Company's transaction with Nova Biosource Fuels, LLC (See Note 6 – Acquisitions and Equity Transactions), the Company has the option to purchase (Call Option) and Seneca Holdco, LLC has the option to require the Company to purchase (Put Option) the membership interest of Seneca Landlord, LLC (Landlord) whose assets consist primarily of a biodiesel plant located in Seneca, Illinois. Both the Put Option and the Call Option have a term of seven years and are exercisable by either party at a price based on a pre-defined formula. The Company has determined the fair value of the amounts financed by Seneca Holdco, LLC, the Put Option, and the Call Option using an option pricing model. The fair value represents the probability weighted present value of the gain, or loss, that is realized upon exercise of each option. The option pricing model requires the development and use of highly subjective assumptions. These assumptions include (i) the value of the Landlord's equity, (ii) expectations regarding future changes in the value of the Landlord's equity, (iii) expectations about the probability of either option being exercised, including the Company's ability to list its securities on an exchange or complete a public offering, and (iv) an appropriate risk-free rate. Company management considered current public equity markets, relevant regulatory issues, industry conditions and the Company's position within the industry when estimating the probability that the Company will raise additional capital. Differences in the estimated probability and timing of this event may significantly impact the fair value assigned to the Seneca Holdco Liability as management has determined it is not likely that the Put Option will become exercisable in the absence of this event.

The significant assumptions utilized in the Company's valuation of the Seneca Holdco liability are as follows:

	December 31, 2010	April 9, 2010
Expected volatility	50.00%	50.00%
Risk-free rate	4.10%	4.60%
Probability of IPO	70.00%	60.00%

Preferred Stock Accretion

Beginning October 1, 2007, the date that the Company determined that there was a more than remote likelihood that the then issued and outstanding preferred stock would become redeemable, the Company commenced accretion of the carrying value of the preferred stock over the period until the earliest redemption date, which was August 1, 2011, to the Biofuels preferred stock's redemption value, plus accrued but unpaid dividends using the effective interest method. This determination was based upon the current state of the public equity markets which was restricting the Company's ability to execute a qualified public offering, the Company's historical operating results, and the volatility in the biodiesel and renewable fuels industries which have resulted in lower projected profitability. Prior to October 1, 2007, the Company had determined that it was not probable that the preferred stock would become redeemable; therefore, the carrying value was not adjusted in accordance with ASC Topic 480-10-S99, *Classification and Measurement of Redeemable Securities.*

On February 26, 2010, the date the Company determined that there was a more than remote likelihood that the Series A Preferred Stock would become redeemable, the Company commenced accretion of the carrying value of the Series A Preferred Stock over the period until the earliest redemption date (February 26, 2014) to the Series A Preferred Stock's redemption value, plus accrued but unpaid dividends using the effective interest method. This determination was based upon the current state of the public equity markets which is restricting the Company's ability to execute a qualified public offering, the Company's historical operating results, and the volatility in the biodiesel and renewable fuels industries which have resulted in lower projected profitability.

Accretion of $27,239, $44,181 and $26,692 for the years ended December 31, 2010, 2009 and 2008, respectively, has been recognized as a reduction to income available to common stockholders in accordance with paragraph 15 of ASC Topic 480-10-S99.

Valuation of the Company's Equity

The Company considered three generally accepted valuation approaches to estimate the fair value of the aggregate equity of the Company: the income approach, the market approach and the cost approach. Ultimately, the estimated fair value of the aggregate equity of the Company was developed using the Income Approach - Discounted Cash Flow (DCF) method.

Material underlying assumptions in the DCF analysis include the gallons produced and managed, gross margin per gallon, expected long-term growth rates and an appropriate discount rate. Gallons produced and managed as well as the gross margin per gallon were determined based on historical and forward-looking market data.

The discount rate used in the DCF analysis is based on macroeconomic, industry and Company-specific factors and reflects the perceived degree of risk associated with realizing the projected cash flows. The selected discount rate represents the weighted average rate of return that a market participant investor would require on an investment in the Company's debt and equity. The percent of total capital assumed to be comprised of debt and equity when developing the weighted average cost of capital was based on a review of the capital structures of the Company's publicly traded industry peers. The cost of debt was estimated utilizing the adjusted average Baa-rated corporate bond rate during the previous 12 months representing a reasonable market participant rate based on the Company's publicly traded industry peers. The Company's cost of equity was estimated utilizing the capital asset pricing model, which develops an estimated market rate of return based on the appropriate risk-free rate adjusted for the risk of the alternative energy industry relative to the market as a whole, an equity risk premium and a company specific risk premium. The risk premiums included in the discount rate were based on historical and forward looking market data.

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Discount rates utilized in the Company's DCF model are as follows:

	December 31, 2010	February 26, 2010	December 31, 2009	December 31, 2008	June 30, 2008
Discount rate	16.00%	15.00%	13.00%	15.00%	13.50%

Valuations derived from this model are subject to ongoing verification and review. Selection of inputs involves management's judgment and may impact net income. This analysis is performed on a regular basis and takes into account factors that have changed from the last measurement date or the time of the last Common Stock issuance. Other factors affecting our assessment of price include recent purchases or sales of our Common Stock, if available.

Non-monetary Exchanges

The Company records assets acquired and liabilities assumed through the exchange of non-monetary assets based on the fair value of the assets and liabilities acquired or the fair value of the consideration exchanged, whichever is more readily determinable.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, including applicable construction-period interest, less accumulated depreciation. Maintenance and repairs are expensed as incurred. Depreciation expense is computed on a straight-line method based upon estimated useful lives of the assets. Estimated useful lives are as follows:

Automobiles and trucks	5 years
Computers and office equipment	5 years
Office furniture and fixtures	7 years
Machinery and equipment	5-30 years
Leasehold improvements	the lesser of the lease term or 30 years
Buildings and improvements	30-40 years

The Company capitalizes interest incurred on debt during the construction of assets in accordance with ASC Topic 838, *Interest.* For the years ended December 31, 2010, 2009 and 2008, the Company capitalized $713, $0 and $876, respectively, of interest primarily resulting from the construction of the Blackhawk and Seneca biodiesel production facilities.

Goodwill

The Company accounts for goodwill in accordance with ASC Topic 350, *Intangibles – Goodwill and Other.* Goodwill is reviewed for impairment by reporting unit annually on July 31 or between annual periods when management believes impairment indicators exist. If the carrying value of the reporting unit goodwill is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the reporting unit goodwill. Fair value is determined using a discounted cash flow methodology involving a significant level of judgment in the assumptions used. Changes to the Company's strategy or market conditions could significantly impact these judgments and require adjustments to recorded amounts of goodwill. There was no impairment of goodwill recorded in the periods presented.

The following table summarizes goodwill for the Company's business segments:

	Biodiesel	Services	Total
Beginning balance - January 1, 2009	$ —	$16,080	$16,080
Acquisitions	—	—	—
Ending balance - December 31, 2009	—	16,080	16,080
Blackhawk Biofuels acquisition	44,191	—	44,191
CIE acquisition	24,593	—	24,593
Ending balance - December 31, 2010	$68,784	$16,080	$84,864

Impairment of assets

The Company reviews long-lived assets, including property, plant and equipment and definite-lived assets, for impairment in accordance with ASC Topic 360, *Property, Plant and Equipment.* Asset impairment charges are recorded for long-lived assets and intangible assets subject to amortization when events and circumstances indicate that such assets may be impaired and the undiscounted net cash flows estimated to be generated by those assets are less than their carrying amounts. If estimated future undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the carrying amount of the assets exceeds its fair value. Fair value is determined by management estimates using discounted cash flow calculations.

During 2010, the raw material supply agreements for the New Orleans and Emporia facilities were cancelled. The original agreements were recorded as an intangible asset in the amount of $7,025. As a result of the cancellations, the full amount was charged off during the year ended December 31, 2010.

The Company also impaired deferred financing cost related to the New Orleans project GoZone bonds. The Company determined that it was not probable that the GoZone bonds allocation would be extended past the December 14, 2010 deadline or that the bonds would be issued prior to the deadline, and accordingly, the Company returned its allocation prior to the deadline. The amount of the impairment for the year ended December 31, 2010 was $311.

Total asset impairment charges of $7,494, $833 and $160 were recorded for the years ended December 31, 2010, 2009 and 2008, respectively.

Investments

In connection with the construction of biodiesel production facility for SoyMor Biodiesel, LLC (SoyMor) (collectively with Bell, LLC referred to as “Equity Method Investees”), the Company made an equity investment in this entity. Because the Company has the ability to influence the operating and financial decisions and maintains a position on the board of directors of the Equity Method Investees, the investments are accounted for using the equity method in accordance with ASC Topic 323, *Investments – Equity Method and Joint Ventures* (ASC Topic 323). Under the equity method, the initial investment is recorded at cost and adjusted to recognize the Company’s ratable share of earnings of the Equity Method Investees. The Company made equity investments in connection with the construction of biodiesel production facilities for Central Iowa Energy, LLC (CIE), Western Iowa Energy, LLC (WIE), Western Dubuque Biodiesel, LLC (WDB) and East Fork Biodiesel, LLC (EFB). Because the Company does not have the ability to influence the operating and financial decisions and does not maintain a position on the board of directors, these investments are accounted for using the cost method in accordance with ASC Topic 323. During 2010, the Company changed its method of accounting for investments in WIE and WDB from the equity method to the cost method due to the Company no longer having the ability to influence the operating and financial decisions of these entities. Under the cost method, the initial investment is recorded at cost and assessed for impairment. The equity investment related to CIE was removed during the purchase price allocation process on March 8, 2010. During the years ended December 31, 2010, 2009 and 2008, the Company recorded impairments in the amount of $400, $200 and $1,400, respectively, on its investment in EFB that was determined to have been other-than-temporarily impaired.

Other Noncurrent Assets

Other noncurrent assets include costs related to the issuance of debt, spare parts inventory and raw material supply agreement. The debt issuance costs are amortized to interest expense over the life of the related debt agreement. The supply agreement is amortized over the term of the agreement according to the volume of feedstock used in operation.

Revenue Recognition

The Company recognizes revenues from the following sources:

- the sale of biodiesel and its co-products — both purchased and produced by the Company
- fees received from federal and state incentive programs for renewable fuels
- fees received for the marketing and sales of biodiesel produced by third parties and from managing operations of third party facilities

Biodiesel sales revenues are recognized where there is persuasive evidence of an arrangement, delivery has occurred, the price has been fixed or is determinable and collectability can be reasonably assured.

Revenues associated with the governmental incentive programs are recognized when the amount to be received is determinable, collectability is reasonably assured, and the sale of product giving rise to the incentive has been recognized.

Fees for managing ongoing operations of third party plants, marketing biodiesel produced by third party plants and from other services are recognized as services are provided. The Company also has performance based incentive agreements that are included as management service revenues. These performance incentives are recognized as revenues when the amount to be received is determinable and collectability is reasonably assured.

The Company acts as a sales agent for certain third parties, thus the Company recognizes revenues on a net basis in accordance with ASC Topic 605-45, *Revenue Recognition* (ASC Topic 605-45).

Freight

The Company accounts for shipping and handling revenues and costs in accordance with ASC Topic 605-45. The Company presents all amounts billed to the customer for freight as a component of biodiesel sales. Costs incurred for freight are reported as a component of costs of goods sold – biodiesel.

Advertising Costs

Advertising and promotional expenses are charged to earnings during the period in which they are incurred. Advertising and promotional expenses were $80, $235 and $798 for the years ended December 31, 2010, 2009 and 2008, respectively.

Research and Development

The Company expenses research and development costs as incurred. Research and development costs totaled $89, $187 and $59 for the years ended December 31, 2010, 2009 and 2008, respectively.

Employee Benefits Plan

The Company sponsors an employee savings plan under Section 401(k) of the Internal Revenue Code. The Company makes matching contributions equal to 50% of the participant's pre-tax contribution up to a maximum of 6% of the participant's eligible earnings. Total expense related to the Company's defined contribution plan was approximately $245, $218 and $186 for the years ended December 31, 2010, 2009 and 2008, respectively.

Stock-Based Compensation

The Company has two stock incentive plans. On July 31, 2006, the Biofuels Board of Directors (Biofuels Board) approved the 2006 Stock Incentive Plan. On May 6, 2009, the Company Board of Directors (Company Board) approved the 2009 Stock Incentive Plan. Eligible award recipients are employees, non-employee directors and advisors who provide service to the Company. The Company accounted for stock-based compensation in accordance with ASC Topic 718, *Stock Compensation* (ASC Topic 718). Compensation expense is measured at the grant-date fair value of the award and recognized as compensation expense over the vesting period.

Income Taxes

The Company recognizes deferred taxes by the asset and liability method. Under this method, deferred income taxes are recognized for differences between the financial statement and tax bases of assets and liabilities at enacted statutory tax rates in effect for the years in which differences are expected to reverse. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the carrying amount of deferred tax assets are reviewed to determine whether the establishment of a valuation allowance is necessary. If it is more-likely-than-not that all or a portion of the Company's deferred tax assets will not be realized, based on all available evidence, a deferred tax valuation allowance would be established. Consideration is given to positive and negative evidence related to the realization of the deferred tax assets. Significant judgment is required in making this assessment.

Deferred tax liabilities were recorded during the year ended December 31, 2010 as a result of the Blackhawk Merger and CIE Asset Purchase. As the deferred tax liabilities were recorded, the resulting decrease in net deferred tax assets required a lower valuation allowance. The release of the associated valuation allowance resulted in an income tax benefit.

Prior to deconsolidation on January 1, 2010 and the Blackhawk Merger, Blackhawk was treated as a partnership for federal and state income tax purposes and generally did not incur income taxes. Instead, its earnings and losses were included in the income tax returns of its members. Therefore, no provision or liability for federal or state income taxes was included in the consolidated financial statements of the Company aside from its pro-rata share determined based on its ownership interest.

Warrants

The Company estimates the fair value of warrants issued and records that balance in additional paid-in-capital in the consolidated balance sheet. Because the warrants relate to the common and preferred stock issued, additional paid-in-capital of common and preferred stock was decreased by a like amount. Subsequent changes in the fair value of the warrants are not recognized in accordance with ASC Topic 815-40, *Derivatives and Hedging.*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and reported amounts of revenues and expenses during the reporting periods. These estimates are based on information that is currently available to management and on various assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

New Accounting Pronouncements

In June 2009, the FASB issued ASU No. 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,* which amends ASC Topic 810, *Consolidations* (ASU No. 2009-17). This Statement requires a qualitative analysis to determine the primary beneficiary of a Variable Interest Entity (VIE). The analysis identifies the primary beneficiary as the enterprise that has both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could be significant to the VIE. The Statement also requires additional disclosures about an enterprise's involvement in a VIE. The effective date is the beginning of fiscal year 2010. The Company adopted this statement effective January 1, 2010 which resulted in the deconsolidation of Blackhawk and additional disclosure requirements. See "Note 7 – Variable Interest Entities" for additional information.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures* (ASU 2010-06), which amends ASC Topic 820, adding new requirements for disclosures for Levels 1 and 2, separate disclosures of purchases, sales issuances, and settlements related to Level 3 measurements and clarification of existing fair value disclosures. ASU 2010-06 is in effect for interim and annual periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The adoption of this guidance did not have a material effect on the Company's financial statements and the Company does not anticipate the remaining disclosures will have a material effect on the Company's financial statements.

NOTE 3 — STOCKHOLDERS' EQUITY OF THE COMPANY

Common Stock

On February 26, 2010, the Company filed its restated certificate of incorporation with the Secretary of State of Delaware. The restated certificate of incorporation authorized 140,000,000 shares of Common Stock at a par value of $0.0001 per share. See "Note 6 – Acquisitions and Equity Transactions" for information related to Common Stock issued in connection with the Acquisitions.

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders. Subject to preferences that may apply to shares of outstanding Series A Preferred Stock as outlined below, the holders of outstanding shares of the Common Stock are entitled to receive dividends. After the payment of all preferential amounts required to the holders of Series A Preferred Stock, all of the remaining assets of the Company available for distribution shall be distributed ratably among the holders of Common Stock.

Common Stock Issued During 2008:

On May 9, 2008, the Company issued 1,980,488 shares of common stock in conjunction with Blackhawk's purchase of a 45 mmgy biodiesel plant in Danville, Illinois. See "Note 5 – Blackhawk" for information related to the Blackhawk transaction.

On June 26, 2008 and October 21, 2008, the Company issued 3,726,830 and 136,585 shares of common stock, respectively, in connection with the acquisition of a 35 mmgy biodiesel production facility located in Houston, Texas from U.S. Biodiesel Group. See "Note 6 – Acquisitions and Equity Transactions" for information related to the acquisition.

On October 21, 2008, the Company issued 126,340 shares of common stock to a third party in exchange for certain manufacturing equipment. The shares issued were then transferred from the third party to U.S. Biodiesel Group.

Common Stock Issued During 2009:

On August 3, 2009, the Company issued 10,000 and 10,000 shares of common stock to Todd & Sargent, Inc. and The Weitz Group, LLC, respectively, in exchange for renegotiating a note payable.

On August 17, 2009, the Company issued 250,000 shares of common stock to GATX Corporation in conjunction with renegotiating rail car leases.

Common Stock Issued During 2010:

On February 26, 2010, the Company issued 6,753,311 shares of Common Stock to the shareholders of Blackhawk in exchange for outstanding shares of Blackhawk.

On March 8, 2010, the Company issued 4,252,830 shares of Common Stock to CIE and to Houlihan Smith & Company in connection with the purchase of substantially all CIE company assets.

On April 9, 2010, the Company issued 500,000 shares of Common Stock to West LB in connection with the issuance of a Revolving Credit Agreement to the Company.

On July 16, 2010, the Company issued 598,295 shares of Common Stock in connection with the purchase of substantially all Tellurian and ABDF assets.

On September 21, the Company issued 2,150,000 shares of Common Stock to ARES Corporation in connection with the purchase of substantially all the assets held by Clovis and cash.

Common Stock Warrants

Under the Company's outstanding warrants, the holder may purchase the number of shares of Common Stock underlying each warrant held for a purchase price ranging from $2.23 to $11.00 per share. The warrant holder may "net exercise" the warrants and use the common shares received upon exercise of the warrants outstanding as the consideration for payment of the exercise price.

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The warrant holders are generally protected from anti-dilution by adjustments for any stock dividends, stock split, combination, or other recapitalization.

The following table summarizes the number of shares reserved for the exercise of common stock purchase warrants as of December 31:

Issued to	Issuance Date	Expiration Date	Exercise Price Per Share	Warrants Outstanding 2009	Warrants Outstanding 2010
Viant	*August 1, 2006	August 1, 2011	$ 9.50	41,474	—
Viant	*August 11, 2006	August 11, 2011	$ 9.50	10,526	—
Viant	*September 15, 2006	September 15, 2011	$ 9.50	26,956	—
Viant	*December 22, 2006	December 22, 2011	$ 9.50	69,053	—
Viant	April 25, 2008	April 25, 2018	$ 10.00	100,000	—
Natural Gas Partners VIII	August 1, 2006	August 1, 2014	$ 9.50	70,313	70,313
Entities affiliated with NGP Energy Technology Partners	August 1, 2006	August 1, 2014	$ 9.50	70,312	70,312
Natural Gas PartnersVIII	December 22, 2006	December 22, 2014	$ 9.50	117,187	117,187
Entities affiliated with NGP Energy Technology Partners	December 22, 2006	December 22, 2014	$ 9.50	117,188	117,188
Viant	June 26, 2007	June 26, 2015	$ 11.00	10,526	—
Natural Gas Partners VIII	July 18, 2007	July 18, 2015	$ 11.00	22,727	22,727
NGP Energy Technologies	July 18, 2007	July 18, 2015	$ 11.00	22,727	22,727
West Central	July 18, 2007	July 18, 2015	$ 11.00	22,727	22,727
E D & F Man	July 18, 2007	July 18, 2015	$ 11.00	22,727	22,727
Bunge	July 18, 2007	July 18, 2015	$ 11.00	9,090	9,090
U.S. Biodiesel Group	June 26, 2008	June 26, 2018	$ 10.25	243,902	243,902
Blackhawk warrant holders	February 26, 2010	February 25, 2015	$ 2.23	—	335,924
				977,435	1,054,824

* The Company reissued these warrants on April 25, 2008 at terms not substantially different from the original date noted here.

The fair value of the warrants issued in April and June 2008 and February 2010 was determined using the common stock value as of June 30, 2008 and February 26, 2010. The deemed fair value of the underlying common stock on June 30, 2008 and February 26, 2010 was $0.89 and $6.03, respectively. The methodology used to determine the fair value of the Company's common stock on those dates is further discussed in "Note 2 – Summary of Significant Accounting Policies". Because the Company's stock is not publicly traded, the Company used the average historical volatility rate for publicly traded companies that are engaged in similar alternative fuel activities to those of the Company for a similar time period as the expected life of the warrants. The expected life of the warrants was determined based upon the contractual term of the agreements.

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No common stock warrants were issued during 2009. For purposes of determining the fair value of common stock warrants issued, the Company used the Black-Scholes option pricing model and the assumptions set forth in the table below:

	2010	2008
The weighted average fair value of warrants issued (per warrant)	$3.28 - $3.86	$ 0.19
Dividend yield	0%	0%
Weighted average risk-free interest rate	2.2%	3.0%
Weighted average expected volatility	45%	55%
Expected life in years	1.00 - 6.00	10.00

Stock Issuance Costs

In addition to the warrants, other direct costs of obtaining capital by issuing the common and preferred stock were deducted from related proceeds with the net amount recorded as preferred stock or stockholders' equity. Direct costs incurred for the years ended December 31, 2010 and 2008 were $862 and $480, respectively. There were no stock issuance costs during 2009.

NOTE 4 — REDEEMABLE PREFERRED STOCK

The Company's restated certificate of incorporation filed on February 26, 2010 authorizes 60,000,000 shares of preferred stock with a par value of $0.0001. The Company's Board of Directors has discretion, subject to the approval of certain shareholders, as to the designation of voting rights, dividend rights, redemption price, liquidation preference and other provisions of each issuance. See "Note 6 – Acquisitions and Equity Transactions" for information related to the cancellation of all outstanding Biofuels preferred stock on February 26, 2010 and the issuance of Series A Preferred Stock in connection with the Acquisitions.

The following summarizes each series of Preferred Stock as of December 31:

	2009				
	Series A Preferred Stock	Series B Preferred Stock	Series AA Preferred Stock	Series BB Preferred Stock	Total
Shares outstanding	6,578,947	2,236,361	558,140	3,090,909	12,464,357
Carrying amount	$ 71,870	$ 36,721	$ 4,994	$ 35,537	$ 149,122
Redemption amount	$ 146,850	$ 55,405	$ 6,000	$ 39,332	$ 247,587

In connection with the Company's acquisition of Biofuels and Blackhawk, the Company cancelled the four outstanding series of preferred stock and each share of Biofuels preferred share was converted into a share of Series A preferred stock.

The following summarizes the changes in outstanding shares for each series of Preferred Stock for fiscal years ended December 31:

	Series A Preferred Stock	Series B Preferred Stock	Series AA Preferred Stock	Series BB Preferred Stock	Total
January 1, 2008	6,578,947	1,999,998	—	—	8,578,945
Issuances	—	206,010	558,140	3,090,909	3,855,059
December 31, 2008	6,578,947	2,206,008	558,140	3,090,909	12,434,004
Issuances	—	30,353	—	—	30,353
December 31, 2009	6,578,947	2,236,361	558,140	3,090,909	12,464,357
Exchange of REG Holdco preferred stock	(6,578,947)	(2,236,361)	(558,140)	(3,090,909)	(12,464,357)
Issuances	13,455,522	—	—	—	13,455,522
December 31, 2010	13,455,522	—	—	—	13,455,522

The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock are set forth below. The holders of Preferred Stock are generally protected from anti-dilution by adjustments for any stock dividends, stock split, combination or other recapitalization.

Dividend Provisions

The holders of the Series A Preferred Stock accrue dividends at the rate of $0.88 per share per annum. Dividends are cumulative, accrue on a daily basis from the date of issuance and compound annually from the date of issuance. If dividends on the Series A Preferred Stock have not been paid or declared, the deficiency shall be paid or declared before any dividend is declared for Common Stock. Dividends in arrears do not bear interest. Holders of the Series A Preferred Stock are allowed to participate in the dividends to common stockholders in the event that dividends on Common Stock exceed that of the Series A Preferred Stock as if the Series A Preferred Stock had been converted to Common Stock at the beginning of the year. Holders of at least seventy-five percent of the outstanding shares of the Series A Preferred Stock that were issued in exchange for shares of the Series A, Series AA, Series B or Series BB Biofuels Preferred Stock, pursuant to the Biofuels Merger agreement (Preferred Supermajority) may vote to waive the timing or amount of any dividend payment. The Company has not declared any dividends on the Series A Preferred Stock outstanding. Dividends previously accrued on the Biofuels preferred stock were forgone in connection with the Biofuels Merger and issuance of the Series A Preferred Stock. There were $10,027 of the Series A Preferred Stock dividends in arrears as of December 31, 2010 and $33,388 of Biofuels preferred stock dividends in arrears as of December 31, 2009.

Liquidation Rights

Upon the occurrence of a voluntary or involuntary liquidation (including consolidations, mergers or sale of assets as defined by the preferred stock agreement), if the remaining net assets of the Company are sufficient, the holders of the Series A Preferred Stock shall be paid no less than liquidation value plus all dividends in arrears (whether or not declared), out of the assets of the Company legally available for distribution to its stockholders, before any payment or distribution is made to any holders of Common Stock.

If upon any liquidation or dissolution, the remaining net assets of the Company are insufficient to pay the amount that the Series A Preferred Stock holders are due as indicated above, the holders of Series A Preferred Stock will share ratably in any distribution of the remaining assets of the Company.

Conversion Rights

All shares of the Series A Preferred Stock will be converted into shares of Common Stock at a 1 to 1 conversion ratio:

a) of a closing of the sale of shares of Common Stock at a level at or exceeding $22.00, in a Qualified Public Offering (QPO), requiring aggregate proceeds to the Company of at least $40 million, or

b) specified in a written contract or agreement of the Preferred Supermajority, or

c) the shares of Common Stock have a closing price on NASDAQ or any national securities exchange in excess of $24.75 per share for ninety (90) consecutive trading days with an average daily trading volume on such trading days of at least US $8,000.

Voting Rights

Each holder of the Series A Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock into which the Series A Preferred Stock held by such holder are convertible.

Additionally, the Company is prohibited, without obtaining the approval of the Preferred Supermajority from performing certain activities including, but not limited to, amending shareholder agreements, redeeming or purchasing any outstanding shares of the Company, declaring dividends, making certain capital expenditures and merging or consolidating with other entities.

Redemption Rights

On or after February 26, 2014, the Preferred Supermajority may require that the Company redeem all or part of the issued and outstanding shares of the Series A Preferred Stock out of funds lawfully available; provided, however, that any such redemptions equal in the aggregate $5,000. The redemption price is the greater of the fair market value per share at the date of the redemption election or $13.75 per share of the Series A Preferred Stock, plus accrued and unpaid preferred stock dividends, not to exceed $16.50 per share.

The following table demonstrates certain preferred stock attributes. All amounts are per share:

	Series A Preferred Stock
Original issue price	$ 11.00
Dividend rate per annum	$ 0.88
Common stock price to trigger automatic conversion	$ 22.00
Series A Preferred Stock holders required for super majority	75%
Redemption option price	$ 13.75
Liquidation price	$ 13.75

The following table demonstrates the redemption requirements for each of the next five fiscal years ended December 31:

	Series A Preferred Stock
2011	$ —
2012	—
2013	—
2014	222,016
2015	—

Preferred Stock Issued During 2008:

On May 9, 2008, the Company issued 127,273 shares of Series B Preferred Stock to Bunge as part of the Blackhawk Biofuels, LLC acquisition of a biodiesel facility in Danville, Illinois.

On June 26, 2008, the Company issued 558,140 and 3,090,909 shares of Series AA Preferred and Series BB Preferred, respectively, as part of the Company’s acquisition of a 35 mmgy biodiesel production facility in Houston, Texas and a terminal facility in Stockton, California.

During 2008, the Company issued 78,737 shares of Series B Preferred Stock to West Central as payment for administrative services.

Preferred Stock Issued During 2009:

On April 8, 2009, the Company issued 30,353 shares of Series B Preferred to West Central for payment of administrative services.

Preferred Stock Issued During 2010:

On February 26, 2010, the Company exchanged 700,000 shares of Common Stock issued to USRG HoldCo V LLC, Ohana Holdings LLC, ED&F Man Holdings B.V. and others for 700,000 shares of Series A Preferred Stock.

The Company applied the guidance in EITF Topic No. D-42: *The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock* (codified to ASC 260-10 S99-2) in regards to the exchange of common shares for preferred shares and the exchange of one series of preferred shares for a different series of preferred shares.

The Company compared the fair value of the preferred shares issued to the carrying amount of the preferred and common shares that were redeemed. The excess of the carrying amount of preferred and common shares that were redeemed over the fair value of the preferred shares issued was recorded as an increase in additional paid-in capital and was added to net earnings available to common shareholders.

On February 26, 2010, the Company issued 132,680 shares of Series A Preferred Stock to the shareholders of Blackhawk in exchange for the outstanding Series A Units of Blackhawk.

On March 8, 2010, the Company issued 158,485 shares of Series A Preferred Stock to CIE and to Houlihan Smith & Company in connection with the purchase of substantially all of CIE company assets.

NOTE 5 — BLACKHAWK

On May 9, 2008 the Company was party to a transaction, whereby Blackhawk purchased a 45 mmgy biodiesel production facility under construction located in Danville, Illinois from Biofuels Company of America, LLC. Blackhawk received the plant assets under construction and assumed a term construction loan with principal outstanding of $24,650 in exchange for $5,250 in cash and 1,980,488 shares of Common Stock of the Company set forth in the purchase agreement at $10.25 per share. Additionally, the Company issued 127,273 shares of Series B Preferred Stock with a per share value of $11.00 as established in the purchase agreement, to Bunge North America, Inc. (Bunge) on behalf of Blackhawk. In exchange for the Series B Preferred Stock Blackhawk entered into a soy oil supply agreement with Bunge. In exchange for the Biofuels Common and Biofuels Preferred Stock issued, the Company received a subordinated convertible note from Blackhawk with a par value of $21,700.

Simultaneously with this transaction the Company entered into a MOSA with Blackhawk to manage the operations of the newly acquired plant as well as a design-build agreement to perform construction services retrofitting the plant to produce biodiesel using alternative feedstocks. Finally, the Company received 51,563 warrants to purchase membership units in Blackhawk at $0.01 per share at anytime with no scheduled expiration. The warrants were received by the Company as compensation for providing a guarantee of $1.5 million in indebtedness of Blackhawk under the term construction loan and they vest 20% per year after the date of issuance until fully vested.

The Company held 1,000,000 membership units of Blackhawk as of May 9, 2008 and subsequently received an additional 327,017 units, 658,052 units and 145,307 units in 2008, 2009 and 2010, respectively, in lieu of interest on the subordinated convertible note. The Company's interest represents ownership interests in Blackhawk of 11.6% and 12.4% as of December 31, 2009 and February 26, 2010, respectively.

Prior to January 1, 2010, the Company consolidated Blackhawk according to the then requirements of ASC Topic 810 as they were determined to be the primary beneficiary (PB). The Company determined it was the PB as it holds significant variable interests resulting in it receiving the majority of Blackhawk's expected losses or the majority of its expected residual returns. Variable interests in Blackhawk held by the Company are the subordinated convertible note, membership units, guaranty of indebtedness of up to $1,500, warrants, MOSA, and the design-build agreement.

As a result of the consolidation, all accounts of Blackhawk have been included with the Company's financial statements as of May 9, 2008, the date of the transaction. As required by ASC Topic 810 the assets, including cash of $2,225, and liabilities consolidated by the Company were recorded at their relative fair values. The fair value of the Biofuels Common and Biofuels Preferred Stock transferred as consideration was determined as further discussed in "Note 2 – Summary of Significant Accounting Policies" and is summarized as follows:

	Fair Value	Fair Value Per Share
Common	$ 1,763	$ 0.89
Series B Preferred	1,231	$ 9.67
Total	$ 2,994	

The assets and liabilities consolidated by the Company from Blackhawk did not represent a business as defined in ASC Topic 805, *Business Combinations,* therefore no goodwill was recorded. Accordingly, the Company consolidated Blackhawk and accounts for the membership units not held by the Company as a noncontrolling interest.

On January 1, 2010, the Company deconsolidated Blackhawk as a result of adopting ASU No. 2009-17, as it was determined that the Company was no longer the PB (Blackhawk Deconsolidation). Although the financial arrangements mentioned above resulted in the Company holding substantial variable interests in Blackhawk, they did not give the Company the power to direct the activities that most significantly impact Blackhawk's economic performance. Consequently, subsequent to adopting this accounting pronouncement, the Company deconsolidated Blackhawk. See "Note 7 – Variable Interest Entities" for additional information. Upon deconsolidation, an equity investment in Blackhawk of $3,969 and a subordinated convertible note receivable of $24,298 were recognized at fair value using the option available under ASC Topic 825, *Financial Instruments,* and the previously consolidated amounts were removed from the consolidated balance sheet. The difference between the amounts recognized at fair value and the removal of the previously consolidated amounts was recorded to retained earnings (accumulated deficit).

On February 26, 2010, the Company completed the Blackhawk Merger. See "Note 6 – Acquisitions and Equity Transactions" for additional information regarding the accounting for the Blackhawk Merger.

NOTE 6 — ACQUISITIONS AND EQUITY TRANSACTIONS

On February 26, 2010, the Company completed its mergers with Biofuels and Blackhawk and on March 8, 2010 the Company completed the asset purchase of CIE. The Company also completed the asset purchase of Nova Biosource Fuels, Inc. on April 8, 2010, an asset purchase of Tellurian and ABDF on July 16, 2010 and an asset purchase of Clovis on September 21, 2010.

REG Biofuels, Inc.

On February 26, 2010, the Company completed its merger with Biofuels.

Pursuant to the Second Amended and Restated Agreement and Plan of Merger, executed November 20, 2009, dated and effective as of the original execution date, May 11, 2009, REG Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company was merged with and into Biofuels. Upon consummation of the merger, Biofuels became a wholly owned subsidiary of the Company. At the closing, each share of Biofuels' Common Stock issued and outstanding immediately prior to the effective time was converted into the right to receive one share of the Common Stock, $0.0001 par value per share, and each share of Biofuels' preferred stock issued and outstanding immediately prior to the effective time was converted into the right to receive one share of the Series A Preferred Stock, $0.0001 par value per share.

The Company accounted for the Biofuels Merger as a business combination in accordance with ASC Topic 805. When accounting for the exchange of shares between entities under common control, the entity that receives the net assets shall initially recognize the assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer.

As the transaction was accounted for with carryover basis, no goodwill was recognized in conjunction with the Biofuels Merger, and no significant contingent assets or liabilities were acquired or assumed in the Biofuels Merger.

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Blackhawk Biofuels LLC

On February 26, 2010, the Company completed the Blackhawk Merger.

Pursuant to the Second Amended and Restated Agreement and Plan of Merger, executed November 21, 2009, dated and effective as of the original execution date, May 11, 2009, REG Danville, LLC, a wholly owned subsidiary of the Company, was merged with and into Blackhawk. Upon consummation of the merger, Blackhawk became a wholly owned subsidiary of the Company and changed its name to REG Danville, LLC. Pursuant to the Blackhawk Merger, each outstanding Blackhawk Series A Units (other than such units held by Biofuels or any affiliate of Biofuels) was converted into 0.4479 shares of Common Stock and 0.0088 shares of Series A Preferred Stock. Each outstanding warrant for the purchase of series A units of Blackhawk became exercisable for the purchase of shares of Common Stock, with the number of shares and exercise price per share adjusted appropriately based on the 0.4479 shares exchange ratio. The former members of Blackhawk have received 132,680 shares of Series A Preferred Stock and 6,753,311 shares of Common Stock.

The following table summarizes the final allocations of the purchase price to the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Allocation at February 26, 2010
Assets (liabilities) acquired:	
Cash	$ 1
Restricted cash	2,002
Other current assets	859
Property, plant and equipment	55,253
Goodwill	44,191
Other noncurrent assets	231
Line of credit	(350)
Other current liabilities	(3,621)
Notes payable	(48,743)
Other noncurrent liabilities	(6,802)
Fair value of common and preferred stock issued	$ 43,021

The acquisition price is summarized as follows:

	Value at February 26, 2010	
	Fair Value	Fair Value per Share
Fair value of stock issued:		
Warrants	$ 1,269	$ 3.78
Common Stock	40,721	$ 6.03
Series A Preferred Stock	1,031	$ 7.77
Total	$ 43,021	

Since all of REG Danville's revenues for the period from February 26, 2010 through December 31, 2010 consisted entirely of tolling fees from REG Marketing & Logistics Group, LLC (REG Marketing), they were eliminated on a consolidated basis.

Central Iowa Energy LLC

On March 8, 2010, the Company completed its acquisition of substantially all of the assets of CIE.

Pursuant to the Second Amended and Restated Asset Purchase Agreement, executed November 20, 2009, dated and effective as of the original execution date, May 8, 2009, REG Newton, LLC, a wholly owned subsidiary of the Company, acquired substantially all assets and liabilities of CIE. At closing, the Company delivered to CIE an aggregate of 158,485 shares of Series A Preferred Stock and 4,252,830 shares of Common Stock.

The following table summarizes the final allocation of the purchase price to the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Allocation at March 8, 2010
Assets (liabilities) acquired:	
Cash	$ 403
Restricted cash	300
Other current assets	483
Property, plant and equipment	32,153
Goodwill	24,593
Line of credit	(550)
Other current liabilities	(1,927)
Notes payable	(23,925)
Other noncurrent liabilities	(4,652)
Fair value of common and preferred stock issued	$ 26,878

The acquisition price is summarized as follows:

	Final Value at March 8, 2010	
	Fair Value	Fair Value per Share
Fair value of stock issued:		
Common Stock	$ 25,645	$ 6.03
Series A Preferred Stock	1,233	$ 7.77
Total	$ 26,878	

Since all of REG Newton's revenues for the period from March 8, 2010 through December 31, 2010 consisted entirely of contract manufacturing fees from REG Marketing, they were eliminated on a consolidated basis.

The following pro forma condensed combined results of operations assume that the Blackhawk Merger and CIE Asset Acquisition were completed as of January 1, 2010, 2009, and 2008, respectively:

	2010	2009	2008
Revenues	$216,609	$135,216	$157,901
Net loss	$ (24,633)	$ (74,890)	$ (18,613)

Nova Biosource Fuels, Inc.

On April 8, 2010, the Company entered into a series of agreements related to the asset purchase agreement with Nova Biosource Fuels, Inc. In September 2009, the United States Bankruptcy Court for the District of Delaware entered an order authorizing the sale of assets by Nova Biofuels Seneca, LLC (Nova Seneca) and Nova Biosource Technologies, LLC, (Nova Technologies), to a wholly owned subsidiary of Biofuels, pursuant to terms of an Asset Purchase Agreement, dated as of September 23, 2009 (the Nova Asset Purchase Agreement). The assets of Nova Seneca and Nova Technologies (the Seneca Assets), including the 60 mmgy biodiesel facility located in Seneca, Illinois (Seneca Facility) was acquired from Chapter 11 debtors in possession initially by the Company and immediately thereafter was sold to an entity named Seneca Landlord, LLC (Landlord) which is indirectly owned by three significant stockholders of the Company or their affiliates: Bunge North America, Inc., USRG Holdco V, LLC and West Central Cooperative. These stockholder parties facilitated the transactions described above by, among other things, creating Landlord, agreeing to invest $4,000 for repairs to the Seneca Facility and in consideration therefore received guarantees of certain payments and other obligations from the Company described below.

REG Seneca and Landlord entered into a Lease Agreement that governs REG Seneca's lease of the Seneca Facility from Landlord. The Lease has a term of 7 years on a net lease basis covering the debt service on $36,250 of mortgage indebtedness against the Seneca Facility, as well as taxes, utilities, maintenance and other operating expenses.

REG Seneca will pay Landlord a $600 per year fee (Fee), payable $150 per quarter, which is guaranteed by the Company. During the term of the lease, Seneca Holdco has a put option to the Company of the Landlord equity interests after one year, April 8, 2011, provided the Company has a minimum excess net working capital (as defined) of 1.5 times the put/call price. During this time, the Company also has a call option of the Landlord equity interests. The put/call price is the greater of three times the initial investment or an amount yielding a 35% internal rate of return. If the put/call is exercised within three years, the Fee and distributions in the first three years are credited to the put/call price. At the time the put or call is exercised, the Company will issue 150,000 shares of Common Stock to Seneca Holdco.

The Company determined that the Seneca Assets do not constitute a business as defined under ASC Topic 805 on the basis that the Seneca Assets are not an integrated set of activities or assets that are capable of being conducted or managed in a manner that would provide any economic benefit or return to the Company. As a result, the Company accounted for the purchase of the Seneca Assets as an asset acquisition. Neither goodwill nor a gain from a bargain purchase was recognized in conjunction with the acquisition, and no significant contingent assets or liabilities were acquired or assumed in the acquisition.

See “Note 7 – Variable Interest Entities” for information on the accounting of the aforementioned transaction.

Tellurian Biodiesel, Inc. and American BDF, LLC

On July 16, 2010, the Company issued 598,295 shares and up to an additional 731,250 shares of Common Stock for certain assets of Tellurian and ABDF. Tellurian was a California-based biodiesel company and marketer. ABDF was a joint venture owned by Golden State Service Industries, RTI and Tellurian had previously focused on building a national array of small biodiesel plants that would convert used cooking oil into high quality, sustainable biodiesel. The purchase connects RTI’s national used cooking oil collection system, with more than 16,000 installations, with the Company’s national network of biodiesel manufacturing facilities. The fair value of the Common Stock issued as consideration, of $3,027, was allocated to a supply agreement intangible.

Clovis Biodiesel, LLC

On September 21, 2010, REG Clovis, LLC, a wholly owned subsidiary of the Company, acquired substantially all assets of Clovis Biodiesel, LLC, a wholly owned subsidiary of the ARES Corporation. At closing, the Company delivered to ARES Corporation 2,150,000 shares of Common Stock in exchange for the assets of Clovis and $8,000 cash.

The Company determined that the Clovis assets do not constitute a business as defined under ASC Topic 805 on the basis that the Clovis assets are not an integrated set of activities or assets that are capable of being conducted or managed in a manner that would provide any economic benefit or return to the Company. As a result, the Company accounted for the purchase of the Clovis assets as an asset acquisition. Neither goodwill nor a gain from a bargain purchase was recognized in conjunction with the acquisition, and no significant contingent assets or liabilities were acquired or assumed in the acquisition.

The following table summarizes the final allocation of the purchase price to the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Final Allocation at September 21, 2010
Assets acquired:	
Cash	$ 8,000
Property, plant and equipment	2,191
Fair value of common stock issued	$ 10,191

The final acquisition price is summarized as follows:

	Final Value at September 21, 2010	
	Fair Value	Fair Value per Share
Fair value of stock issued:		
Common Stock	$ 10,191	$ 4.74

NOTE 7 — VARIABLE INTEREST ENTITIES

In June 2009, the FASB amended its guidance on accounting for VIEs through the issuance of ASU No. 2009-17. The new accounting guidance resulted in a change in our accounting policy effective January 1, 2010. Among other things, the new guidance requires a qualitative analysis to determine the PB of a VIE, requires continuous assessments of whether an enterprise is the PB of a VIE and amends certain guidance for determining whether an entity is a VIE. Under the new guidance, a VIE must be consolidated if the enterprise has both (a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. This new accounting guidance was effective for the Company on January 1, 2010 and was applied prospectively.

On January 1, 2010, the Company deconsolidated Blackhawk after performing a reassessment under this new guidance. Blackhawk had previously been consolidated due to the variable interests held by the Company. Variable interests in Blackhawk held by the Company as of January 1, 2010 included a subordinated convertible note, membership units, guaranty of indebtedness of up to $1,500, warrants and the MOSA. Although these financial arrangements resulted in the Company holding substantial variable interests in Blackhawk, they did not empower the Company to direct the activities that most significantly impact Blackhawk's economic performance. Consequently, subsequent to this change in accounting policy, the Company deconsolidated Blackhawk.

The Company accounted for its interests in Blackhawk using the fair value options available under ASC Topic 825, *Financial Instruments,* from the date of deconsolidation on January 1, 2010 until the date of merger on February 26, 2010. The following table represents the deconsolidating entries as of January 1, 2010:

	As Reported January 1, 2010	Adjustment	As Adopted
ASSETS			
CURRENT ASSETS:			
Cash	$ 5,855	$ (206)	$ 5,649
Restricted cash	2,156	(2,002)	154
Current assets	29,691	1,098	30,789
Total current assets	37,702	(1,110)	36,592
Property, plant and equipment, net	124,429	(43,209)	81,220
Goodwill	16,080	—	16,080
Noncurrent assets	22,347	27,731	50,078
TOTAL ASSETS	$ 200,558	$ (16,588)	$183,970
LIABILITIES AND EQUITY (DEFICIT)			
CURRENT LIABILITIES:			
Revolving line of credit	$ 350	$ (350)	$ —
Current maturities of notes payable	2,756	(815)	1,941
Current liabilities	23,810	(1,144)	22,666
Total current liabilities	26,916	(2,309)	24,607
Notes payable	25,749	(23,630)	2,119
Other liabilities	25,902	(8,516)	17,386
Total liabilities	78,567	(34,455)	44,112
Redeemable preferred stock	149,122	—	149,122
EQUITY (DEFICIT):			
Company stockholders' equity (deficit):			
Common stock	2	—	2
Common stock - additional paid-in-capital	15,676	1,192	16,868
Warrants - additional paid-in-capital	4,619	—	4,619
Retained earnings (accumulated deficit)	(60,905)	30,152	(30,753)
Total stockholders' equity (deficit)	(40,608)	31,344	(9,264)
Noncontrolling interests	13,477	(13,477)	—
Total equity (deficit)	(27,131)	17,867	(9,264)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	$ 200,558	$ (16,588)	$183,970

The Company has invested in four network plants owned by independent investment groups. Those companies are SoyMor Biodiesel, LLC (SoyMor), Western Iowa Energy, LLC (WIE), Western Dubuque Biodiesel, LLC (WDB) and East Fork Biodiesel, LLC (EFB). See "Note 11 – Investments" for the investment amounts and the related condensed financial information of these investments. The Company evaluated each investment and determined we do not hold an interest in any of our investments in network plants that would give us the power to direct the activities that most significantly impact the economic performance of the network plant. As a result, the Company is not the PB and does not consolidate these VIE's.

The Company has 50% ownership in 416 S. Bell, a joint venture where control is equally shared. The Company determined that neither partner in the joint venture has the power to direct the activities that most significantly impact the economic performance of the joint venture individually. As a result, the Company is not the PB and does not consolidate this VIE.

The carrying values and maximum exposure for all unconsolidated VIE's as of December 31, 2010 are as follows:

	Investments	Maximum Exposure
Investment:		
SoyMor	$ 1,107	$ 1,119
WIE	576	576
WDB	2,005	2,005
416 S Bell	571	2,949
	$ 4,259	$ 6,649

On April 8, 2010, the Company determined that Landlord was a VIE and was consolidated into the Company's financial statements as it is the PB. See "Note 6 – Acquisitions and Equity Transactions" for a description of the acquisition. The Company has a put/call option with Seneca Holdco to purchase Landlord and currently leases the plant for production of biodiesel, both of which represent a variable interest in Landlord that are significant to the VIE. Although the Company does not have an ownership interest in Seneca Holdco, it was determined that the Company is the PB due to the related party nature of the entities involved, the Company's ability to direct the activities that most significantly impact Landlord's economic performance and the design of Landlord that ultimately gives the Company the majority of the benefit from the use of Seneca's assets. The Company has elected the fair value option available under ASC Topic 825 on the $4,000 investment made by Seneca Holdco and the associated put and call options (the Seneca Holdco Liability). Changes in the fair value after the date of the transaction are recorded in earnings. Those assets are owned by, and those liabilities are obligations of, Landlord, not the Company.

As of December 31, 2010, the Company has finalized the allocation of fair value in the Seneca transaction to the assets acquired and liabilities assumed. There was no change in valuation between the preliminary and final allocation. The following table summarizes the allocation of the purchase price to the fair values of the assets and liabilities recorded by the Company as a result of the transaction and subsequent consolidation of Landlord:

	Final Allocation at April 8, 2010
Assets (liabilities) acquired:	
Restricted cash	$ 4,000
Property, plant and equipment	39,314
Current liabilities	(400)
Seneca Holdco liability	(6,664)
Notes payable	(36,250)
Fair value of consideration	$ —

NOTE 8 — INVENTORIES

Inventories consist of the following at December 31:

	2010	2009
Raw materials	$ 7,297	$ 743
Work in process	281	22
Finished goods	21,407	12,075
Total	$28,985	$12,840

NOTE 9 — PROPERTY, PLANT AND EQUIPMENT

Company owned property, plant and equipment consists of the following at December 31:

	2010	2009
Land	$ 704	$ —
Building and improvements	21,834	12,122
Leasehold improvements	6,556	4,932
Machinery and equipment	82,007	51,801
	111,101	68,855
Accumulated depreciation	(12,647)	(10,488)
	98,454	58,367
Construction in process	67,937	66,062
Total	$166,391	$124,429

Seneca Landlord property, plant and equipment consists of the following at December 31:

	2010	2009
Building and improvements	$18,445	$—
Leasehold improvements	6	—
Machinery and equipment	24,824	—
	43,275	—
Accumulated depreciation	(723)	—
	42,552	—
Construction in process	140	—
Total	$42,692	$—

NOTE 10 — INTANGIBLE ASSETS

Intangible assets consist of the following at December 31:

	2010	2009
Raw material supply agreement intangibles	$3,027	$7,025
Ground lease	200	200
Accumulated amortization	(58)	(22)
Total intangible assets	$3,169	$7,203

The raw material supply agreement acquired during 2010 (see “Note 6 – Acquisitions and Equity Transactions”) is amortized over its 15 year term based on actual usage under the agreement. The Company determined the estimated amount of raw materials to be purchased over the life of the agreement to calculate a per pound rate of consumption. The rate is then multiplied by the actual usage each period for expense reporting purposes. As discussed in Note 2 – Summary of Significant Accounting Policies, the raw material supply agreement intangible recorded as of December 31, 2009 was charged off during 2010.

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Amortization expense of $36, $22 and $0 for intangible assets is include in cost of goods – biodiesel in the statement of operations for the years ended December 31, 2010, 2009 and 2008, respectively.

Estimated amortization expense for fiscal years ended December 31 is as follows:

2011	$ 125
2012	125
2013	173
2014	181
2015	189
Thereafter	2,376
Total	$ 3,169

NOTE 11 — INVESTMENTS

Investments consist of the following at December 31:

	2010		2009	
	Ownership	Balance	Ownership	Balance
Investment and accumulated earnings in:				
SoyMor	9%	$ 1,107	9%	$ 1,354
WIE (a)	2%	576	2%	602
WDB (b)	8%	2,005	8%	2,195
416 S Bell	50%	571	50%	598
CIE (c)		—	4%	1,000
EFB (d)		—	4%	400
Total (e)		$ 4,259		$ 6,149

(a) As of May 2010, the accounting method for this investment changed from the equity method to the cost method due to the Company no longer having the ability to significantly influence the operations of WIE.

(b) As of August 2010, the accounting method for this investment was changed from the equity method to the cost method due to the Company no longer having the ability to significantly influence the operations of WDB.

(c) During the first quarter of 2010, the Company purchased Central Iowa Energy LLC (See Note 6 – Acquisitions and Equity Transactions). Through the purchase price allocation, the Company eliminated its investment in Central Iowa Energy.

(d) As of June 2010, the Company impaired the remaining investment amount of $400. On December 28, 2010, East Fork Biodiesel (EFB) filed its Articles of Dissolution with the Iowa Secretary of State.

(e) The investments include deferred tax assets of $942 and $677 as of December 31, 2010 and 2009, respectively, fully offset by a valuation allowance.

The condensed financial information of equity method investments as of and for the years ended December 31, is as follows:

	2010	2009
CONDENSED BALANCE SHEET:		
Total current assets	$ 352	$ 15,530
Total noncurrent assets	$ 23,407	$ 90,846
Total current liabilities	$ 585	$ 31,260
Total noncurrent liabilities	$ 5,270	$ 9,303

CONDENSED STATEMENT OF OPERATIONS:

	2010	2009	2008
Sales	$ 6,895	$ 74,164	$ 144,734
Costs of goods sold	(5,970)	(70,859)	(139,515)
Operating and other expenses	(6,838)	(6,551)	(10,753)
Net loss	$ (5,913)	$ (3,246)	$ (5,534)

NOTE 12 – OTHER ASSETS

Prepaid expense and other current assets consist of the following at December 31:

	2010	2009
Income taxes receivable	$ —	$ 553
Commodity derivatives and related collateral, net	1,636	1,774
Prepaid insurance	1,088	1,105
Prepaid service contracts	215	272
Prepaid raw materials	—	325
Deposits	306	—
Network Plant notes receivable (a)	—	483
Other	688	177
Total	$ 3,933	$ 4,689

a) The Company has certain arrangements with the Network Plants that require funds to be remitted to the Network Plant upon sale of product to the end customer before amounts have been collected by the Company. In exchange, the Network Plant agrees to pay the Company a fee equal to 50 basis points in excess of the Company's cost of working capital as computed from time to time.

Other noncurrent assets consist of the following at December 31:

	2010	2009
Debt issuance costs (net of accumulated amortization of $1,381 in 2010 and $318 in 2009)	$ 2,790	$ 1,420
Spare parts inventory	4,498	4,726
Prepaid taxes	—	412
Other	533	937
Total	$ 7,821	$ 7,495

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NOTE 13 — ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following at December 31:

	2010	2009
Accrued property taxes	$ 916	$ 792
Accrued employee compensation	987	858
Accrued interest	249	193
Unfavorable lease obligation, current portion	1,129	1,829
Other	268	525
Total	$ 3,549	$ 4,197

Other noncurrent liabilities consist of the following at December 31:

	2010	2009
Fair value of interest rate swap	$ 612	$ 1,031
Liability for unrecognized tax benefits	1,500	1,500
Deferred grant revenue	745	—
Straight-line lease liability	2,524	—
Deferred credit related to investment in Blackhawk	—	7,484
Total	$ 5,381	$ 10,015

As a result of the merger with Blackhawk on February 26, 2010, the Company recognized a deferred tax asset and an associated deferred credit related to excess taxable basis over book basis on its investment in Blackhawk. The Company reflected the related amounts on its consolidated balance sheet as of December 31, 2009 as the acquisition represented a recognizable subsequent event that will reverse in the foreseeable future. The deferred credit was reversed through retained earnings (accumulated deficit) on January 1, 2010 upon adoption of ASU 2009-17 resulting in the deconsolidation of Blackhawk.

The unfavorable lease obligation is amortized over the contractual period the Company is required to make rental payments under the lease. The amount expected to be amortized in 2011 of $1,129 is presented in accrued expenses and other liabilities.

The unfavorable lease obligation consists of the following:

	2010	2009
Unfavorable lease obligation	$ 13,612	$ 13,612
Accumulated amortization	(1,190)	—
Total unfavorable lease obligation	12,422	13,612
Current portion	(1,129)	(1,829)
	$ 11,293	$ 11,783

The unfavorable lease obligation is amortized over the contractual period the Company is required to make rental payments under the lease.

An amortization benefit of $1,190 and $0 for the years ended December 31, 2010 and 2009, respectively, for noncurrent liabilities is included in the cost of biodiesel sales.

Estimated amortization benefit for the fiscal years ending December 31 is as follows:

2011	$	1,129
2012		1,129
2013		1,129
2014		1,129
2015		1,129
Thereafter		6,777
	$	12,422

On May 1, 2010, the Company amended its lease of a terminal facility in Houston, Texas. The amended agreement is through December 2021 and changes the monthly lease payment. For the year ending December 31, 2010, the fixed payment is reduced from $515 to $165. For the year ending December 31, 2011, the fixed monthly lease payment will increase on a quarterly basis throughout the year resulting in monthly lease payments of $215, $275, $350 and $450. From January 1, 2012, and continuing thereafter, the monthly lease payment will be $515, subject to escalation, on an annual basis, utilizing the producer price index. Due to the scheduled increase in lease payments over the life of the lease, the Company is recording a straight-line lease liability related to the monthly payments pursuant to ASC Topic 840, *Leases*. The straight-line lease liability is recorded in other liabilities on the consolidated balance sheet.

NOTE 14 — BORROWINGS

The Company's borrowings are as follows:

	2010	2009
REG Danville term loan	$ 23,634	$ 24,445
REG Newton term loan	23,611	—
Revenue bond	2,030	2,360
Other	1,050	1,700
Total Notes Payable	$ 50,325	$ 28,505
Seneca Landlord term loan	$ 36,250	$ —

On February 26, 2010, in connection with the Blackhawk Merger, one of the Company's subsidiaries, REG Danville, assumed a $24,600 term loan. The term loan matures November 2011. The Illinois Finance Authority guarantees 61% of the term loan and the remaining amount is secured by the Danville facility. The term loan bears interest at a fluctuating rate per annum equal to the LIBOR rate plus the applicable margin of 400 basis points through December 31, 2010 and 2009 (effective rate at December 31, 2010 and 2009 was 4.26% and 4.23%, respectively). Amounts outstanding on the term loan were $23,634 and $24,445 as of December 31, 2010 and 2009, respectively. Until June 30, 2010, REG Danville was required to make only monthly payments of accrued interest. Beginning on July 1, 2010, REG Danville is required to make monthly principal payments equal to $135 plus accrued interest. In addition to these monthly payments, as the result of an amendment to the loan agreement, REG Danville is required to make annual principal payments equal to 50% of REG Danville's Excess Cash Flow, or the 50% Excess Payment, with respect to each fiscal year until $2,500 has been paid from the Excess Cash Flow. Excess Cash Flow is equal to EBITDA less certain cash payments made during the period including principal payments, lease payments, interest payments, tax payments, approved distributions and capital expenditures. Excess Cash Flow is measured annually; therefore, no amounts have yet been paid. Thereafter, REG Danville is required to make annual payments equal to 25% of its Excess Cash Flow.

REG Danville also had a revolving line-of-credit with a borrowing capacity of $190 which expired on November 30, 2010. The revolving line of credit accrues interest at the prime rate plus 25 basis points or the 30 day LIBOR plus 300 basis points as determined at the election of REG Danville at the time of borrowing and is secured by all plant assets owned by REG Danville. Borrowings outstanding under the line-of-credit were $0 and $350 as of December 31, 2010 and 2009, respectively.

In March 2010, as part of the CIE Asset Purchase, REG Newton assumed the term debt of CIE and refinanced the term debt (AgStar Loan). Amounts outstanding as of December 31, 2010 of $23,611 require interest to be accrued based on 30 day LIBOR or 2.00%, whichever is higher, plus 300 basis points (effective rate at December 31, 2010 was 5.00%). The debt is secured by all plant assets owned by REG Newton. The Company has a limited guarantee related to the obligations under the AgStar Loan, which provides that the company will not be liable for more than the unpaid interest on the AgStar Loan that has accrued during an 18-month period beginning on March 8, 2010. REG Newton is required to make interest only payments on a monthly basis through February 2011. Beginning in March 2011, REG Newton will be required to make reduced principal payments of $60 plus interest through September 2011. Beginning in October 2011, REG Newton will be required to make principal payments of $120 plus interest until the maturity date of March 8, 2013. Beginning on January 1, 2011, under the AgStar Loan, REG Newton is required to maintain a debt service reserve account (Debt Reserve) equal to 12-monthly payments of principal and interest on the AgStar Loan. At each fiscal year end thereafter until such time as the balance in the Debt Reserve contains the required 12-months of payments, REG Newton must deposit an amount equal to its Excess Cash Flow. The AgStar Loan agreement defines Excess Cash Flow as EBITDA, less the sum of required

debt payments, interest expense, any increase in working capital from the prior year until working capital exceeds $6,000, up to $500 in maintenance capital expenditure, allowed distributions and payments to fund the Debt Reserve. Also beginning on January 1, 2011, provided that REG Newton is in compliance with the working capital ratios and the Debt Reserve is funded, REG Newton must make an annual payment equal to 50% of its Excess Cash Flow calculated based upon the prior year's audited financial statements within 120 days of the fiscal year end.

In March 2010, REG Newton obtained a revolving line-of-credit (AgStar Line) with an aggregate borrowing capacity of $2,350 which expired on March 7, 2011. The debt is secured by REG Newton's account receivable and inventory. The Company has guaranteed the obligations under the AgStar Line. The revolving line of credit accrues interest at 30 day LIBOR or 2.00%, whichever is higher, plus 300 basis points (effective rate at December 31, 2010 was 5.00%). Borrowings outstanding under the line-of-credit were $550 as of December 31, 2010.

On April 9, 2010, Landlord entered into a note payable agreement with West LB. The balance of the note as of December 31, 2010 is $36,250. The note requires that interest be accrued at different rates based on whether it is a Base Rate Loan or Eurodollar Loan at either 2.0% over the higher of 50 basis points above the Federal Funds Effective Rate or the WestLB prime rate for Base Rate Loans or 3.0% over adjusted LIBOR for Eurodollar Loans. The loan was a Eurodollar Loan through December 31, 2010 (effective rate at December 31, 2010 was 3.26%). Interest is paid monthly. Principal payments have been deferred until April 2012. At that time, Landlord will be required to make estimated monthly principal payments of $201 with remaining unpaid principal due at maturity on April 8, 2017. The note payable is secured by the property located at the Seneca location.

On April 9, 2010, REG Marketing & Logistics Group, LLC and REG Services, together with the Company as guarantor, (the WestLB Loan Parties) entered into a Revolving Credit Agreement (WestLB Revolver) with WestLB AG (WestLB). The initial available credit amount under the WestLB Revolver is $10,000 with additional lender increases up to a maximum commitment of $18,000. Advances under the WestLB Revolver are limited to the amount of certain qualifying assets of the WestLB Loan Parties that secure amounts borrowed. The WestLB Revolver requires the WestLB Loan Parties to maintain compliance with certain financial covenants. The term of the WestLB Revolver is two years. The interest rate varies depending on the loan type designation and is either 2.0% over the higher of 50 basis points above the Federal Funds Effective Rate or the WestLB prime rate for base rate loans or 3.0% over adjusted LIBOR for Eurodollar loans (effective rate at December 31, 2010 was 3.26%). The WestLB Revolver is secured by assets and ownership interests of REG Marketing and REG Services. Borrowings outstanding under the line-of-credit were $9,000 as of December 31, 2010.

The credit agreements of the subsidiaries mentioned above contain various customary affirmative and negative covenants. Many of the agreements, but not all, also contain certain financial covenants, including a current ratio, net worth ratio, fixed charge coverage ratio, maximum funded debt to earnings before interest depreciation and amortization ratio and a maximum capital expenditure limitation. Negative covenants include restrictions on incurring certain liens; making certain payments, such as distributions and dividend payments; making certain investments; transferring or selling assets; making certain acquisitions; and incurring additional indebtedness. The agreements generally provide that the payment of obligations may be accelerated upon the occurrence of customary events of default, including, but not limited to, non-payment, change of control, or insolvency.

The Company was in compliance with all restrictive financial covenants associated with its borrowings as of December 31, 2010 with the exception to the REG Danville bank debt. REG Danville received a waiver from the bank that cured the financial covenants noncompliance on the bank debt as of December 31, 2010. We expect that REG Danville will not be in compliance as of March 31, 2011, which will require us to obtain another waiver.

Maturities of the borrowings are as follows for the years ending December 31:

2011	$ 25,551
2012	3,740
2013	24,234
2014	2,766
2015	2,757
Thereafter	27,527
Total	86,575
Less: current portion	(25,551)
	$ 61,024

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NOTE 15 — INCOME TAXES

The tax effects of temporary differences that give rise to the Company's deferred tax assets and liabilities at December 31 are as follows:

	2010		2009	
	Current	Noncurrent	Current	Noncurrent
Deferred Tax Assets:				
Property, plant and equipment	$ —	$ —	$ —	$ 4,932
Goodwill	—	14,028	—	15,720
Net operating loss carryforwards	—	24,029	—	12,057
Tax credit carryforwards	—	3,068	—	3,068
Alternative minimum tax carryforwards	—	—	—	211
Start-up costs	—	1,580	—	—
Stock-based compensation	—	1,725	—	5,332
Investment in Blackhawk	—	—	—	6,163
Seneca Holdco liability	—	4,014	—	—
Notes payable - Seneca Landlord, LLC	—	13,983	—	—
Deferred revenue	3,599	287	2,192	—
Houston terminal lease	—	1,673	—	823
Other	1,248	579	600	559
Deferred tax assets	4,847	64,966	2,792	48,865
Deferred Tax Liabilities:				
Prepaid expenses	(536)	—	(534)	—
Property, plant and equipment	—	(10,022)	—	—
Property, plant and equipment - Seneca Landlord, LLC	—	(16,477)	—	—
Deferred revenue cost of goods sold	(3,450)	—	(1,279)	—
Other	(67)	(41)	—	(141)
Deferred tax liabilities	(4,053)	(26,540)	(1,813)	(141)
Net deferred tax assets	794	38,426	979	48,724
Valuation allowance	(794)	(36,926)	(979)	(47,224)
Net deferred taxes	$ —	$ 1,500	$ —	$ 1,500

The Company reviews the carrying amount of its deferred tax assets to determine whether the establishment of a valuation allowance is necessary. If it is more-likely-than-not that all or a portion of the Company's deferred tax assets will not be realized, based on all available evidence, a deferred tax valuation allowance would be established. Consideration is given to positive and negative evidence related to the realization of the deferred tax assets. Significant judgment is required in making this assessment.

In evaluating the available evidence, management considers, among other factors, historical financial performance, expectation of future earnings, length of statutory carry forward periods, experience with operating loss and tax credit carry forwards not expiring unused, tax planning strategies and time of reversals of temporary differences. In evaluating losses, management considers the nature, frequency and severity of losses in light of the conditions giving rise to those losses. As of December 31, 2010, management concluded that the book and tax losses that result in cumulative losses represent negative evidence. This evidence provides negative evidence that cannot be overcome by positive and objectively verifiable evidence. Based on this evaluation, management has concluded a valuation allowance was required for the entire amount of the Company's net deferred tax assets since positive, objectively verifiable evidence was not available to prove that it was more-likely-that-not that the Company would be able to realize these assets.

If future results provide positive, objectively verifiable evidence, that evidence will be considered in determining whether some or all of the valuation allowance will be reversed.

Income tax benefit (expense) for the years ended December 31 is as follows:

	2010	2009	2008
Current income tax (expense) benefit			
Federal	$ —	$ —	$ 628
State	—	—	518
	—	—	1,146
Deferred income tax (expense) benefit			
Federal	(9,419)	(3,267)	(219)
State	(962)	(467)	(79)
Net operating loss carryforwards	11,972	7,041	8,566
Other	(481)	(316)	—
	1,110	2,991	8,268
Income tax benefit before valuation allowances	1,110	2,991	9,414
Deferred tax valuation allowances	2,142	(48,203)	—
Income tax benefit (expense)	$ 3,252	$ (45,212)	$ 9,414

Income tax expense attributable to operations differed from the expense computed using the federal statutory rate primarily as a result of the change in tax status of the Company from its predecessors, state income taxes, net of federal income tax effects, income or loss from the change in fair value of embedded conversion feature of preferred stock, incentive stock options and various tax credits available to the Company as a result of its manufacture and sale of biodiesel. A comparison of the statutory and effective income tax benefits and reasons for related differences follows:

	2010	2009	2008
U.S. Federal income tax benefit at a statutory rate of 35 percent	$ (8,452)	$ (7,895)	$ (8,853)
Minority interest taxed at member level	—	3,177	976
State taxes, net of federal income tax benefit	(863)	(1,128)	(981)
(Gain)/loss on embedded derivative	3,166	936	(834)
Transaction costs	386	1,210	—
Conversion of stock options to restricted stock units	3,917	—	—
Other, net	736	709	278
Total benefits for income taxes before valuation allowances	(1,110)	(2,991)	(9,414)
Valuation allowances	(2,142)	48,203	—
Total (benefits) expenses for income taxes	$ (3,252)	$ 45,212	$ (9,414)

In accordance with ASC Topic 740, *Income Taxes,* the Company periodically reviews its portfolio of uncertain tax positions. An uncertain tax position represents the Company's expected treatment of a tax position taken in a filed tax return, or planned to be taken in a tax return not yet filed, that has not been reflected in measuring income tax expense for financial reporting purposes. The Company does not recognize income tax benefits associated with uncertain tax positions where it is determined that it is not more-likely-than-not, based on the technical merits, that the position will be sustained upon examination.

A reconciliation of the total amounts of unrecognized tax benefits at December 31 is as follows:

	2010	2009	2008
Beginning of year balance	$ 1,500	$ 1,500	$ —
Increases to tax positions expected to be taken	—	—	1,500
Increases to tax positions taken during prior years	—	—	—
Decreases to tax positions taken during prior years	—	—	—
Decreases due to lapse of statute of limitations	—	—	—
End of year balance	$ 1,500	$ 1,500	$ 1,500

The amount of unrecognized tax benefits at December 31, 2010, 2009 and 2008 that would affect the effective tax rate if the tax benefits were recognized was $1,028. The remaining liability was related to tax positions for which there is a related deferred tax asset. The Company does not believe it is reasonably possible that the amounts of unrecognized tax benefits will significantly increase or decrease over the next twelve months. Interest and penalties related to unrecognized tax benefits are recognized in income tax expense. The Company has not recorded any such amounts in the periods presented.

The Company files it's tax returns according to the tax laws of the jurisdictions in which it operates, which includes the U.S. federal jurisdictions, and various state jurisdictions. The U.S. Internal Revenue Service has completed its examination of the Company's federal income tax returns for all periods through 2008. Various state income tax returns also remain subject to examination by taxing authorities.

NOTE 16 — STOCK-BASED COMPENSATION

Renewable Energy Group:

On July 31, 2006, the Biofuels Board approved the 2006 Stock Incentive Plan (the 2006 Plan). The 2006 Plan provides for 2,500,000 shares of Biofuels Common Stock to be available for option grants. Option grants are awarded at the discretion of the Board. Options expire ten years from the date of the grant. There are no performance conditions associated with the options.

The Biofuels Common Stock options are generally protected from anti-dilution via adjustments for any stock dividends, stock split, combination or other recapitalization.

On May 6, 2009, the Company's Board approved the 2009 Stock Incentive Plan (the 2009 Plan). The 2009 Plan provides for 5,400,000 shares of Company Common Stock to be made issuable under the plan. Restricted stock or restricted stock units may be awarded under the plan at the discretion of the Board. Restricted stock units may not be sold, transferred, pledged, assigned, or otherwise alienated until the lapse of the period of restriction. The restrictions will lapse with respect to the restricted stock units upon vesting, at which point each restricted stock unit (RSU) will be immediately converted into one share of common stock. The restricted stock units have no conversion price.

In connection with a change of control, Biofuels, at its discretion, may cancel options in exchange for a payment per share in cash of an amount equal to the excess, if any, of the change of control price per share over the exercise price of the option. On August 18, 2010, the Biofuels Board cancelled the stock options held by company employees. This cancellation was concurrent with the issuance of the restricted stock units under the 2009 Plan. The remaining options held by non-employees were assumed by the Company and will remain outstanding under the 2009 Plan with the same conditions as under the 2006 Plan.

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There were no newly issued stock options granted during 2009 or 2010. For purposes of determining the fair value of stock options awarded in 2008, the Company used a Black-Scholes option pricing model and the assumptions set forth in the table below:

	2008
Weighted average fair value of options granted (per option)	$ 0.06
Dividend yield	0%
Range of risk-free interest rates	2.94 - 4.96%
Weighted average risk-fee interest rate	4.78%
Weighted average expected volatility	88%
Weighted average expected life in years	5.6
Weighted average fair value of common stock	$ 0.89

As provided for by ASC Topic 718, the Company applied the simplified method in estimating the average expected life of the options. The simplified method assumes that early exercise of the option will occur between the vesting date and expiration date of the option.

Because the Company's stock is not publicly traded, the Company used the average historical volatility rate for publicly traded companies that are engaged in similar alternative fuel activities to those of the Company. In order to estimate the expected volatility as of the grant date, the Company used a simple average of the volatility for a similar time period as the expected life of the options and the current implied volatility of exchange traded options.

The following table summarizes information about Common Stock options granted, exercised, forfeited, vested and exercisable:

	Amount of Options	Weighted Average Exercise Price	Weighted Average Contractual Term
Options outstanding - January 1, 2008	2,303,052	$ 9.54	9.2 years
Granted	35,000	$ 10.25	
Exercised	—		
Forfeited	(53,500)	$ 9.78	
Options outstanding - December 31, 2008	2,284,552	$ 9.55	7.7 years
Granted	—		
Exercised	—		
Forfeited	(76,000)	$ 9.93	
Options outstanding - December 31, 2009	2,208,552	$ 9.54	6.8 years
Granted	—		
Exercised	—		
Forfeited	(30,500)	$ 9.50	7.1 years
Cancelled	(1,959,236)	$ 9.55	6.5 years
Options outstanding - December 31, 2010	218,816	$ 9.50	5.6 years
Options exercisable - December 31, 2010	218,816	$ 9.50	5.6 years

The following table summarizes additional information about stock options as of December 31:

	2010	2009	2008
Estimated unrecognized compensation cost for nonvested options	$ —	$ 144	$ 1,989
Weighted average term the expense will be recognized	0.0 years	0.7 years	0.9 years

All stock options that remain outstanding are fully vested and exercisable.

There was no intrinsic value of options granted, exercised or outstanding during the periods presented.

On August 18, 2010, the Company Board approved the distribution of restricted stock units to employees of the Company. The cancellation of the 2006 Plan stock options and issuance of the restricted stock units was accounted for in accordance with ASC Topic 718. We followed modification accounting which requires the Company to recognize expense based upon the excess fair value of the new awards over the original awards as determined on the modification date. The excess fair value was calculated based upon the difference between the fair value of the restricted stock unit price at issuance and the fair value of the stock options cancelled utilizing the Black-Scholes options pricing model as of the same date. The Company used the assumptions set forth in the table below for the Black-Scholes options pricing model:

	2010
The weighted average fair value of restricted stock units issued (per unit)	$0.13 - $0.75
Dividend yield	0%
Weighted average risk-free interest rate	0.5% - 1.4%
Weighted average expected volatility	40% - 50%
Expected life in years	1.25 - 4.00

The 2009 Plan is generally protected from anti-dilution via adjustments for any stock dividends, stock split, combination or other recapitalization.

The following table summarizes information about the Company’s Common Stock restricted stock units granted, exercised, forfeited, vested and exercisable:

	Amount of Awards	Weighted Average Issue Price
Awards outstanding - December 31, 2009	—	
Issued	2,890,723	$ 5.00
Forfeited	(5,500)	$ 4.74
Awards outstanding - December 31, 2010	2,885,223	$ 5.00

The restricted stock units issued will cliff vest at the earlier of expressly provided service or performance conditions. The service period for these RSU awards is a three year period from the grant date. The performance conditions provide for immediate vesting upon various conditions including a change in control or other common stock liquidity events. The Company is recording the stock compensation expense over the three year service period.

Stock-based compensation cost relating to the stock options and restricted stock units was $1,376, $2,522 and $3,574 for the years ended December 31, 2010, 2009 and 2008, respectively. The stock-based compensation costs were included as a component of selling, general and administrative expenses. The remaining expense yet to be recorded for the restricted stock unit awards is $10,580 over a period of 2.7 years.

Blackhawk:

Blackhawk had an equity-based compensation plan which provided for the issuance of options to purchase an aggregate of 650,000 units of Blackhawk to members of the Blackhawk Board of Managers, for the purpose of providing services to facilitate the construction and planned future operations of the plant. Options to purchase the entire 650,000 units were issued on June 30, 2006. The options are exercisable at a purchase price of $1.00 per unit at any time from and after the date on which the plant commences operations (vesting date) and will continue for a period of one year following such date, after which all such rights shall terminate. During December 2008, Blackhawk commenced operations and at that time the unit options were fully vested.

On May 9, 2008, Blackhawk issued an option for the purchase of an additional 100,000 units to an outside consultant for services related to the project. This option is exercisable at a purchase price of $2.00 per unit at any time from and after the date on which the plant commences operations and will continue for a period of seven years following such date, after which all such rights shall terminate.

The following table presents the weighted average assumptions used to estimate the fair values of the units underlying the options granted to members of the board of managers and consultant in the periods presented, using the Black-Scholes option pricing model. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2008
Weighted average fair value of options granted (per option)	$1.00
Dividend yield	0%
Weighted average - risk fee interest rate	5%
Weighted average - expected volatility	25%
Weighted average - expected life in years	3

On February 26, 2010, the Blackhawk stock-based compensation plan was cancelled due to the merger with the Company. The outstanding options at the time of the merger were converted into Common Stock warrants of the Company.

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NOTE 17 — RELATED PARTY TRANSACTIONS

Related parties include certain investors as well as entities in which the company has an equity method investment or an investment combined with a MOSA or board seat. Investors defined as related parties include (i) the investor having ten percent or more ownership, including convertible preferred stock, in the Company or (ii) the investor holding a board seat on the Company's Board of Directors.

Summary of Related Party Transactions

		2010		2009		2008	
	Revenues - Biodiesel sales	$ 4,261	(a)	$ 17,157	(a)	$ 10,723	(a)
	Revenues - Services	$ 660	(b)	$ 1,121	(b)	$ 5,236	(b)
	Cost of goods sold - Biodiesel	$ 112,891	(c)	$ 53,379	(c)	$ 39,349	(c)
	Cost of goods sold - Services	$ 291	(d)	$ —	(d)	$ —	(d)
	Selling, general, and administrative expenses	$ 1,601	(e)	$ 1,836	(e)	$ 1,946	(e)
	Other income	$ —	(f)	$ 355	(f)	$ —	(f)
	Interest expense	$ 334	(g)	$ 26	(g)	$ —	(g)
	Interest income	$ 180	(h)	$ —	(h)	$ —	(h)
	Purchase of property, plant and equipment	$ —	(i)	$ —	(i)	$ 416	(i)
	Proceeds from the sale of long lived assets	$ —	(j)	$ 3,032	(j)	$ —	(j)
(a)	Represents transactions with related parties as follows:						
	West Central	$ 20		$ 11		$ 30	
	E D & F Man	4,241		14,299		10,023	
	Bunge	—		2,807		—	
	Network Plants	—		40		670	
		$ 4,261		$ 17,157		$ 10,723	
(b)	Represents transactions with related parties as follows:						
	Network Plants	$ 660		$ 1,121		$ 4,843	
	E D & F Man	—		—		393	
		$ 660		$ 1,121		$ 5,236	
(c)	Represents transactions with related parties as follows:						
	West Central	$ 14,739		$ 21,893		$ 38,851	
	Network plants	1,493		—		—	
	Bunge	96,659		31,183		—	
	E D & F Man	—		303		498	
		$ 112,891		$ 53,379		$ 39,349	
(d)	Represents transactions with Network Plants						
(e)	Represents transactions with related parties as follows:						
	West Central	$ 174		$ 328		$ 1,309	
	416 S. Bell, LLC	344		688		603	
	Bunge	993		617		—	
	E D & F Man	90		203		34	
		$ 1,601		$ 1,836		$ 1,946	
(f)	Represents transactions with ED&F Man						
(g)	Represents transactions with related parties as follows:						
	West Central	$ 123		$ —		$ —	
	Bunge	211		26		—	
		$ 334		$ 26		$ —	
(h)	Represents transactions with Blackhawk Biofuels						
(i)	Represents transactions with West Central						
(j)	Represents transactions with ED&F Man						

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Summary of Related Party Balances

		2010		2009	
	Accounts receivable	$ 1,146	(a)	$ 2,328	(a)
	Prepaid inventory	$ —	(b)	$ 269	(b)
	Accounts payable	$ 3,827	(c)	$ 5,415	(c)
(a)	Represents balances with related parties as follows:				
	West Central	$ 22		$ 123	
	Network Plants	12		1,065	
	Bunge	46		24	
	E D & F Man	1,066		1,116	
		$ 1,146		$ 2,328	
(b)	Represents balances with Bunge				
(c)	Represents balances with related parties as follows:				
	West Central	$ 2,539		$ 2,951	
	Network Plants	2		2,293	
	Bunge	1,286		127	
	E D & F Man	—		44	
		$ 3,827		$ 5,415	

West Central Cooperative

The Company purchases once-refined soy oil from West Central. Purchases from West Central were $14,739 $21,893 and $38,848 for the years ended December 31, 2010, 2009 and 2008, respectively. The Company also had biodiesel and co-product sales which totaled $20, $11 and $30 for the years ended December 31, 2010, 2009 and 2008, respectively.

West Central leases the land under the Company's production facility at Ralston, Iowa to the Company at an annual cost of one dollar. The Company is responsible for the property taxes, insurance, utilities and repairs for the facility relating to this lease. The lease has an initial term of twenty years and the Company has options to renew the lease for an additional thirty years.

At the time of the signing of the contribution agreement, the Company executed an asset use agreement with West Central to provide the use of certain assets, such as office space, maintenance equipment and utilities. The agreement requires the Company to pay West Central its proportionate share of certain costs incurred by West Central. This agreement has the same term as the land lease. Selling, general and administrative expenses included in the statement of operations related to this agreement totaled $40, $40 and $40 for the years ended December 31, 2010, 2009 and 2008, respectively.

At the time of the signing of the contribution agreement, the Company entered into a contract for services with West Central, to provide certain corporate and administrative services such as human resources, information technology, and accounting. The agreement requires the Company to pay West Central the proportionate share of the costs associated with the provision of services, plus a 15% margin. The agreement had an initial one-year term and is cancellable thereafter upon six months notice by either party. Selling, general, and administrative expenses included in the statement of operations related to this agreement totaled $134, 288 and $1,269 for the years ended December 31, 2010, 2009 and 2008, respectively.

In addition to the amounts above, the Company recorded $0, $0 and $3 of other costs of goods sold for the years ended December 31, 2010, 2009 and 2008, respectively.

The Company also acquired $0, $0 and $416 of property, plant and equipment from West Central during the years ended December 31, 2010, 2009 and 2008, respectively.

In addition to the amounts above, the Company recorded interest expense of and $123, $0 and $0 for the December 31, 2010, 2009 and 2008, respectively.

Accounts receivable includes net balances due from West Central of $22 and $123 at December 31, 2010 and 2009, respectively. Accounts payable includes net balances due to West Central of $2,539 and $2,951 at December 31, 2010 and 2009, respectively.

Bunge North America

The Company purchases feedstocks for the production of biodiesel. Purchases from Bunge were $96,659, $31,183 and $0 for the years ended December 31, 2010, 2009 and 2008, respectively. The Company also made sales of biodiesel and raw materials to Bunge of $0, $2,807 and $0 for the years ended December 31, 2010, 2009 and 2008, respectively.

During July 2009, the Company entered into an agreement for Bunge to provide services related to the procurement of raw materials and the purchase and resale of biodiesel produced by the Company. The agreement is a three-year term and either party has the ability to cancel the agreement after the term ends. Selling, general and administrative expenses included in the statement of operations related to this agreement totaled $480 and $461 for the years ended December 31, 2010 and 2009, respectively. The Company incurred $211 and $26 in interest expense for the years ended December 31, 2010 and 2009, respectively, related to the purchase and resale of biodiesel. Also, as part of the agreement, the Company is required to pay an incentive fee to Bunge for meeting certain hedging goals utilizing Bunge’s advice. Selling, general and administrative expenses included in the statement of operations include incentive fees of $513 and $156 for the years ended December 31, 2010 and 2009, respectively.

The Company has accounts receivable due from Bunge of $46 and $24 as of December 31, 2010 and 2009, respectively. The Company has prepaid inventory balance of $0 and $269 as of December 31, 2010 and 2009, respectively. The Company has accounts payable due to Bunge of $1,286 and $127 as of December 31, 2010 and 2009, respectively.

E D & F Man Holdings Ltd.

In August 2006, at the time of the initial closing of its preferred stock investment, the Company entered into a glycerin marketing agreement and various terminal lease agreements with one of E D & F’s then wholly owned subsidiaries, Westway Feed Products, Inc. (Westway). Under the glycerin marketing agreement, Westway has an exclusive right to market the glycerin produced at each of the Company’s owned and managed facilities. For the years ended December 31, 2010, 2009 and 2008, fees of $90, $203 and $34, respectively, were paid according to the agreement. This contract has a term of five years and automatically renews in one-year periods thereafter unless terminated by either party. The Company also has entered into a master terminal lease agreement and several leases for terminals with another wholly-owned subsidiary of E D & F, Westway Terminal Company, Inc. These leases have terms ranging from one month to four years. The Company leased two terminals for aggregate fees of $0, $303 and $498 during the years ended December 31, 2010, 2009 and 2008, respectively. Additionally, the Company received $0, $355 and $393 in terminal lease revenue from Westway during the years ended December 31, 2010, 2009 and 2008, respectively, related to its terminal facility located in Stockton, California. In July 2009, the Company sold the Stockton terminal facility to Westway for $3,032, resulting in a gain of $2,254.

The Company also entered into a tolling agreement with E D & F for biodiesel to be produced out of the Company’s Houston, Texas biodiesel production facility. Revenues on biodiesel from this toll agreement and from other biodiesel sales were $4,241, $12,659 and $10,023 for the years ended December 31, 2010, 2009 and 2008, respectively. Additionally, revenues from raw material sales totaled $0, $1,640 and $0 for the years ended December 31, 2010, 2009 and 2008, respectively.

The Company had accounts receivable due from E D & F Man of $1,066 and $1,116 as of December 31, 2010 and 2009, respectively. The Company had accounts payable due to E D & F Man of $0 and $44 as of December 31, 2010 and 2009, respectively.

Network Plants

The Company receives certain fees for the marketing and sale of product produced by and the management of the Network Plants’ operations, in which the Company has also invested. As an additional incentive to the Company and additional compensation for the marketing, sales and management services being rendered, the Network Plants pay a bonus to the Company on an annual basis equal to a percentage of the net income of the Network Plant, as defined by the management agreement. Total related party management service revenues recognized by the Company related to investees were $660, $1,121 and $4,843 for the years ended December 31, 2010, 2009 and 2008, respectively. Additionally, revenues from biodiesel sales totaled $0, $40 and $670 for the years ended December 31, 2010, 2009 and 2008, respectively. The Company also incurred fees related to the production of biodiesel in the amount of $1,493 for the year ended December 31, 2010.

The Company had accounts receivable due from the Network Plants of $12 and $1,065 at December 31, 2010 and 2009, respectively. The Company had accounts payable due to the Network Plants of $2 and $2,293 at December 31, 2010 and 2009, respectively.

416 S. Bell, LLC

The Company rents a building for administrative uses under an operating lease from 416 S. Bell, LLC. Rent payments made under this lease totaled $344, $688 and $603 for the years ended December 31, 2010, 2009 and 2008, respectively.

NOTE 18 — OPERATING LEASES

The Company acts as a lessee for certain land and equipment under operating leases. Total rent expense under operating leases was $5,950, $8,171 and $4,361 for the years ended December 31, 2010, 2009 and 2008, respectively. For each of the next five calendar years and thereafter, future minimum lease payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year are as follows:

	Related Party Payments	Other Payments	Total Payments
2011	$ 690	$ 6,578	$ 7,268
2012	690	7,508	8,198
2013	690	7,183	7,873
2014	690	7,038	7,728
2015	690	6,843	7,533
Thereafter	1,379	49,235	50,614
Total minimum payments	$ 4,829	$ 84,385	$ 89,214

The Company leases consist primarily of: accesses to distribution terminals, biodiesel storage facilities, railcars and vehicles. At the end of the lease term the Company, generally, has the option to (a) return the leased equipment to the lessor, (b) purchase the property at its then fair value or (c) renew its lease at the then fair rental value on a year-to-year basis or for an agreed upon term. Certain leases allow for adjustment to minimum rentals in future periods as determined by the Consumer Price Index.

NOTE 19 — DERIVATIVE INSTRUMENTS

From time to time the Company enters into derivative transactions to hedge its exposure to interest rate and commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

As of December 31, 2010, the Company has entered into heating oil and soy oil derivative instruments and an interest rate swap agreement. The Company has entered into heating oil and soy oil commodity-based derivatives in order to protect gross profit margins from potentially adverse effects of price volatility on biodiesel sales where the prices are set at a future date. As of December 31, 2010, the Company had 269 open commodity contracts. In addition, the Company manages interest rate risk associated with the REG Danville variable interest rate note payable using a fixed rate swap. The interest rate swap agreement has an outstanding notional value of $20,747 as of December 31, 2010. The agreement effectively fixes the variable component of the interest rate on the Term Loan at 3.67% through November 2011. The fair value of the interest rate swap agreement was $612 and $1,031 at December 31, 2010 and 2009, respectively, and is recorded in the other noncurrent liabilities. The interest rate swap was not designated as an accounting hedge under ASC Topic 815 and thus all gains and losses are recorded currently in earnings.

ASC 815 requires all derivative financial instruments to be recorded on the balance sheet at fair value. The Company's derivatives are not designated as hedges and are utilized to manage cash flow. The changes in fair value of the derivative instruments are recorded through earnings in the period of change.

REG Danville's interest rate swap contains a credit support arrangement that is directly linked to the notes payable with the same counterparty. Therefore, the interest rate swap counterparty would have access to the debt service fund or other collateral posted by REG Danville as a result of any failure to perform under the interest rate swap agreement. As of December 31, 2010, the Company posted $2,119 of collateral associated with its commodity-based derivatives with a net liability position of $483.

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The Company's preferred stock embedded conversion feature is further discussed in "Note 2 – Summary of Significant Accounting Policies".

The following tables provide details regarding the Company's derivative financial instruments:

	As of December 31, 2009			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Embedded derivative			Preferred stock embedded conversion feature derivatives	$ 4,104
Interest rate swap			Other liabilities	1,031
Commodity derivatives	Prepaid expenses and other assets	$ 47	Prepaid expenses and other assets	300
Total derivatives		$ 47		$ 5,435

	As of December 31, 2010			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Embedded derivative			Preferred stock embedded conversion feature derivatives	$ 61,761
Interest rate swap			Other liabilities	612
Commodity derivatives	Prepaid expenses and other assets	$ 78	Prepaid expenses and other assets	561
Total derivatives		$ 78		$ 62,934

	Location of Gain (Loss) Recognized in Income	2010 Amount of Gain (Loss) Recognized in Income on Derivatives	2009 Amount of Gain (Loss) Recognized in Income on Derivatives
Embedded derivative	Change in fair value of preferred stock conversion feature embedded derivatives	$ (8,208)	$ (2,339)
Interest rate swap	Change in fair value of interest rate swap	469	382
Commodity derivatives	Cost of goods sold - Biodiesel	(1,213)	(1,086)
Total		$ (8,952)	$ (3,043)

NOTE 20 — FAIR VALUE MEASUREMENT

ASC Topic 820 establishes a framework for measuring fair value in GAAP and expands disclosures about fair market value measurements. ASC Topic 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, ASC Topic 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 — Quoted prices for identical instruments in active markets.

- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.
- Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

In addition, ASC Topic 820 requires disclosures about the use of fair value to measure assets and liabilities to enable the assessment of inputs used to develop fair value measures, and for unobservable inputs, to determine the effects of the measurements on earnings.

A summary of assets (liabilities) measured at fair value as of December 31, 2009 and 2010 is as follows:

	As of December 31, 2009			
	Total	Level 1	Level 2	Level 3
Preferred stock embedded derivatives	$ (4,104)	$ —	$ —	$ (4,104)
Interest rate swap	$ (1,031)	—	(1,031)	—
Commodity derivatives	$ (253)	—	(253)	—
	$ (5,388)	$ —	$ (1,284)	$ (4,104)

	As of December 31, 2010			
	Total	Level 1	Level 2	Level 3
Preferred stock embedded derivatives	$ (61,761)	$ —	$ —	$ (61,761)
Interest rate swap	$ (612)	—	(612)	—
Seneca Holdco liability	$ (10,406)	—	—	(10,406)
Restricted cash	$ 401	401	—	—
Commodity derivatives	$ (483)	—	(483)	—
	$ (72,861)	$ 401	$ (1,095)	$ (72,167)

The following is a reconciliation of the beginning and ending balances for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2010 and 2009:

	Preferred Stock Embedded Derivatives	Seneca Holdco Liability	Blackhawk Subordinated Debt	Blackhawk Unit Interest
Ending balance - December 31, 2008	$ (1,765)	$ —	$ —	$ —
Total unrealized gains (losses)	(2,339)	—	—	—
Purchases, issuance, and settlements, net	—	—	—	—
Ending balance - December 31, 2009	(4,104)	—	—	—
Total unrealized gains (losses)	—	(4,179)	—	—
Deconsolidation of Blackhawk	(8,208)	—	24,298	3,678
Purchases, issuance, and settlements, net	(49,448)	437	—	291
Purchase accounting consolidation	(1)	(6,664)	(24,298)	(3,969)
Ending balance - December 31, 2010	$ (61,761)	$ (10,406)	$ —	$ —

The company used the following methods and assumptions to estimate fair value of its financial instruments:

Valuation of Preferred Stock embedded conversion feature derivatives: The estimated fair value of the derivative instruments embedded in the Company's outstanding preferred stock is determined using the option pricing method to allocate the fair value of the underlying stock to the various components comprising the security, including the embedded derivative. The allocation was performed based on each class of preferred stock's liquidation preference and relative seniority. Derivative liabilities are adjusted to reflect fair value at each period end. The effects of interactions between embedded derivatives are calculated and accounted for in arriving at the overall fair value of the financial instruments.

Interest rate swap: The fair value of the interest swap was determined based on a discounted cash flow approach using market observable swap curves.

Restricted cash: This instrument consists of money market mutual funds whose fair value is based on quoted prices of identical assets in an active exchange-traded market and are reflected in Level 1.

Commodity derivatives: The instruments held by the Company consist primarily of futures contracts, swap agreements, purchased put options, and written call options. The fair value of contracts based on quoted prices of identical assets in an active exchange-traded market is reflected in Level 1. Contracts whose fair value is determined based on quoted prices of similar contracts in over-the-counter markets are reflected in Level 2.

Seneca Holdco liability: The liability represents the combination of the Call Option and the Put Option related to the purchase of membership interest of Seneca Landlord, LLC. The fair value of the Seneca Holdco liability is determined using an option pricing model and represents the probability weighted present value of the gain that is realized upon exercise of each option.

Notes payable and lines of credit: The fair value of long-term debt and lines of credit was established using discounted cash flow calculations and current market rates.

The estimated fair values of the Company's financial instruments, which are not recorded at fair value are as follows as of December 31, 2010 and 2009:

	2010		2009	
	Asset (Liability) Carrying Amount	Estimated Fair Value	Asset (Liability) Carrying Amount	Estimated Fair Value
Financial Liabilities:				
Notes payable and lines of credit	(96,125)	(96,228)	(28,855)	(29,124)

NOTE 21 — BUSINESS CONCENTRATIONS

Certain customers represented greater than 10% of the total consolidated revenues of the Company for the three years ended December 31, 2010, 2009 and 2008. All customer amounts disclosed in the table are related to biodiesel sales:

	2010	2009	2008
Customer A			$10,779
Customer B	$ 4,241	$14,299	10,023
Customer C	62,632	31,947	

The Company maintains cash balances at financial institutions, which may at times exceed the $250 coverage by the U.S. Federal Deposit Insurance Company.

NOTE 22 — OPERATING SEGMENTS

The Company reports its operating segments based on services provided to customers, which includes Biodiesel, Services and Corporate and Other activities. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company has chosen to differentiate the operating segments based on the products and services each segment offers.

The Biodiesel segment processes waste vegetable oils, animal fats, virgin vegetable oils and other feedstocks and methanol into biodiesel. The Biodiesel segment also includes the Company's purchases and resale of biodiesel produced by third parties. Revenue is derived from the sale of the processed biodiesel, related byproducts and renewable energy government incentive payments. The Services segment offers services for managing the construction of biodiesel production facilities and managing ongoing operations of third party plants and collects fees related to the services provided. The Company does not allocate items that are of a non-operating nature or corporate expenses to the business segments. Intersegment revenues are reported by the Services segment which manages the construction and operations of facilities included in the Biodiesel segment. Revenues are recorded by the Services segment at cost. Corporate expenses consist of corporate office expenses including compensation, benefits, occupancy and other administrative costs, including management service expenses.

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The following table represents the significant items by operating segment for the results of operations for the years ended December 31, 2010, 2009 and 2008:

	2010	2009	2008
Net sales:			
Biodiesel	$ 215,142	$ 128,492	$ 76,073
Services	9,484	5,396	34,472
Intersegment revenues	(8,171)	(2,387)	(25,093)
	$ 216,455	$ 131,501	$ 85,452
Loss before income taxes and loss from equity investments:			
Biodiesel	$ 21,126	$ 1,119	$ (2,663)
Services	506	1,832	4,909
Corporate and other (a)	(45,783)	(25,508)	(26,526)
	$ (24,151)	$ (22,557)	$ (24,280)
Depreciation and amortization expense, net:			
Biodiesel	$ 5,928	$ 5,772	$ 1,082
Purchases of property, plant, and equipment:			
Biodiesel	$ 4,550	$ 7,350	$ 67,235

	2010	2009
Goodwill:		
Biodiesel	$ 68,784	$ —
Services	16,080	16,080
	$ 84,864	$ 16,080
Assets:		
Biodiesel	$ 310,021	$ 147,807
Services	20,799	17,829
Corporate and other (b)	38,823	34,922
	$ 369,643	$ 200,558

(a) Corporate and other includes income/(expense) not associated with the business segments, such as corporate general and administrative expenses, shared service expenses, interest expense and interest income, all reflected on an accrual basis of accounting.

(b) Corporate and other includes cash and other assets not associated with the business segments, including investments.

NOTE 23 — COMMITMENTS AND CONTINGENCIES

On May 8, 2009 the Company entered into a series of agreements with one of its shareholders, Bunge, whereby Bunge would purchase raw material inputs for later resale to the Company and use in producing biodiesel. Additionally, the agreements provide for Bunge to purchase biodiesel produced by the Company for resale to the Company's customers. These agreements provide financing for the Company's raw material and finished goods inventory not to exceed aggregate amounts outstanding of $10,000. In exchange for this financing, Bunge will receive fees equal to the greater of 30 day LIBOR plus 7.5% or 10% as determined based on the amount of inventory financed, plus a monthly service fee of $40 and incentive fees not to exceed $1,500 per annum. As of December 31, 2010 and 2009, there was $280 and $86, respectively, in incentive fees due to Bunge.

The Company is involved in legal proceedings in the normal course of business. The Company currently believes that any ultimate liability arising out of such proceedings will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

NOTE 24 — SUPPLEMENTAL INFORMATION

The following table represents the significant items for the results of operations on a quarterly basis for the years ended December 31, 2010 and 2009:

	Three Months Ended March 31, 2010	Three Months Ended June 30, 2010	Three Months Ended September 30, 2010	Three Months Ended December 31, 2010	Total
Revenues	$ 37,489	$ 46,337	$ 63,122	$ 69,507	$216,455
Gross profit	2,250	5,094	6,485	7,803	21,632
Selling, general, and administrative expenses	5,086	5,731	5,782	5,588	22,187
Income (loss) from operations	(2,977)	(637)	(6,633)	2,198	(8,049)
Other income (expense), net	(55)	3,011	(811)	(18,247)	(16,102)
Net loss attributable to noncontrolling interest	—	—	—	—	—
Net income (loss) attributable to the Company	3,081	(392)	(7,617)	(16,660)	(21,588)

	Three Months Ended March 31, 2009	Three Months Ended June 30, 2009	Three Months Ended September 30, 2009	Three Months Ended December 31, 2009	Total
Revenues	$ 18,964	$ 30,132	$ 42,689	$ 39,716	$131,501
Gross profit (loss)	(2,016)	(859)	1,976	3,850	2,951
Selling, general, and administrative expenses	5,073	7,200	7,643	5,649	25,565
Loss from operations	(7,089)	(8,059)	(3,413)	(2,632)	(21,193)
Other income (expense), net	1,970	160	(2,988)	(506)	(1,364)
Net loss attributable to noncontrolling interest	2,951	1,941	1,448	1,613	7,953
Net loss attributable to the Company	(1,223)	(4,026)	(3,515)	(52,141)	(60,905)

NOTE 25 — SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through the date the financial statements were issued.

The AgStar Line expired on March 7, 2011. The Company was able to extend the terms of the line of credit with the bank. The borrowing capacity of the line of credit remained at $2,350 and matures on March 5, 2012.

* * * * * *

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision of and with the participation of the Chief Executive Officer, or CEO, and Chief Financial Officer, or CEO, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report, December 31, 2010.

In connection with our evaluation of disclosure controls and procedures, we have concluded that the Company's disclosure controls and procedures are effective as of December 31, 2010.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with United States Generally Accepted Accounting Principles ("US GAAP"). Under the supervision of, and with the participation of our CEO and CFO, management assessed the effectiveness of internal control over financial reporting as of December 31, 2010. Management based its assessment on criteria established in "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management concluded that its internal control over financial reporting was effective as of December 31, 2010.

Changes in Internal Control over Financial Reporting

As previously disclosed, management has implemented remediation activities, described below, related to a series of material weaknesses identified in our assessment of internal control over financial reporting as of December 31, 2009 and reported in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010. The material weaknesses as of December 31, 2009 related to:

1. Our financial close and reporting system were not designed and operating effectively;
2. We did not perform or document a formal entity-level risk assessment to evaluate the implications of relevant risks on financial reporting from operating and other activities, including the impact of our increasing complexity as a result of rapidly expanding the number of our wholly-owned and member-owned facilities in our network and non-routine transactions such as the issuance of debt and equity, accounting for acquisitions, and accounting for the accretion of the discount on preferred stock; and
3. We did not have a comprehensive set of information systems policies including information security and change control. We did not followed a consistent process for documenting, testing, approving and implementing changes to the information systems environments and maintenance of the system was not effectively restricted.

During 2010 and prior, we implemented the following measures to remediate the material weaknesses identified above:

1. To remediate the material weaknesses related to our financial close and reporting system and our accounting for non-routine transactions, the Company has:
   - Added experienced personnel to the accounting function to improve controls over the financial close and reporting process, including hiring a CFO in 2009, and in 2010, adding a Controller, a Tax Manager and an Accounting Manager.
   - Engaged third party experts to assist management in its evaluation of complex valuation, derivative analysis, tax matters, impairment assessments, purchase accounting and merger and acquisition accounting matters.
   - Established cross-functional collaboration across management to facilitate effective communication of potential impacts of business decisions and impacts on the accounting and reporting processes.
2. The Company has developed and implemented a formal cross-functional fraud risk assessment process led by the CEO, Chief Operating Officer, and CFO and including other members of executive management. This cross-functional risk assessment encompassed substantially all facets of the internal control environment and potential fraud risk factors.

3. During 2009 and 2010, the Company has converted from the legacy IT environment to an ERP solution which has resulted in remediation of our information security and change control weakness. Additionally, we have added internal technical resources and engaged third party providers to support the system. Further, as described above, the Company has added resources to the accounting function that provide guidance to the organization regarding the control environment remediation activities. These additional resources have also allowed the Company to design and implement compensating manual controls within the business cycles to remediate our control weakness related to system access.

As of December 31, 2010, management has concluded that the remediation activities are properly designed and have been in place for a sufficient amount of time to conclude that controls were operating effectively as of December 31, 2010. Therefore, management has determined that these material weaknesses have been remediated during the fourth quarter of 2010.

Except for the changes described above, there have been no changes during the Company's quarter ended December 31, 2010 in our internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K.

Item 11. Executive Compensation

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

FINANCIAL STATEMENTS

Our consolidated financial statements are listed in the Index to Financial Statements and Schedules under Item 8 of this report.

FINANCIAL STATEMENT SCHEDULES

Our consolidated financial statement schedules are listed in the Index to Financial Statements and Schedules under (b) below.

EXHIBITS

Exhibits are listed in the Exhibit Index.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RENEWABLE ENERGY GROUP, INC.
(Registrant)

By /s/ JEFFREY STROBURG
Jeffrey Stroburg
Chairman and Chief Executive Officer

Date: March 31, 2011

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that the individuals whose signatures appear below constitute and appoint Natalie Lischer and Chad Stone, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign this Annual Report on Form 10-K (including any and all amendments), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	Signature	Title	Date
BY	/s/ JEFFREY STROBURG **Jeffrey Stroburg**	Chairman and Chief Executive Officer (Principal Executive Officer)	March 31, 2011
BY	/s/ CHAD STONE **Chad Stone**	Chief Financial Officer (Principal Financial Officer)	March 31, 2011
BY	/s/ NATALIE LISCHER **Natalie Lischer**	Treasurer (Principal Accounting Officer)	March 31, 2011
	/s/ PAUL CHATTERTON **Paul Chatterton**	Director	March 31, 2011
	/s/ SCOTT P. CHESNUT **Scott P. Chesnut**	Director	March 31, 2011
	/s/ DELBERT CHRISTENSEN **Delbert Christensen**	Director	March 31, 2011
	/s/ RANDOLPH L. HOWARD **Randolph L. Howard**	Director	March 31, 2011
	/s/ ERIC HAKMILLER **Eric Hakmiller**	Director	March 31, 2011

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/s/ MICHAEL A. JACKSON **Michael A. Jackson**	Director	March 31, 2011
/s/ JONATHAN KOCH **Jonathan Koch**	Director	March 31, 2011
/s/ CHRISTOPHER SORRELLS **Christopher Sorrells**	Director	March 31, 2011
/s/ DON HUYSER **Don Huyser**	Director	March 31, 2011
/s/ RONALD MAPES **Ronald Mapes**	Director	March 31, 2011

EXHIBIT INDEX

Exhibit No.	DESCRIPTION
2.1	Second Amended and Restated Agreement and Plan of Merger, executed November 21, 2009, dated and effective as of the original execution date, May 11, 2009, by and among REG Newco, Inc., a Delaware corporation, REG Danville, LLC, a Delaware limited liability company, Blackhawk Biofuels, LLC, a Delaware limited liability company and Renewable Energy Group, Inc., a Delaware corporation (the "Registrant") (incorporated by reference to Annex A of the Registrant's Registration Statement on Form S-4 (Commission File No. 333-161187)).
2.2	Second Amended and Restated Agreement and Plan of Merger, executed November 20, 2009, dated and effective as of the original execution date, May 11, 2009, by and among REG Newco, Inc., a Delaware corporation, REG Merger Sub, Inc., a Delaware corporation, and Renewable Energy Group, Inc., a Delaware corporation (incorporated by reference to Annex B of the Registrant's Registration Statement on Form S-4 (Commission File No. 333-161187)).
2.3	Second Amended and Restated Asset Purchase Agreement by and among REG Newco, Inc., REG Newton, LLC, Central Iowa Energy, LLC and Renewable Energy Group, Inc., executed November 20, 2009, dated and effective as of the original execution date, May 8, 2009 (incorporated by reference to Annex C of the Registrant's Registration Statement on Form S-4 (Commission File No. 333-161187)).
3.1	Restated Certificate of Incorporation of Renewable Energy Group, Inc., effective as of February 26, 2010, (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed March 4, 2010).
3.2	Bylaws of the Registrant.
3.3	Certificate of Designation of Series and Determination of Rights and Preferences of Series A Convertible Preferred Stock of the Registrant.
4.1	Specimen certificate of common stock of the Registrant (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed November 23, 2009).
4.2	Specimen certificate of Series A Preferred Stock of the Registrant (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-4/A filed November 23, 2009).
4.3	Form of warrant issued by the Registrant to entities affiliated with Natural Gas Partners (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.4	Schedule of warrants issued by the Registrant to Natural Gas Partners VIII, L.P. and entities affiliated with NGP Energy Technology Partners (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.5	Form of warrant issued by the Registrant to the purchasers of the Registrant's Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.6	Schedule of warrants issued by the Registrant to the purchasers of the Registrant's Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.7	Form of warrant issued by the Registrant to the purchasers of the Registrant's Series AA and Series BB Convertible Preferred Stock (incorporated by reference to Exhibit 4.7 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.8	Schedule of warrants issued by the Registrant to the purchasers of the Registrant Series AA and Series BB Convertible Preferred Stock (incorporated by reference to Exhibit 4.8 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.9	Form of warrant issued by the Registrant to ED&F Man Holdings B.V. (incorporated by reference to Exhibit 4.9 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.10	Schedule of warrants issued by the Registrant to ED&F Man Holdings B.V. (incorporated by reference to Exhibit 4.10 to the Registrant's Registration Statement on Form S-4/A filed August 10, 2009).
4.11	Form of warrant issued by REG to members of the former board of managers and executive officers of Blackhawk.
4.12	Schedule of warrants issued by REG to members of the former board of managers and executive officers of Blackhawk.
10.1	Master Loan Agreement, dated as of March 8, 2010, between AgStar Financial Services, PCA and REG Newton, LLC. (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.2	First Supplement to the Master Loan Agreement, dated as of March 8, 2010, between AgStar Financial Services, PCA and REG Newton, LLC. (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).

10.3	Second Supplement to the Master Loan Agreement, dated as of March 8, 2010, between AgStar Financial Services, PCA and REG Newton, LLC. (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.4	REG Newton, LLC Revolving Line of Credit Note, dated March 8, 2010. (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.5	REG Newton, LLC Term Note, dated March 8, 2010. (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.6	First Amendment to Second Supplement to the Master Loan Agreement, dated as of March 8, 2010, between AgStar Financial Services, PCA and REG Newton, LLC.
10.7	First Allonge to Revolving Line of Credit Note, dated March 8, 2010.
10.8	Corporate Guaranty (Revolving Line of Credit Loan), dated March 8, 2010 (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.9	Corporate Guaranty (Term Loan), dated March 8, 2010 (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.10	Loan Agreement, dated May 9, 2008, between Blackhawk Biofuels, LLC and Fifth Third Bank (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed by Blackhawk Biofuels, LLC for the quarter ended March 31, 2008).
10.11	Second Amendment to Loan Agreement by and among Fifth Third Bank and Blackhawk Biofuels, LLC dated November 25, 2009 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Blackhawk Biofuels, LLC on December 3, 2009).
10.12	Third Amendment to Loan Agreement, dated February 26, 2010, by and between Fifth Third Bank and Blackhawk Biofuels, LLC (incorporated by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2010).
10.13	Fourth Amendment to Loan Agreement, dated February 26, 2010, by and between Fifth Third Bank and Blackhawk Biofuels, LLC.
10.14	Stockholder Agreement by and among REG Newco, Inc., certain holders of REG Newco, Inc. common stock and certain holders of REG Newco, Inc. Series A Preferred Stock (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed March 4, 2010).
10.15	First Amendment to the Stockholder Agreement of REG Newco, Inc. dated June 29, 2010.
10.16	Registration Rights Agreement, dated February 26, 2010, by and among REG Newco, Inc., certain holders of REG Newco, Inc. common stock and certain holders of REG Newco, Inc. Series A Preferred Stock.
10.17	Amended and Restated Credit Agreement, dated as of April 8, 2010, among Seneca Landlord, LLC and WestLB AG, New York Branch.
10.18	Lease Agreement, dated as of April 8, 2010, by and between Seneca Landlord, LLC and REG Seneca, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 15, 2010).
10.19	Funding, Investor Fee and Put/Call Agreement, dated as of April 8, 2010, by and among Seneca Biodiesel Holdco, LLC, Seneca Landlord, LLC, Renewable Energy Group, Inc., REG Intermediate Holdco, Inc., and REG Seneca, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed April 15, 2010).
10.20	Accounts Agreement, dated as of April 8, 2010, by and among Seneca Landlord, LLC, REG Seneca, LLC, Sterling Bank, WestLB AG, New York Branch (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed April 15, 2010).
10.21	Revolving Credit Agreement dated as of April 8, 2010, by and among REG Marketing and Logistics Group, LLC, REG Services Group, LLC, Renewable Energy Group, Inc. and WestLB AG, New York Branch (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed April 15, 2010).
10.22	BCA Registration Rights Agreement.
10.23	Master Services Agreement between the Registrant and Bunge dated May 8, 2009 (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-4/A filed November 12, 2009).
10.24	Contract for Services by and between West Central and the Registrant dated August 1, 2006 (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-4/A filed October 5, 2009).
10.25	Ground Lease by and between West Central and the Registrant dated July 31, 2006 (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-4/A filed October 5, 2009).

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10.26	Asset Use Agreement by and between West Central and the Registrant dated August 1, 2006 (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-4/A filed October 5, 2009).
10.27	Extended Payment Terms Agreement by and between West Central Cooperative and the Registrant dated June 2009 (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-4/A filed November 12, 2009).
10.28[1]	Indemnification Agreement executed by each of the Registrant's executive officers and directors (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-4/A filed November 23, 2009).
10.29[1]	2009 Stock Incentive Plan. (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended June 30, 2010).
10.30	Agreement for Purchase and Sale of Assets and Common Stock by and among ARES Corporation, Clovis Biodiesel, LLC, REG Clovis, LLC and the Registrant dated August 24, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the three months ended September 30, 2010).
21	Renewable Energy Group, Inc. Subsidiaries.
23	Consent of Independent Registered Public Accounting Firm.
24	Powers of Attorney (included in the signature page to this Annual Report on Form 10-K).
31	Rule 13a-14(a)/15d-14(a) Certifications.
32	Furnished statements of the Chief Executive Officer and Chief Financial Officer under 18 U.S.C. Section 1350.

[1] Management contract or compensatory plan, contract or arrangement.

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(b) Financial Statement Schedules

SCHEDULE I

RENEWABLE ENERGY GROUP, INC.

FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,457	$ 168
Restricted cash	—	155
Notes receivables	4,664	—
Prepaid expenses and other assets	2	10,639
Total current assets	6,123	10,962
Property, plant and equipment, net	2,191	69,810
Property, plant and equipment, net - Seneca Landlord, LLC	2,497	—
Intangible assets, net	3,006	7,025
Deferred income taxes	1,500	1,500
Investment in subsidiaries	211,679	54,066
Notes receivable	—	21,700
Intercompany receivables	844	—
Other assets	17	2,467
TOTAL ASSETS	$227,857	167,530
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Current maturities of notes payable	$ —	$ 10
Accounts payable	201	3,590
Accrued expenses	—	229
	201	3,829
Preferred stock embedded conversion feature derivatives	61,761	4,104
Seneca Holdco liability, at fair value	6,843	—
Notes payable	—	89
Intercompany payables	—	28,533
Other liabilities	1,500	8,984
Total liabilities	70,305	45,539
COMMITMENTS AND CONTINGENCIES		
Redeemable preferred stock ($.0001 par value; 60,000,000 shares authorized; 13,455,522 and 12,464,357 shares outstanding at December 31, 2010 and 2009, respectively; redemption amount $222,016 and $247,587 at December 31, 2010 and 2009, respectively)	122,436	149,122
EQUITY (DEFICIT):		
Company stockholders' equity (deficit):		
Common stock ($.0001 par value; 140,000,000 shares authorized; 33,129,553 and 19,575,117 shares outstanding at December 31, 2010 and 2009, respectively)	3	2
Common stock - additional paid-in-capital	82,634	15,676
Warrants - additional paid-in-capital	4,820	4,619
Accumulated deficit	(52,341)	(60,905)
Total stockholders' equity (deficit)	35,116	(40,608)
Noncontrolling interest	—	13,477
Total equity (deficit)	35,116	(27,131)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	$227,857	$167,530

See notes to the Renewable Energy Group, Inc. and subsidiaries consolidated financial statements included elsewhere herein.

SCHEDULE I

RENEWABLE ENERGY GROUP, INC.

FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008
(IN THOUSANDS)

	2010	2009	2008
REVENUES:			
Equity in losses of subsidiaries of continuing operations	$ (9,218)	$ (11,305)	$(15,014)
Services	490	2,771	2,770
Operating loss	(8,728)	(8,534)	(12,244)
GENERAL AND ADMINISTRATIVE EXPENSES	(3,951)	(13,117)	(16,632)
IMPAIRMENT ON LONG LIVED ASSET	—	(833)	—
CHANGE IN FAIR VALUE OF PREFERRED STOCK CONVERSION FEATURE EMBEDDED DERIVATIVES	(8,208)	(2,339)	2,118
CHANGE IN FAIR VALUE OF SENECA HOLDCO LIABILITY	(4,179)	—	—
OTHER INCOME	19	405	334
INTEREST EXPENSE	(2)	(7)	—
INTEREST INCOME	209	1,178	1,131
LOSS BEFORE INCOME TAXES AND LOSS FROM EQUITY INVESTMENTS	(24,840)	(23,247)	(25,293)
INCOME TAX BENEFIT (EXPENSE)	3,252	(45,212)	9,414
LOSS FROM EQUITY INVESTMENTS	—	(399)	—
NET LOSS	(21,588)	(68,858)	(15,879)
LESS - NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	—	7,953	2,788
NET LOSS ATTRIBUTABLE TO THE COMPANY	(21,588)	(60,905)	(13,091)
EFFECTS OF RECAPITALIZATION	8,521	—	—
LESS - ACCRETION OF PREFERRED STOCK TO REDEMPTION VALUE	(27,239)	(44,181)	(26,692)
NET LOSS ATTRIBUTABLE TO THE COMPANY’S COMMON STOCKHOLDERS	$(40,306)	$(105,086)	$(39,783)

See notes to the Renewable Energy Group, Inc. and subsidiaries consolidated financial statements included elsewhere herein.

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SCHEDULE I

RENEWABLE ENERGY GROUP, INC.

FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF REDEEMABLE PREFERRED STOCK AND EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008 (IN THOUSANDS EXCEPT SHARE AMOUNTS)

			Company Stockholders' Equity (Deficit)						
	Redeemable Preferred Stock Shares	Redeemable Preferred Stock	Common Stock Shares	Common Stock	Common Stock - Additional Paid-in Capital	Warrants - Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Noncontrolling Interest	Total
BALANCE, January 1, 2008	8,578,945	$ 43,707	13,334,874	$ 1	$ 62,629	$ 4,556	$ 25,723	$ 807	$ 93,716
Issuance of preferred stock, net of $246 of issuance cost and $302 for embedded derivative	3,855,059	34,208	—	—	—	—	—	—	—
Issuance of common stock, net of $234 of issuance costs	—	—	5,970,243	1	5,080	—	—	—	5,081
Issuance of warrants	—	—	—	—	(63)	63	—	—	—
Contributions	—	—	—	—	—	—	—	22,820	22,820
Removal of noncontrolling interest as a result of deconsolidation	—	—	—	—	—	—	—	(602)	(602)
Stock compensation expense	—	—	—	—	3,574	—	—	—	3,574
Accretion of preferred stock to redemption value	—	26,692	—	—	(14,060)	—	(12,632)	—	(26,692)
Net loss	—	—	—	—	—	—	(13,091)	(2,788)	(15,879)
BALANCE, December 31, 2008	12,434,004	104,607	19,305,117	2	57,160	4,619	—	20,237	82,018
Issuance of preferred stock	30,353	334	—	—	—	—	—	—	—
Issuance of common stock	—	—	270,000	—	1,368	—	—	—	1,368
Stock compensation expense	—	—	—	—	2,522	—	—	—	2,522
Accretion of preferred stock to redemption value	—	44,181	—	—	(44,181)	—	—	—	(44,181)
Increase in Blackhawk Biofuels LLC members' equity from issuance of common stock	—	—	—	—	(1,193)	—	—	1,193	—
Net loss	—	—	—	—	—	—	(60,905)	(7,953)	(68,858)
BALANCE, December 31, 2009	12,464,357	149,122	19,575,117	2	15,676	4,619	(60,905)	13,477	(27,131)
Derecognition of REG Holdco preferred stock, common stock, and common stock warrants	(12,464,357)	(158,475)	(19,575,117)	(2)	(6,323)	(4,619)	—	—	(10,944)
Issuance of preferred stock, common stock, and common stock warrants to REG Holdco, net of $52,394 for embedded derivatives	13,164,357	102,287	18,875,117	2	14,221	4,619	—	—	— 18,842
Issuance of common stock in acquisitions, net of $862 for issue cost	—	—	13,754,436	1	79,304	—	—	—	79,305
Issuance of preferred stock in acquisitions, net of $1,158 for embedded derivatives	291,165	2,263	—	—	—	—	—	—	—
Issuance of warrants in acquisitions	—	—	—	—	—	1,269	—	—	1,269
Issuance of common stock	—	—	500,000	—	3,015	—	—	—	3,015
Conversion of warrants to restricted stock units	—	—	—	—	1,068	(1,068)	—	—	—
Blackhawk Biofuels LLC deconsolidation and transition adjustment	—	—	—	—	1,192	—	30,152	(13,477)	17,867
Stock compensation expense	—	—	—	—	1,720	—	—	—	1,720
Accretion of preferred stock to redemption value	—	27,239	—	—	(27,239)	—	—	—	(27,239)
Net loss	—	—	—	—	—	—	(21,588)	—	(21,588)
BALANCE, December 31, 2010	13,455,522	$ 122,436	33,129,553	$ 3	$ 82,634	$ 4,820	$ (52,341)	$ —	$ 35,116

See notes to the Renewable Energy Group, Inc. and subsidiaries consolidated financial statements included elsewhere herein.

SCHEDULE I

RENEWABLE ENERGY GROUP, INC.

FINANCIAL INFORMATION OF PARENT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008
(IN THOUSANDS)

	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(21,588)	$(68,858)	$(15,879)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Equity in losses of continuing operations	9,218	11,305	15,014
Depreciation expense	241	389	90
Amortization expense	92	175	—
Stock compensation expense	1,376	2,522	3,574
Loss from equity method investees	—	399	—
Impairment of long-lived assets	—	833	—
Deferred tax expense (benefit)	(3,252)	45,212	(8,268)
Change in fair value of preferred stock conversion feature embedded derivatives	8,208	2,339	(2,118)
Change in fair value of Seneca Holdco liability	4,179	—	—
Expense settled with stock issuance	—	334	—
Changes in asset and liabilities, net of effects from mergers and acquisitions:			
Accounts receivable	(633)	—	—
Prepaid expenses and other assets	536	(6,245)	521
Accounts payable	1,728	3,980	8
Accrued expenses	—	(845)	1,673
Net cash flows from operating activities	105	(8,460)	(5,385)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in investments in subsidiaries	(1,855)	9,439	(18,476)
Cash paid for purchase of property, plant and equipment	(15)	(1,426)	(1,434)
Cash provided through Blackhawk acquisition	—	(155)	—
Cash provided through USBG acquisition	—	—	16,895
Net cash flows from investing activities	(1,870)	7,858	(3,015)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received for issuance of note payable	—	100	—
Cash paid on note payable	(2)	(1)	—
Cash paid on note receivables to subsidiaries	(4,664)	—	—
Cash received from issuance of common stock to ARES Corporation	8,000	—	—
Cash paid for issuance cost of common and preferred stock	(280)	—	(480)
Net cash flows from financing activities	3,054	99	(480)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,289	(503)	(8,880)
CASH AND CASH EQUIVALENTS, Beginning of period	168	671	9,551
CASH AND CASH EQUIVALENTS, End of period	$ 1,457	$ 168	$ 671

See notes to the Renewable Energy Group, Inc. and subsidiaries consolidated financial statements included elsewhere herein.

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

RENEWABLE ENERGY GROUP, INC.

(a Delaware corporation)

As of February 26, 2010

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AMENDED AND RESTATED

BYLAWS

OF

RENEWABLE ENERGY GROUP, INC.

(a Delaware corporation)

As of February 26, 2010

ARTICLE 1

Offices

1.1 Principal Office. The Board of Directors (the "Board") shall fix the location of the principal executive office of the corporation at any place within or outside the State of Delaware.

1.2 Additional Offices. The Board may at any time establish branch or subordinate offices at any place or places.

ARTICLE 2

Meeting of Stockholders

2.1 Place of Meeting. Meetings of stockholders may be held at such place, either within or without Delaware, as determined by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Delaware law. If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication: (i) participate in a meeting of stockholders; and (ii) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

2.2 Annual Meeting. Annual meetings of stockholders shall be held at such date and time as shall be designated from time to time by the Board and stated in the notice of the meeting.

At such annual meetings, the stockholders shall elect the members of the Board which shall be determined by a plurality of votes cast and transact such other business as may properly be brought before the meetings.

2.3 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may, unless otherwise prescribed by the statute or by the Certificate of Incorporation, be called by the Chairman of the Board or the President and shall be called by the President or Secretary at the request in writing of a majority of the Board or of the holders of shares entitled to cast not less than ten percent (10%) of the votes at the meeting and by additional persons as may be provided in the Certificate of Incorporation or these Bylaws. Such request shall state the purpose or purposes of the proposed meeting. Upon request in writing that a special meeting of stockholders be called for any proper purpose, directed to the Chairman of the Board of Directors, the President, the Chief Executive Officer, the Vice President or the Secretary, by any person (other than the board of directors) entitled to call a special meeting of stockholders, the person forthwith shall cause notice to be given to the stockholders entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, such time not to be less than thirty-five (35), nor more than sixty (60), days after receipt of the request. Such request shall state the purpose or purposes of the proposed meeting.

2.4 Notice of Meetings. Written notice of stockholders' meetings, stating the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting not less than ten (10), nor more than sixty (60), days prior to the meeting.

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, if any, date and time thereof and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

2.5 Business Matter of a Special Meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.6 List of Stockholders. The officer in charge of the stock ledger of the Corporation or the transfer agent shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or

(ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.7 Organization and Conduct of Business. The Chairman of the Board or, in his or her absence, the President of the Corporation or, in their absence, such person as the Board may have designated or, in the absence of such a person, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as Chairman of the meeting. In the absence of the Secretary of the Corporation, the Secretary of the meeting shall be such person as the Chairman appoints.

The Chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seems to him or her in order.

2.8 Quorum and Adjournments. Except where otherwise provided by law or in the Certificate of Incorporation or these Bylaws, the holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented in proxy, shall constitute a quorum at all meetings of the stockholders. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to have less than a quorum if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If, however, a quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat who are present in person or represented by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

2.9 Voting Rights. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder.

2.10 Majority Vote. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.11 Record Date. For purposes of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion, or exchange of stock or for the purpose of any lawful action, the Board may fix, in advance, a record date which shall not be more than sixty (60), nor less than ten (10), days prior to the date of such meeting, nor more than sixty (60) days prior to the date of any other action. A determination of stockholders of record entitled to notice or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

If the Board does not so fix a record date, (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held and (ii) the record date for any other purpose shall be the close of business at the Corporation's principal office on the day on which the Board adopts the resolution relating to such purpose.

2.12 Proxies. Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, electronic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the Corporation stating that the proxy is revoked or by a subsequent proxy executed by the maker of the proxy, or by that person's attendance and vote at the meeting; or (b) written notice of the death or incapacity of the maker of that proxy is received by the Corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven months from the date of the proxy, unless otherwise provided in the proxy.

2.13 Inspectors of Election. Before any meeting of stockholders, the Board may appoint any person other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the Chairman of the meeting may, and on the request of any stockholder or a stockholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more stockholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the Chairman of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy.

2.14 Action Without Meeting by Written Consent. All actions required to be taken at any annual or special meeting may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be

necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the Corporation by delivery to its registered office, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings or stockholders are recorded. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the Delaware General Corporation Law.

ARTICLE 3

Directors

3.1 Number; Qualifications; Election. The authorized number of directors shall initially be not less than one (1) nor more than fourteen (14), the exact number within such range to be determined by the Board, but no reduction in the number of directors shall have the effect of reducing the terms of office of any directors then in office. All directors shall be elected at the annual meeting or at any special meeting of the stockholders, except as provided in Section 3.2 hereof, and each director so elected shall hold office until the next annual meeting or any special meeting, or until his successor is elected and qualified, or until his earlier resignation or removal. Directors need not be stockholders.

3.2 Resignation and Vacancies. A vacancy or vacancies in the Board shall be deemed to exist in the case of the death, resignation or removal of any director, or if the authorized number of directors is increased. Vacancies may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, unless otherwise provided in the Certificate of Incorporation. The stockholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board accepts the resignation of a director tendered to take effect at a future time, the Board shall have power to elect a successor to take office when the resignation is to become effective. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

3.3 Removal of Directors. Unless otherwise restricted by statute, or by the Certificate of Incorporation or these Bylaws, any director or the entire Board may be removed, with or without cause, by the holders of at least a majority of the shares entitled to vote at an election of directors.

3.4 Powers. The business of the Corporation shall be managed by or under the direction of the Board which may exercise all such powers of the Corporation and do all such lawful acts and things which are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

3.5 Place of Meetings. The Board may hold meetings, both regular and special, either within or without the State of Delaware.

3.6 Annual Meetings. The annual meeting of the Board shall be held immediately following the annual meeting of stockholders, and no notice of such meeting shall be necessary to the Board, provided a quorum shall be present. The annual meetings shall be for the purposes of organization, for an election of officers, and for the transaction of other business.

3.7 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as may be determined from time to time by the Board.

3.8 Special Meetings. Special meetings of the Board may be called by one-third (1/3) of directors then in office (rounded up to the nearest whole number) or by the Chairman of the Board or the President and shall be held at such place, and on such date, and at such time as they or he or she shall fix. Except as otherwise required by statute, notice of each special meeting shall be given to each director, if by mail, when addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request, on at least two (2) days' notice prior to the time of the meeting, or shall be sent to him or her at such place by telegram, radiogram or cablegram, or other electronic means, or delivered to him or her personally, not later than four (4) hours before the time the meeting is to be held. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.9 Quorum and Adjournments. At all meetings of the Board, a majority of the total number of the whole Board shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may otherwise be specifically provided by law or by the Certificate of Incorporation. If a quorum is not present at any meeting of the Board, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting at which the adjournment is taken, until a quorum shall be present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved of by at least a majority of the required quorum for that meeting.

3.10 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.11 Telephone Meetings. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any member of the Board or of any committee may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.12 Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or provides a waiver by electronic transmission or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, either prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals or any waiver by electronic transmission shall be filed with the corporate records or made a part of the minutes of the meeting.

3.13 Fees and Compensation of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board, and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind, and to inspect the physical properties of the Corporation and also of its subsidiary corporations, domestic or foreign. Such inspection by a director may be made in person or by agent or attorney, and includes the right to copy and obtain extracts.

3.15 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE 4

Committees of Directors

4.1 Selection. The Board may, by resolution passed by a majority of the entire Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

4.2 Power. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management

of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board as provided in Section 151(a) of the General Corporation Law of Delaware, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation), adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of dissolution, removing or indemnifying directors or amending the Bylaws of the Corporation; and, unless the resolution or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board.

4.3 Committee Minutes. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

ARTICLE 5

Officers

5.1 Officers Designated. The officers of the Corporation shall be chosen by the Board and shall be a President, a Secretary and a Treasurer. The Board may also choose a Chairman of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and one or more assistant Secretaries and assistant Treasurers. The Board or any duly authorized committee may also choose one or more Vice Presidents. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide.

5.2 Appointment of Officers. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 or 5.5 hereof, shall be appointed by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

5.3 Subordinate Officers. The Board or any duly authorized committee may appoint, and may empower the President to appoint, such other officers and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board or duly authorized committee may from time to time determine.

5.4 Removal and Resignation of Officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board or authorized committee, at any regular or

special meeting of the Board or such committee, or, except in case of an officer chosen by the Board or authorized committee, by any officer upon whom such power of removal may be conferred by the Board or authorized committee.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointment to that office.

5.6 Compensation. The salaries of all officers of the Corporation shall be fixed from time to time by the Board, and no officer shall be prevented from receiving a salary because he is also a director of the Corporation.

5.7 The Chairman of the Board. The Chairman of the Board, if such an officer be elected, shall, if present, perform such other powers and duties as may be assigned to him from time to time by the Board. Unless otherwise separately filled by the Board, the Chairman of the Board shall also be the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in Section 5.8 hereof.

5.8 Chief Executive Officer. Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there be such an officer, the Chief Executive Officer of the Corporation shall preside at all meetings of the stockholders and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board, shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. He or she shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

5.9 The President, Chief Operating Officer, Chief Financial Officer. In the absence of the Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer, and when so acting shall have the powers of and be subject to all the restrictions upon the Chief Executive Officer. The Chief Operating Officer and the Chief Financial Officer shall perform such duties and have such powers as may be from time to time be prescribed for them by the Board, the Chairman of the Board or these Bylaws.

5.10 The Vice President. The Vice President (or in the event there be more than one, the Vice Presidents in the order designated by the directors, or in the absence of any designation, in the order of their election), shall, in the absence of the President or in the event of his disability or refusal to act, perform the duties of the President, and when so acting, shall have the powers of and be subject to all the restrictions upon the President. The Vice President(s) shall

perform such other duties and have such other powers as may from time to time be prescribed for them by the Board, the President, the Chairman of the Board or these Bylaws.

5.11 The Secretary. The Secretary shall attend all meetings of the Board and the stockholders and record all votes and the proceedings of the meetings in a book to be kept for that purpose, and shall perform like duties for the standing committees, when required. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and special meetings of the Board, and shall perform such other duties as may from time to time be prescribed by the Board, the Chairman of the Board or the President, under whose supervision he or she shall act. The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature. The Secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the Board, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

5.12 The Assistant Secretary. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order designated by the Board (or in the absence of any designation, in the order of their election) shall, in the absence of the Secretary, or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board.

5.13 The Treasurer. The Treasurer shall have the custody of the Corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board, at its regular meetings, or when the Board so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer may also be known as the Chief Financial Officer.

5.14 The Assistant Treasurer. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order designated by the Board (or in the absence of any designation, in the order of their election) shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board.

ARTICLE 6

Indemnification of Directors, Officers, Employees and Other Agents

6.1 Indemnification of Directors And Officers. The Corporation shall, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, indemnify each of its directors and officers against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Section 6.1, a "director" or "officer" of the Corporation includes any person (a) who is or was a director or officer of the Corporation, (b) who is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was a director or officer of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; provided, however, that, except with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such director or officer in connection with a proceeding (or part thereof) initiated by such director of officer only if such proceeding (or part thereof) was authorized by the Board.

6.2 Indemnification of Others. The Corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, to indemnify each of its employees and agents (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Section 6.2, an "employee" or "agent" of the Corporation (other than a director or officer) includes any person (a) who is or was an employee or agent of the Corporation, (b) who is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an employee or agent of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

6.3 Payment Of Expenses In Advance. Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to Section 6.1 hereof, or for which indemnification is permitted pursuant to Section 6.2 hereof, following authorization thereof by the Board, shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount, if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Article 6.

6.4 Indemnity Not Exclusive. The indemnification provided by this Article 6 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that such additional rights to indemnification are authorized in the Certificate of Incorporation.

6.5 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law of Delaware.

6.6 Conflicts. No indemnification or advance shall be made under this Article 6, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Certificate of Incorporation, these Bylaws, a resolution of the stockholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

ARTICLE 7

Stock Certificates

7.1 Certificates for Shares. The shares of the Corporation shall be represented by certificates or shall be uncertificated. Certificates shall be signed by, or be in the name of the Corporation by, the Chairman of the Board, or the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation.

Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required by the General Corporation Law of the State of Delaware or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof, and the qualifications, limitations or restrictions of such preferences and/or rights.

7.2 Signatures on Certificates. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

7.3 Transfer of Stock. Subject to any transfer restrictions in the Certificate of Incorporation of the Corporation or which may otherwise be imposed by law or noted on the share certificate, upon surrender to the Corporation or the transfer agent of the Corporation of a

certificate of shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, to cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be canceled, and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto, and the transaction shall be recorded upon the books of the Corporation.

7.4 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.5 Lost, Stolen or Destroyed Certificates. The Board may direct that a new certificate or certificates be issued to replace any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing the issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require, and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 8

Notices

8.1 Notice. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law. Notice to directors may also be given by telegram or telephone.

8.2 Waiver. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent thereto. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE 9

General Provisions

9.1 Dividends. Dividends upon the capital stock of the Corporation, subject to any restrictions contained in the General Corporation Laws of Delaware or the provisions of the Certificate of Incorporation, if any, may be declared by the Board at any regular or special meeting. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

9.2 Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends, such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

9.3 Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

9.4 Corporate Seal. The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in charge of the Secretary. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

9.5 Execution of Corporate Contracts and Instruments. The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it liable for any purpose or for any amount.

ARTICLE 10

Amendments

In addition to the right of the stockholders of the Corporation to make, alter, amend, change, add to or repeal the bylaws of the Corporation, the Board shall have the power (without the assent or vote of the stockholders) to make, alter, amend, change, add to or repeal the bylaws of the Corporation, subject to applicable provisions of the Certificate of Incorporation.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify:

1. That I am the duly elected, acting and qualified Secretary of Renewable Energy Group, Inc., a Delaware corporation; and

2. That the foregoing Bylaws, comprising 14 pages (excluding this Certificate), constitute the Bylaws of such corporation as duly adopted by the Board of Directors of such corporation on May 5, 2009 and amended and restated on February 26, 2010 solely to reflect the change of name of REG Newco, Inc. to Renewable Energy Group, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of this 26th day of February, 2010.

/s/ Natalie Lischer
Natalie Lischer, Secretary

Exhibit 3.3

CERTIFICATE OF DESIGNATION OF SERIES
AND DETERMINATION OF RIGHTS AND PREFERENCES
OF
SERIES A CONVERTIBLE PREFERRED STOCK
OF
REG NEWCO, INC.

REG Newco, Inc., a Delaware corporation (the "Company"), acting pursuant to Section 151 of the General Corporation Law of Delaware, does hereby submit the following Certificate of Designation of Series and Determination of Rights and Preferences of its Series A Preferred Stock.

FIRST: The name of the Company is REG Newco, Inc.

SECOND: By approval of the Board of Directors of the Company dated February 15, 2010, the following resolutions were duly adopted:

WHEREAS, the Certificate of Incorporation of the Company authorizes preferred stock consisting of sixty million (60,000,000) shares, par value $0.0001 per share, issuable from time to time in one or more series;

WHEREAS, the Board of Directors of the Company is authorized, subject to limitations prescribed by law and by the provisions of Article IV of the Company's Certificate of Incorporation, to establish and fix the number of shares to be included in any series of preferred stock and the designation, rights, preferences, powers, restrictions and limitations of the shares of such series;

WHEREAS, it is the desire of the Board of Directors to establish and fix the number of shares to be included in a new series of Preferred Stock and the designation, rights, preferences and limitations of the shares of such new series.

NOW, THEREFORE, BE IT RESOLVED that pursuant to Article IV of the Certificate of Incorporation, there is hereby established a series of fourteen million (14,000,000) shares of cumulative convertible preferred stock of the Company designated as the "Series A Preferred Stock" which shall have the rights, preferences, powers, restrictions and limitations set forth as follows.

1. *Relative Seniority.* The Series A Preferred Stock shall, with respect to payment of dividends or in the case of redemption, liquidation, dissolution or winding up of the Company, rank (a) senior and prior to the Common Stock of the Company and to any other class or series of capital stock issued by the Company not designated as ranking senior to or *pari passu* with the Series A Preferred Stock with respect to payment of dividends or in the case of redemption, liquidation, dissolution or winding up of the Company (collectively, the "Junior Stock"); (b) *pari passu* with any other class or series of capital stock of the Company, the terms of which specifically provide that such class or series shall rank *pari passu* with the Series A Preferred Stock with respect to payment of dividends or in the case of redemption, liquidation, dissolution or winding up of the Company (such other class or series of capital stock and the Series A Preferred Stock together, the "Parity Stock"); and (c) junior to any other class or series of capital stock of the Company, the terms of which specifically provide that such class or series shall rank senior to the Series A Preferred Stock with respect to payment of dividends or in the case of redemption, liquidation, dissolution or winding up of the Company (the "Senior Stock").

2. *Dividends*.

(a) *General.* The holders of the Series A Preferred Stock shall accrue dividends at the rate of $.88 per share per annum (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares) calculated on the basis of a 360-day year, consisting of twelve 30-day months, and shall accrue on a daily basis from the date of issuance thereof, compounded annually from the date of issuance, whether or not declared and shall be cumulative (the "Accrued Dividends"); provided, however, that except as set forth in Sections 3, 5 and 6, the Company shall be under no obligation to pay such Accrued Dividends; and, provided further, the holders' right to receive dividends pursuant to this Section 2(a) shall terminate (other than with respect to Accrued Dividends as of the date of conversion) upon the conversion of the shares of Series A Preferred Stock into Common Stock pursuant to Section 5 below. In the event that, during any calendar year, dividends are paid on

both the Series A Preferred Stock and the Common Stock, and the amount of dividends each share of Series A Preferred Stock would have received had it been converted into Common Stock on the first day of such calendar year exceeds the amount of dividends per share paid to the holders of Series A Preferred Stock during such year, then, within five (5) business days following the end of such calendar year, the holders of Series A Preferred Stock shall receive an amount per share equal to the difference between the amount of dividends each share of Series A Preferred Stock would have received had it been converted to Common Stock as of the first day of such year and the amount of dividends paid with respect to each share of Series A Preferred Stock during such year (the "Participating Dividend Payment"), and the amount of the Participating Dividend Payment will be subtracted from the Accrued Dividends with respect to each outstanding share of Preferred Stock as of the date the Participating Dividend Payment is made.

(b) *Dividends in Arrears.* If any Accrued Dividends on the Series A Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and set apart for payment before any dividend (other than dividends on shares of Common Stock payable in shares of Common Stock) shall be paid or declared or set apart for Junior Stock and before any purchase or acquisition of any Junior Stock is made by the Company, except the repurchase of Junior Stock from employees of the Company upon termination of employment. At the earlier of: (i) the redemption of the Series A Preferred Stock; (ii) the conversion of the Series A Preferred Stock pursuant to Section 5; or (iii) the liquidation, dissolution or winding up of the Company (including in connection with an Acquisition as defined in Subsection 3(c) below), all Accrued Dividends shall be paid to the holders of record of outstanding shares of Series A Preferred Stock as provided in Section 6 in the event of a redemption of the Series A Preferred Stock, Sections 2(c) or 5, as applicable, in the event of the conversion of the Series A Preferred Stock and Section 3(a) in the event of a liquidation, dissolution or winding up of the Company (including an Acquisition). No accumulation of dividends on the Series A Preferred Stock shall bear interest.

(c) *Manner of Payment.* Except as set forth in Subsection 5(a) or Subsection 5(b) below, dividends on the Series A Preferred Stock shall be paid in cash at the time specified in Subsection 2(b) above; provided, however, in the event of a conversion pursuant to Subsection 5(a) or Subsection 5(b), as applicable, in which the Company and such holder do not jointly elect to include the amount of Accrued Dividends in the conversion, and such conversion occurs prior to February 26, 2014, then the Company may elect to postpone the cash payment of any or all Accrued Dividends until up to the earliest to occur of (i) a QPO (as defined in Subsection 5(a)(i) below), (ii) the liquidation, dissolution or winding up of the Company (including in connection with an Acquisition deemed to be a liquidation pursuant to Subsection 3(c) below) or (iii) February 26, 2014. When payable hereunder, each dividend shall be mailed to the holders of record of the Series A Preferred Stock as their names and addresses appear on the share register of the Company or at the office of the transfer agent.

(a) *Waiver of Dividend*. Notwithstanding anything herein to the contrary, the timing or amount of any payment of Accrued Dividends owing to the holders of Series A Preferred Stock hereunder may be waived by the written consent or affirmative vote of the Preferred Supermajority (as hereinafter defined in Section 3(c) below).

3. *Liquidation, Dissolution or Winding Up*.

(a) *General.* In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, (i) the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any Senior Stock, but before any payment shall be made to the holders of Junior Stock by reason of their ownership thereof, an amount equal to $13.75 per share of Series A Preferred Stock (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares) ("Series A Base Value") plus any and all Accrued Dividends accrued but unpaid thereon (whether or not declared), together with any other dividends declared but unpaid thereon in an amount which together for such Series A Base Value plus Accrued Dividends and any other dividends declared but unpaid thereon shall not exceed $16.50 per share (the "Series A Accreted Value") and (ii) the holders of previously converted shares of Series A Preferred Stock shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any Senior Stock, but before any payment shall be made to the holders of Junior Stock by reason of their ownership thereof, any accrued and unpaid dividends on such previously converted shares of Series A Preferred Stock, in an amount which does not exceed the Series A Accreted Value less the Series A Base Value. If upon any such liquidation, dissolution or winding up of the Company the remaining assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock and the holders of previously converted shares of Series A Preferred Stock the full amount to which they shall be entitled, the holders of Parity Stock shall first share ratably in any distribution of the remaining assets and funds of the Company in proportion to the respective amounts which would otherwise be payable in respect of the Parity Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full, and the holders of previously converted shares of Parity Stock shall then share ratably in any distribution of any remaining assets and funds of the Company in proportion to the respective amounts which would otherwise be

payable in respect of any accrued and unpaid dividends on such shares previously held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) *Participation.* After the payment of all preferential amounts required to be paid to the holders of Preferred Stock upon the dissolution, liquidation, or winding up of the Company, all of the remaining assets and funds of the Company available for distribution to its stockholders shall be distributed ratably among the holders of the Common Stock and the holders of the Series A Preferred Stock as if the Series A Preferred Stock has been converted pursuant to Section 5.

(c) *Treatment of Consolidations, Mergers, and Sales of Assets.* The merger or consolidation of the Company into or with another corporation which results in the exchange of outstanding shares of the Company, the sale of all or substantially all the assets of the Company, or the license of all or substantially all of the assets of the Company, including without limitation any sale (whether by merger or otherwise) of all or substantially all of the assets or the license of all or substantially all of the assets of one or more subsidiaries (the "Subject Subsidiaries") of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by the Subject Subsidiaries shall be deemed to be a liquidation, dissolution or winding up of the Company for purposes of this Section, unless the Company's stockholders of record as constituted immediately prior to any such transaction, by virtue of securities issued as consideration for such transaction hold at least 50% of the voting power of the surviving or acquiring entity in approximately the same relative percentages after such transaction as before (any transaction so deemed to be a liquidation, dissolution or winding up, an "Acquisition"). The amount deemed distributed to the holders of Series A Preferred Stock upon any such merger or consolidation shall be the cash or the value of the property, rights and/or securities distributed to such holders by the acquiring person, firm or other entity; provided, however, that if the holders of at least seventy-five percent (75%) of the then outstanding shares of Series A Preferred Stock that were issued in exchange for shares of the series A, series AA, series B or series BB preferred stock of Renewable Energy Group, Inc. a Delaware corporation ("REG"), pursuant to the Second Amended and Restated Agreement and Plan of Merger executed November 20, 2009 by and among the Company, REG and REG Merger Sub, Inc. (the "Preferred Supermajority"), affirmatively approve by written consent an Acquisition in accordance with Section 4 below and, in connection with such approval, expressly agree in writing that the cash, securities or other property shall be distributed among the holders of Preferred Stock and Common Stock in accordance with the applicable agreement or agreements setting forth the terms and conditions of such Acquisition, the holders of Preferred Stock and Common Stock shall be entitled to receive upon the closing of such Acquisition only such amounts as are set forth in such agreement or agreements. The value of such property, rights or other securities shall be determined in good faith by the Board of Directors of the Company, taking into consideration the relevant terms of any underlying transaction documents. In the event the Company continues to exist following an Acquisition, after payment in full of the liquidation preference as provided for in this Section 3, the certificates representing shares of the Series A Preferred Stock issued and outstanding immediately prior to the consummation of the Acquisition shall be cancelled and extinguished and the holders of such shares of Series A Preferred Stock shall have no further rights in the Company.

4. *Voting.*

(a) Each holder of outstanding shares of Series A Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible (as adjusted from time to time pursuant to Section 5 hereof), at each meeting of stockholders of the Company (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Company for their action or consideration. Except as provided by law, by the provisions of Subsection 4(b) below or by the provisions establishing any other series of Preferred Stock, holders of Series A Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) *Protective Provisions.* Subject to the rights of series of Preferred Stock that may from time to time come into existence and any contractual agreements or restrictions which may be then in effect in any agreement of stockholders or other organizational document to which the holders of Series A Preferred Stock and the Company may be a party, the approval by written consent of the Preferred Supermajority (in addition to any other applicable stockholder approval requirements required by law) shall be required for the Company to take the following actions:

(i) authorize or issue, or obligate itself to issue, any shares of Preferred Stock or any other equity security on parity with or having a preference over any series of Preferred Stock with respect to dividends, liquidation, redemption or voting, including any security convertible into or exercisable for any such equity security, or authorize any subsidiary to issue any equity security or any such securities convertible or exercisable therefor;

(ii) increase or decrease the number of authorized shares of any series of Preferred Stock;

(iii) amend the Certificate of Incorporation or Bylaws of the Company, including the amendment of the Certificate of Incorporation by the adoption or amendment of any Certificate of Designation or similar document, or amend the organizational documents of any subsidiary, in any such case other than amendments solely to the extent required to authorize the issuance of any Junior Stock or any security convertible into or exercisable for any Junior Stock;

(iv) alter or change the rights, preferences or privileges of the shares of any series of the Preferred Stock;

(v) issue, or cause any subsidiary to issue, any indebtedness, other than trade accounts payable and/or letters of credit, performance bonds or other similar credit support incurred in the ordinary course of business, or amend, renew, increase or otherwise alter in any material respect the terms of any indebtedness previously approved or required to be approved by the holders of the Preferred Stock other than the incurrence of debt solely to fund the payment of Accrued Dividends on the Preferred Stock or solely to fund the redemption of the Preferred Stock pursuant to Section 6;

(vi) increase the authorized number of directors constituting the Board of Directors of the Company from fourteen (14) directors;

(vii) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of capital stock of the Company; provided, however, that this restriction shall not apply to the repurchase of shares of Preferred Stock pursuant to Section 6 or the repurchase of shares of Junior Stock from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment;

(viii) declare or pay dividends or otherwise make distributions with respect to any shares of capital stock of the Company, other than dividends on the Preferred Stock;

(ix) declare bankruptcy, dissolve, liquidate or wind up the affairs of the Company or any subsidiary;

(x) modify or change the nature of the Company's business such that a material portion of the Company's business is devoted to any business other than the business of (A) designing, constructing or operating facilities for biofuels, chemicals or by-products thereof and (B) procurement, manufacturing, selling, distribution, logistics, marketing or risk management related to biofuels, chemicals or by-products thereof;

(xi) make or permit any subsidiary to make any capital expenditure in excess of $500,000 which is not otherwise included in the annual budget previously approved by the Board of Directors of the Company;

(xii) effect any Acquisition;

(xiii) acquire directly or through a subsidiary the stock or any material assets of another corporation, partnership or other person or entity for consideration valued at more than ten percent (10%) of the total assets of the Company as of the most recent month-end prior to such acquisition as reflected on the balance sheet of the Company prepared in accordance with generally accepted accounting principles consistently applied; or

(xiv) agree or commit to do any of the foregoing;

provided, however, that nothing in this Section 4(b) shall be deemed to alter any statutory provision entitling a particular class or series of shares to vote as a class or series with respect to such matter.

5. *Conversion Rights*.

The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) *Automatic Conversion.*

(i) Each of the issued and outstanding shares of Series A Preferred Stock shall be automatically converted into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Issue Price (as defined below), plus (to the extent the Company and such holder jointly elect to include the amount of Accrued Dividends in the conversion) Accrued Dividends, by the Conversion Price (as defined below) in effect at the time of conversion, upon (A) the closing of the sale of shares of Common Stock, at a price per share to the public (before deducting any commissions or other expenses) of at least two times the Original Series A Issue Price (as defined below) (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares), in a firm commitment underwritten public

offering pursuant to an effective registration statement on Form S-1 (or any such successor form) under the Securities Act of 1933, as amended (the "Act"), underwritten by a nationally recognized and reputable investment bank, resulting in an aggregate proceeds to the Company of at least $40,000,000 (a "QPO"), or (B) the date specified in a written contract or agreement of the Preferred Supermajority, or (C) if the shares of Common Stock have a closing price on NASDAQ or any national securities exchange in excess of $24.75 per share for ninety (90) consecutive trading days with an average daily trading volume on such trading days of at least US $8,000,000.

(ii) All holders of record of shares of Series A Preferred Stock then outstanding will be given at least 10 days' prior written notice of the date fixed and the place designated for automatic conversion of all such shares of Series A Preferred Stock pursuant to this Section 5(a). Such notice will be sent by first class or registered mail, postage prepaid, to each record holder of Series A Preferred Stock at such holder's address last shown on the records of the transfer agent for the Series A Preferred Stock (or the records of the Company, if it serves as its own transfer agent).

(b) *Optional Right to Convert*. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing $11.00 per share of Series A Preferred Stock (the "Original Series A Issue Price"), plus (to the extent the Company and such holder jointly elect to include the amount of Accrued Dividends in the conversion) Accrued Dividends, by the Conversion Price (as defined below) in effect at the time of conversion. The Conversion Price at which shares of Common Stock shall be deliverable upon conversion of Series A Preferred Stock without the payment of additional consideration by the holder thereof (the "Conversion Price") shall initially be the Original Series A Issue Price. Such initial Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

In the event of a liquidation of the Company, the Conversion Rights shall terminate at the close of business on the first full day preceding the date fixed for the payment of any amounts distributable on liquidation to the holders of Series A Preferred Stock.

(c) *Mechanics of Conversion.*

(i) In order to convert shares of Series A Preferred Stock into shares of Common Stock in accordance with this Section 5, the holder shall (A) in the event of a conversion pursuant to Subsection 5(a)(i)(B) or Subsection 5(b) (an "Elective Conversion"), provide written notice to the Company that such holder elects to convert all or any number of the shares represented by such certificate or certificates and the date of conversion which notice, if notice is provided after February 26, 2014, must be received by the Company at least sixty (60) days prior to the date selected by the holder for conversion (the "Conversion Notice"), (B) surrender the certificate or certificates for such shares of Series A Preferred Stock at the office of the transfer agent (or at the principal office of the Company if the Company serves as its own transfer agent), and (C) state in writing such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Company, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or his or its attorney duly authorized in writing. The conversion date shall be the date for conversion specified in the Conversion Notice in the case of an Elective Conversion or in any other case on the date of receipt of such certificates by the transfer agent or the Company following the occurrence of the event (other than an Elective Conversion) giving rise to conversion. The Company shall, as soon as practicable after the conversion date, issue and deliver at such office to such holder, or to his nominees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled, together with cash in lieu of any fraction of a share and, except as provided in Section 2(c), cash in the amount of any Accrued Dividends (through the date one day prior to the date the shares of Series A Preferred Stock were converted) payable in respect of the shares of Series A Preferred Stock converted pursuant to this Section 5.

(ii) The Company shall at all times during which the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock (including any Accrued Dividends). Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

(iii) All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate on the applicable conversion date, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and shall not be reissued, and the Company may from

time to time take such appropriate action as may be necessary to reduce the number of shares of authorized Series A Preferred Stock accordingly.

(iv) If the conversion is in connection with an underwritten offer of securities registered pursuant to the Act, the conversion may at the option of any holder tendering Series A Preferred Stock for conversion be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of the sale of securities.

(d) *Conversion Price Adjustments of Series A Preferred Stock for Certain Dilutive Issuances, Splits and Combinations*.

(i) The Conversion Price of the Series A Preferred Stock, as applicable, shall be subject to adjustment from time to time as follows:

(A) If the Company shall issue, after the date upon which any shares of Series A Preferred Stock were first issued (the "Purchase Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for Series A Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such Series A Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 5(d)(i)(E)(1) or (2)) plus the number of shares of Common Stock that the aggregate consideration received by the Company for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 5(d)(i)(E)(1) or (2)) plus the number of shares of such Additional Stock; provided, however, for purposes of such calculation (1) it shall not include any additional shares of Common Stock issuable with respect to shares of Preferred Stock, convertible securities, or exercisable options, warrants or other rights for the purchase of shares of stock or convertible securities, solely as a result of the adjustment of such Series A Conversion Price (or other conversion ratios) resulting from the issuance of Additional Stock causing such adjustment and (2) the grant, issue or sale of Additional Stock consisting of the same class of security, and warrants to purchase such security and notes convertible into such security, issued or issuable at the same price at two or more closings within a six month period shall be aggregated and shall be treated as one sale of Additional Stock occurring on the earliest date on which such securities were granted, issued or sold.

(B) No adjustment of the Conversion Price for the Series A Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 5(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors irrespective of any accounting treatment, taking into consideration the relevant terms of any underlying transaction documents.

(E) In the case of the issuance (whether before, on or after the applicable Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this subsection 5(d)(i) and subsection 5(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 5(d)(i)(C) and (d)(i)(D)), if any, received by the Company upon the issuance of such options or rights plus the

minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Company for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Company (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 5(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Company upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issuable upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 5(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 5(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of capital stock issued (or deemed to have been issued pursuant to subsection 5(d)(i)(E)) by the Company after the Purchase Date other than:

(A) Common Stock issued pursuant to a transaction described in subsection 5(d)(iii) hereof;

(B) Shares of Common Stock issuable or issued to employees, consultants, directors, officers, advisors or vendors (if in transactions with primarily non-financing purposes) of the Company or directors of West Central Cooperative, directly or pursuant to a stock option plan, stock purchase or restricted stock plan, or other arrangement or agreement approved by the Board of Directors of the Company, in an aggregate amount not to exceed 5,400,000 shares;

(C) Shares of Common Stock issued, issuable or deemed to have been issued by the Company upon conversion of Preferred Stock;

(D) shares of Common Stock issued or issuable (I) in a public offering before or in connection with which all outstanding shares of Preferred Stock will be converted to Common Stock or (II) upon exercise of warrants or rights granted to underwriters in connection with such a public offering;

(E) Shares of Common Stock issued, issuable or deemed to have been issued in connection with the acquisition by the Company of the stock or assets of another corporation, partnership or other entity, provided that such issuances are first approved by the Board of Directors and for purposes other than primarily equity financing for the Company; and

(F) Shares of Common Stock issued, issuable or deemed to have been issued to a vendor, lender or equipment lessor or in connection with strategic or licensing transactions, joint ventures or similar transactions, provided that such issuances are first approved by the Board of Directors (including the affirmative approval of a majority of the directors designated by

NGP, Westway and Bunge and the affirmative approval of the director designated by the USBG Group as provided in the Stockholder Agreement dated on or about February 26, 2010 by and between the Company and certain of its stockholders);

(G) The issuance up to 1,313,359 shares of Common Stock upon the exercise of warrants outstanding as of February 26, 2010 at the exercise prices specified therein (subject to anti-dilution adjustments provided therein); and

(H) Shares of Common Stock issued, issuable or deemed to have been issued in connection with any borrowings by the Company, direct or indirect, from financial institutions, whether or not presently authorized, including any type of loan or payment evidenced by any type of debt instrument, provided that such issuances are approved by the Board of Directors (including the affirmative approval of a majority of the directors designated by NGP, Westway and Bunge and the affirmative approval of the director designated by the USBG Group as provided in the Stockholder Agreement dated on or about February 26, 2010 by and between the Company and certain of its stockholders.)

(iii) In the event the Company should at any time or from time to time after a Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subsection 5(d)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after a Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) *Other Distributions.* In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 5(d)(iii), then, in each such case for the purpose of this subsection 5(e), the holders of the Series A Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Company into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Company entitled to receive such distribution.

(f) *Recapitalizations.* If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 5 or Section 3) provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the Company or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of such Preferred Stock after the recapitalization to the end that the provisions of this Section 5 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of such Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) *No Impairment*. The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

(h) *No Fractional Shares and Certificate as to Adjustments*.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share (with one-half being rounded upward). The calculation of the number of shares to be issued shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series A Preferred Stock pursuant to this Section 5, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such series of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price and (C) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of a share of Series A Preferred Stock.

(i) *Notices of Record Date*. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Series A Preferred Stock, at least ten (10) business days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) *Reservation of Stock Issuable Upon Conversion.* The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Preferred Stock, in addition to such other remedies as shall be available to the holder of Series A Preferred Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation, and shall not, until such action is taken to increase the authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, issue any shares of Common Stock.

(k) *Notices.* Any notice required by the provisions of this Section 5 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company or by electronic transmission in the manner permitted by the General Corporation Law of the State of Delaware.

(l) Waiver of Adjustment of Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived by the consent or vote of the holders of the majority of the outstanding shares of such series either before or after the issuance causing the adjustment.

6. *Redemption of the Preferred Stock*.

(a) At any time and from time to time on or after February 26, 2014, the Preferred Supermajority may require, by providing written notice thereof to the Company (a "Redemption Election"), that all or part of the issued and outstanding shares of Preferred Stock be redeemed by the Company out of funds lawfully available therefor; provided, however, that any such redemptions shall be for an aggregate Redemption Price, as defined below, of at least $5,000,000. Within fourteen (14) days following the receipt by the Company of a Redemption Election, the Company shall provide written notice to all holders of Preferred Stock of the Redemption Election (a "Redemption Notice") which shall set forth the date of such redemption (the "Redemption Date") and shall allow all other holders of Preferred Stock the opportunity to participate in the redemption transaction by providing written notice to the Company (an "Election Notice") within ten (10) days following the receipt of the Redemption Notice of such holder's election to participate and the number and series of shares held by such holder to be redeemed by the Company. The Redemption Date shall be determined by the Company and shall be (i) a date not less than forty-five (45) days and not more than one hundred and eighty (180) days after the date of the Redemption Notice (a "Standard Redemption Date"), or (ii) a date that is more than one hundred and eighty (180) days after the date of the Redemption Election but prior to the date which is eighteen months following such date (a "Delayed Redemption Date"). On the applicable Redemption Date, concurrently with surrender by the holders of the certificates representing such shares to be redeemed, the Company shall, to the extent it may lawfully do so, redeem all issued and outstanding

shares of Series A Preferred Stock to be redeemed by paying an amount per share therefor equal to (i) in the event such redemption occurs on a Standard Redemption Date, the greater of (A) the Fair Market Value (as defined in Section 6(d) below) per share of Series A Preferred Stock, as of the date of the Redemption Election or (B) the Series A Accreted Value; or (ii) in the event such redemption occurs on a Delayed Redemption Date, the greater of (x) the Fair Market Value per share of Series A Preferred Stock, as of the date which is sixty (60) days prior to the Delayed Redemption Date, or (y) the Series A Accreted Value, (in each case, the "Redemption Price"). Each holder of Preferred Stock to be redeemed shall surrender to the Company the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the applicable Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. If the Company does not have sufficient funds legally available to redeem on any Redemption Date all shares of Preferred Stock to be redeemed on such Redemption Date, (i) the Company shall redeem a pro rata portion of each holder's redeemable shares of Preferred Stock out of funds legally available therefor, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the legally available funds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Company has funds legally available therefore, and (ii) the Company shall use commercially reasonable efforts to obtain sufficient legally available funds in order to effectuate the complete redemption of all shares of Preferred Stock to be redeemed on the Redemption Date as soon as practicable after the Redemption Date.

(b) In the event the Company sets a Delayed Redemption Date, upon written notice to the Company not less than thirty (30) days prior to the Delayed Redemption Date, each holder of shares of Preferred Stock electing to redeem shares pursuant to an Election Notice shall have the right, by written notice to the Company, to revoke their election to have such shares redeemed.

(c) From and after a Redemption Date, all rights of the holders of the shares of Preferred Stock designated for redemption as holders of Preferred Stock (except the right to receive the Redemption Price, without interest, upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Company or be deemed to be outstanding for any purpose whatsoever. The shares of Preferred Stock covered by an Election Notice but not redeemed due to the Company's having insufficient funds legally available for redemption thereof shall remain outstanding and entitled to all the rights and preferences provided herein until redeemed as provided in Section 7(a) above.

(d) For purposes of calculating the Redemption Price, the " Fair Market Value" per share of Series A Preferred Stock, shall be determined in good faith by the Board of Directors (other than those directors affiliated with or nominated by any holder of Preferred Stock that has submitted an Election Notice) as of the applicable date and in making such determination it shall not give consideration to any discount related to shares representing minority interest or related to any illiquidity or lack of marketability of shares arising from restrictions on transfer under applicable federal or state securities laws, but shall take into consideration the rights and preferences of the Preferred Stock. If the holders of a majority of the Preferred Stock to be redeemed disagree with such determination of Fair Market Value, such holders shall provide written notice to the Company thereof (a "Value Dispute") and the Fair Market Value per share of the Series A Preferred Stock, shall be determined by the following procedures. Each of the Company, on the one hand, and the holders of Series A Preferred Stock submitting the Value Dispute, on the other hand, shall appoint an independent appraiser, each of whom shall independently determine the Fair Market Value per share of Series A Preferred Stock (the "Appraised Values"). If the higher of the Appraised Values is not more than 25% higher than the lower of the Appraised Values, then the Fair Market Value per share will be the average of the two Appraised Values. If the higher of the Appraised Values is more than 25% higher than the lower of the Appraised Values, then the parties shall appoint a third independent appraiser who shall, within thirty (30) days following receipt of the Appraised Values, select one of the two Appraised Values as the Fair Market Value per share which is closest to the Fair Market Value per share determined by such third party appraiser (the "Third Party Determination"). The Third Party Determination shall be binding on and non-appealable by the Company and the holders of the shares of Preferred Stock to be redeemed. Following the receipt of the Third Party Determination, the Redemption Date shall be deemed to be the date which is ten (10) days thereafter. All costs of the appraisers pursuant to this Section 6(d) shall be split equally by the Company on the one hand and the holders of Preferred Stock to be redeemed on the other hand.

7. *Sinking Fund.*

There shall be no sinking fund for the payment of dividends, or liquidation preferences on the Series A Preferred Stock or the redemption of any shares thereof.

8. *Amendment*.

This Certificate of Designation constitutes an agreement between the Company and the holders of the Series A Preferred Stock. It may be amended by vote of the Board of Directors of the Company and the written consent of the Preferred Supermajority;

provided, however, that nothing in this Section 8 shall be deemed to alter any statutory provision entitling a particular class or series of shares to vote as a class or series with respect to such amendment; *provided further, however*, any such amendment that would have a material adverse effect on the rights of a particular holder of shares of Preferred Stock provided in this Certificate of Designation, but would not have a similar material adverse effect on all holders of Preferred Stock generally, shall require the consent of such materially adversely affected holder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by its Chief Executive Officer and attested to by its Treasurer this 26th day of February, 2010.

By: /s/ Daniel J. Oh
Daniel J. Oh, President

ATTEST:

/s/ Natalie Lischer
Natalie Lischer, Secretary and Treasurer

SERIES A CERTIFICATE OF DESIGNATION SIGNATURE PAGE

Exhibit 4.11

EXCEPT AS PROVIDED IN THE REGISTRATION STATEMENT OF THE COMPANY ON FORM S-4 EFFECTIVE JANUARY 19, 2010, THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (1) REGISTRATION IN COMPLIANCE WITH SUCH ACT AND SUCH STATE LAWS OR (2) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT

To Purchase Shares of

Common Stock of

RENEWABLE ENERGY GROUP, INC.

February 26, 2010

THIS CERTIFIES THAT, for good and valuable consideration, the receipt of which is hereby acknowledged, ______ or his lawful assignee (the "Holder") is entitled to subscribe for and purchase from Renewable Energy Group, Inc., a Delaware corporation (the "Company"), ______ shares of the common stock of the Company pursuant to the terms and subject to the conditions hereof. The shares of common stock that may be acquired upon exercise of this Warrant are referred to herein as the "Warrant Shares." As used herein, the term "Holder" means the Holder, any party who acquires all or part of this Warrant as a registered transferee of the Holder, or any record holder or holders of the Warrant Shares issued upon exercise, whether in whole or in part, of the Warrant. This Warrant is being issued in substitution for that warrant previously issued to the Holder by Blackhawk Biofuels, LLC (the "Blackhawk Warrant").

This Warrant is subject to the following provisions, terms and conditions:

1. Exercise and Term.

(a) The right to purchase the Warrant Shares at the Warrant Exercise Price shall be exercisable at any time from and after the date hereof until June 8, 2011 (the "Exercise Period"), after which date all such rights shall terminate.

(b) The rights represented by this Warrant may be exercised by the Holder hereof, in whole or in part (but not as to a fractional share), by written notice of the Holder's irrevocable election to exercise the purchase right represented by such Warrant (in the form attached hereto) delivered to the Company at its principal offices prior to the expiration of this Warrant along with or preceded by (i) a certified or bank cashier's check in payment of the Warrant Exercise Price for such shares, and (ii) the surrender of this Warrant.

2. Warrant Exercise Price. The Warrant Shares shall be exercisable at a price of $______ per share (the "Warrant Exercise Price").

3. Issuance of Securities. The Company agrees that the Warrant Shares purchased hereby shall be and are deemed to be issued to the record holder hereof as of the close of business on the date on which this Warrant shall have been surrendered and the payment made for such Warrant Shares as aforesaid. Within a reasonable time, not exceeding ten (10) days after the rights represented by this Warrant shall have been so exercised, and, unless this Warrant has expired, a new Warrant representing the number of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised shall also be delivered to the holder hereof.

4. Status as Accredited Investor. The Holder represents and warrants to the Company that as of the date the Blackhawk Warrant was issued, the Holder was an “accredited investor” as that term is defined under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and Holder understands that the Company is relying upon this representation in connection with the issuance of this Warrant to the Holder.

5. Covenants of Company. The Company agrees that all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized and issued, fully paid and nonassessable. The Company further agrees that during the period within which the rights represented by this Warrant may be exercised, in the event this Warrant is exercised, the Company will have authorized, and reserved for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of such Warrant Shares, to provide for the exercise of the rights represented by this Warrant.

6. Anti-dilution Adjustments. The above provisions are, however, subject to the following:

(a) In case the Company shall at any time hereafter subdivide or combine its outstanding shares of common stock, the Warrant Exercise Price, in effect immediately prior to the subdivision or combination shall forthwith be proportionately increased, in the case of combination, or decreased, in the case of subdivision, and each Warrant Share purchasable upon exercise of the Warrant shall be changed to the number determined by dividing the then current Warrant Exercise Price by the exercise price as adjusted after the subdivision or combination.

(b) If any merger, capital reorganization or reclassification of the outstanding capital stock of the Company, or consolidation or merger of the Company with another entity, or the sale of all or substantially all of its assets to another entity shall be effected in such a way that holders of the Company’s shares of common stock shall be entitled to receive securities or assets with respect to or in exchange for their shares of common stock (an “Exchange Event”), then, from and after such Exchange Event, the Warrant will be exercisable, upon the terms and conditions specified in this Warrant, for an amount of such securities or assets to which a holder of the number of shares of common stock purchasable upon exercise of the Warrant at the time of such Exchange Event would have been entitled to receive upon such Exchange Event. Appropriate provisions will be made with respect to the rights and interests of the Holder to ensure that the provisions of this Warrant (including without limitation the provisions to adjust the Warrant Exercise Price and the number of shares of common stock purchasable upon the exercise of this Warrant) will be applicable, as nearly as may be, in relation to any such securities or assets deliverable upon the exercise of this Warrant after an Exchange Event. The Company will not effect any Exchange Event unless, prior to the consummation thereof, the successor or purchasing corporation (if other than the Company) with respect to such Exchange Event, assumes by written instrument executed and delivered to the Holder at the address of such Holder as shown on the books of the Company, the obligation to deliver to such Holder such securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to purchase.

(c) Upon any adjustment of the Warrant Exercise Price in accordance with this Section 6, then and in each such case, the Company shall give written notice thereof, by first class mail, postage prepaid, addressed to the registered Holder of this Warrant at the address of such Holder as shown on the books of the Company, which notice shall state the Warrant Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of shares of common stock purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

7. No Voting Rights. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Company.

8. Transfer of Warrant or Resale. The Holder acknowledges that it has obtained this Warrant for investment and not with the intention of making any resale or distribution. Except as provided in the Registration Statement of the Company on Form S-4 effective January 19, 2010, the Holder further acknowledges (a) that neither this Warrant nor any of the securities obtainable under it have been registered under the Securities Act of 1933, as amended, or any state securities statutes and (b) that neither this Warrant nor any securities obtained under it may be transferred without such registration or an opinion of legal counsel acceptable to the Company that such transfer may be made without registration.

9. Successors and Assigns. This Warrant shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. The Holder of this Warrant may assign any of its rights under this Warrant to his or her heirs to the extent permitted by this Warrant and applicable law (including, without limitation, federal and state securities laws and regulations).

10. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, Renewable Energy Group, Inc. has caused this Warrant to be signed by its duly authorized officer.

RENEWABLE ENERGY GROUP, INC.

By: ______________________________

Its: ______________________________

WARRANT EXERCISE

(To be signed only upon exercise of Warrant)

The undersigned, the Holder of a Warrant to purchase shares of common stock of Renewable Energy Group, Inc., hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, ______ of the shares of common stock to which such Warrant relates and herewith makes payment of $______ therefor in cash or by check and requests that the certificates for such shares of common stock be issued in the name of, and be delivered to ______, whose address is set forth below the signature of the undersigned. This Warrant Exercise form is accompanied by the original Warrant, which is hereby surrendered to the extent necessary to effect the exercise.

Dated:____________

____
(Signature)

____
(Print Name)

____
(Address)

Exhibit 4.12

SCHEDULE OF WARRANTS ISSUED BY REG TO MEMBERS OF THE FORMER BOARD OF MANAGERS AND EXECUTIVE OFFICERS OF BLACKHAWK.

Date Issued	Warrant Holder	Number of Shares of REG Common Stock	Exercise Prices	Expiration Date
February 26, 2010	Gary Bocker	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Jon Rosenstiel	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Karl Lawfer	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Marvin Wurster	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Quentin Davis	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Ronald Fluegel	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Ronald Mapes	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Terry Sweitzer	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Brad Smith	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Criss Davis	22,395	$ 2.23264	June 8, 2011
February 26, 2010	David Shockey	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Dennis Hamilton	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Dennis Wilke	22,395	$ 2.23264	June 8, 2011
February 26, 2010	Ebenezer Management, LLC	44,790	$ 4.46528	February 25, 2017

Exhibit 10.6

FIRST AMENDMENT TO THE SECOND SUPPLEMENT TO THE MASTER LOAN AGREEMENT (REVOLVING LINE OF CREDIT LOAN)

This FIRST AMENDMENT TO THE SECOND SUPPLEMENT TO THE MASTER LOAN AGREEMENT (REVOLVING LINE OF CREDIT LOAN) (this "Amendment") is made to be effective as of March 7, 2011, by and between REG NEWTON, LLC, an Iowa limited liability company (the "Borrower") and AGSTAR FINANCIAL SERVICES, PCA, a United States instrumentality (the "Lender").

RECITALS

A. The Borrower and the Lender previously entered into that certain Second Supplement to the Master Loan Agreement (Revolving Line of Credit Loan), dated March 8, 2010 (the "Second Supplement") and that certain Master Loan Agreement dated March 8, 2010, and related supplements as amended, modified or restated from time to time (together with the Second Supplement, the "Loan Agreement") under which the Lender agreed to extend certain financial accommodations to the Borrower.

B. The Borrower has requested that the Lender extend the maturity date of the Revolving Line of Credit Note to March 5, 2012. The Lender is willing to so amend the loan, in accordance with the terms and conditions of this Amendment.

C. All terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the facts set forth in the foregoing Recitals which the parties agree are true and correct, and in consideration for entering into this Amendment and the related documents to be executed concurrently with or pursuant hereto, the parties agree as follows:

1. **Amendment to Defined Term**. Except as amended by this Amendment, all terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement. The following defined term in the Second Supplement is hereby amended and restated to read as follows:

"Revolving Line of Credit Loan Maturity Date" shall mean March 5, 2012.

2. **Effect on Loan Agreement**. Except as expressly amended by this Amendment, all of the terms of the Loan Agreement shall be unaffected by this Amendment and shall remain in full force and effect. Nothing contained in this Amendment shall be deemed to constitute a waiver of any default, Event of Default, right

or remedy of the Lender, or to affect, modify, or otherwise impair any of the rights of Lender as provided in the Loan Agreement.

3. **Representations and Warranties of Borrower**. Borrower hereby agrees with, reaffirms, and acknowledges:

a. the representations and warranties in the Loan Agreement, the Loan Documents and the Related Documents. Furthermore, Borrower represents that the representations and warranties contained in the Loan Agreement, the Loan Documents and the Related Documents continue to be true and correct and in full force and effect.

b. that Borrower has the power and authority to execute, deliver, and perform this Amendment and each other document required under this Amendment and that all documents contemplated herein when executed and delivered to Lender will constitute the valid, binding and legally enforceable obligations of Borrower in accordance with their respective terms and conditions, except as enforceability may be limited by any applicable bankruptcy or insolvency laws.

4. **Conditions Precedent to Effectiveness and Continuing Effectiveness of this Amendment**. The obligations of the Lender hereunder are subject to the conditions precedent that Lender shall have received the following, in form and substance satisfactory to the Lender:

a. this Amendment duly executed by Borrower and the Lender;

b. on or before March 7, 2011, an Allonge to the Revolving Line of Credit Note duly executed by the Borrower and the Lender;

c. written consents to this Amendment from Jasper County, Iowa, REG Marketing & Logistics Group, LLC, REG Services Group, LLC, Renewable energy Group, Inc. in form and substance substantially similar to Exhibit A to this Amendment

d. all other documents, instruments, or agreements required to be delivered to Lender under the Loan Agreement and not previously delivered to Lender; and

e. payment for all cost and expenses (including attorney's fees) of Lender associated with the documentation, execution and delivery of this Amendment.

5. **Counterparts**. It is understood and agreed that this Amendment may be executed in several counterparts, each of which shall, for all purposes, be deemed an original, and all of such counterparts, taken together, shall constitute one and the same agreement, even though all of the parties hereto may not have executed the same counterpart of this Amendment.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

**SIGNATURE PAGE TO
FIRST AMENDMENT
TO THE SECOND SUPPLEMENT
TO THE MASTER LOAN AGREEMENT
(REVOLVING LINE OF CREDIT LOAN)
BY AND BETWEEN
REG NEWTON, LLC
AND
AGSTAR FINANCIAL SERVICES, PCA
DATED: MARCH 7, 2011**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and duly authorized, as of the date first above written.

BORROWER:

REG NEWTON, LLC, an Iowa
limited liability company

/s/ Daniel J. Oh
By: Daniel J. Oh
Its: President

LENDER:

AGSTAR FINANCIAL SERVICES, PCA,
a United States corporation

/s/ Mark Schmidt
By: Mark Schmidt
Its: Vice President

Exhibit 10.7

FIRST ALLONGE
(to the Revolving Line of Credit Note Dated March 8, 2010)

THIS FIRST ALLONGE (the "Allonge") is made and entered into as of the 7th day of March, 2011, by and between REG NEWTON, LLC, an Iowa limited liability company (the "Borrower") and AGSTAR FINANCIAL SERVICES, PCA, a United States instrumentality, its successors and assigns (the "Lender").

RECITALS

A. The Borrower previously executed and delivered to the Lender a Revolving Line of Credit Note in the original principal amount of $2,350,000.00, dated March 8, 2010 (the "Note"). This Allonge is permanently attached to said Note.

B. The Borrower and Lender have agreed to make certain modifications to the Note, all in accordance with the terms and conditions of this Allonge.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained in this Allonge and for other good and valuable consideration, the receipt and sufficiently of which are hereby acknowledged by the Borrower and the Lender, the parties agree as follows:

1**. Modification of Note.** Notwithstanding any of the provisions of that certain Master Loan Agreement dated March 8, 2010 and that certain Second Supplement to the Master Loan Agreement and the Note to the contrary, paragraph #6 of the Note is hereby amended and restated to read as follows:

6. The outstanding principal balance hereof, together with all accrued interest, if not paid sooner, shall be due and payable in full on March 5, 2012 (the "Revolving Line of Credit Loan Maturity Date").

IN WITNESS WHEREOF, the parties hereto have caused this Allonge to be duly executed and delivered as of the date and year first above written.

BORROWER:

REG NEWTON, LLC, an Iowa limited liability company

/s/ Daniel J. Oh
By: Daniel J. Oh
Its: President

LENDER:

AGSTAR FINANCIAL SERVICES, PCA, a United States instrumentality

/s/ Mark Schmidt
By: Mark Schmidt
Its: Vice President

Exhibit 10.13

FOURTH AMENDMENT TO LOAN AGREEMENT AND FIRST AMENDMENT TO REVOLVING CREDIT LOAN NOTE

THIS FOURTH AMENDMENT TO LOAN AGREEMENT AND FIRST AMENDMENT TO REVOLVING CREDIT LOAN NOTE (this "Amendment") is executed as of the 30 day of September, 2010 and made effective as of December 31, 2009 (the "Effective Date"), by and between FIFTH THIRD BANK, an Ohio banking corporation, successor by merger with FIFTH THIRD BANK, a Michigan banking corporation ("Lender"), having an address at 8000 Maryland Avenue, Suite 1400, St. Louis, Missouri 63105, and REG DANVILLE, LLC, a Delaware limited liability company, formerly known as BLACKHAWK BIOFUELS, LLC ("Borrower"), with its office at 416 S. Bell Ave., Ames, Iowa 50010.

Recitals

The following recitals are a material part of this Amendment:

A. Lender and Borrower are parties to that certain Loan Agreement dated as of May 9, 2008, as amended by that certain First Amendment to Loan Agreement dated December 23, 2008, as further amended by that certain Second Amendment to Loan Agreement dated November 25, 2009, and as further amended by that certain Third Amendment to Loan Agreement dated February 26, 2010 (as further amended, modified and/or restated from time to time, the "Loan Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings given them in the Loan Agreement.

B. Lender has provided Loans to Borrower in the aggregate maximum principal amount of $29,650,000.00 pursuant to the Loan Agreement, which Loans are evidenced by (i) that certain Construction/Term Loan Note dated May 9, 2008 in the amount of $24,650,000.00 executed by Borrower in favor of Lender and (ii) that certain Revolving Credit Loan Note dated May 9, 2008 in the amount of $5,000,000.00 executed by Borrower in favor of Lender ("Line of Credit Note").

C. Lender and Borrower hereby agree that the Loan Agreement and Revolving Credit Note are hereby amended under the terms and conditions contained herein.

Contractual Provisions

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Loan Agreement.

(a) From and after the Effective Date, the Revolving Credit Loan shall no longer be deemed a revolving line of credit, and amounts repaid under the Revolving Credit Loan may not be reborrowed. Notwithstanding anything in the Loan Agreement to the contrary, Borrower shall no longer have the right to request advances under the

Revolving Credit Loan, and Lender shall be under no further obligation to make advances under the Revolving Credit Loan. The aggregate outstanding principal balance of the Revolving Credit Loan shall be repaid in accordance with the terms of the Loan Agreement, as amended hereby.

(b) Section 1.1 of the Loan Agreement is hereby amended as follows:

(i) The definition of "Change of Control" is hereby added in its entirety as follows:

"Change of Control shall mean the occurrence of any of the following: (i) a sale of all or substantially all of the assets of Borrower; (ii) a merger or consolidation involving Borrower, excluding a merger or consolidation after which 50% or more of the outstanding voting equity interests of Borrower continue to be held by the same holders that held 50% of more of the outstanding voting equity interests of Borrower immediately before such merger or consolidation; or (iii) any issuance and/or acquisition of voting equity interests of Borrower that results in a person or entity holding 50% or more of the outstanding voting equity interests of Borrower, excluding any underwriter in any firmly underwritten offering and excluding any persons or entities that collectively held 50% of more of the outstanding voting equity interests of Borrower immediately before such issuance or acquisition."

(ii) The definition of "Operation Documents" is hereby deleted in its entirety and replaced with the following:

"Operation Documents shall mean, collectively, the Management and Operational Services Agreement and the Services Agreement."

(iii) The definition of "Revolving Credit Loan Termination Date" is hereby deleted in its entirety and replaced with the following:

"Revolving Credit Loan Termination Date shall mean November 30, 2010."

(c) The following sentence is hereby added in its entirety to the end of Section 2.2(a) of the Loan Agreement as follows:

"Notwithstanding the foregoing, after December 31, 2009 Lender shall be under no further obligation to make any additional Revolving Credit Loans to Borrower under this Agreement, and after such date Borrower shall not be entitled to reborrow any amounts previously repaid pursuant to the terms of this Agreement."

(d) Section 3.2(b) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Revolving Credit Loans. The principal amount and accrued interest of the Revolving Credit Loan Note shall be due and payable on the dates and in the manner hereinafter set forth:

(i) Borrower shall make payments of accrued interest monthly on the first (1st) day of each calendar month for the immediately preceding month's accrued interest (computed through the last calendar day of the preceding month), with the first of such payments commencing on the first (1st) day of the first month after the first Advance under the Revolving Credit Loan,

(ii) Borrower shall make a one-time payment of principal in the amount of $40,000 on or before September 30, 2010, and then Borrower shall make weekly payments of principal on each Wednesday of each calendar week thereafter in the amount of $20,000 per week with the first such payment due on October 6, 2010, and

(iii) On the Revolving Credit Loan Termination Date, the remaining outstanding principal balance and accrued interest on the Revolving Credit Loan Note shall be due and payable."

(e) Section 3.4 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"3.4 Reserved."

(f) Section 3.5(e) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"(e) Reserved."

(g) Section 7.48 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"7.48 Change of Control. Without the prior written consent of Lender, Borrower shall not take any action that would trigger a Change of Control."

(h) Section 8.1(x) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"(x)(i) If there shall occur any default or event of default by Borrower under any of the Operation Documents which default or event of default is not waived, or (ii) any termination of any such Operation Agreements without prior written consent by Lender."

SECTION 2. Amendment to Line of Credit Note. The Line of Credit Note is hereby amended by reducing the amount of the Line of Credit Note from “$5,000,000.00” to “$190,000.00”. Therefore, any place where “$5,000,000.00” appears in the Line of Credit Note it shall be replaced with “$190,000.00”.

SECTION 3. Amendments to Loan Documents. The Loan Documents are hereby modified as necessary to reflect the amendments set forth in Sections 1 and 2 hereof.

SECTION 4. Amendment Fee. The Borrower hereby agrees to pay to Lender a non-refundable amendment fee in the aggregate amount of $15,000.00, which shall be deemed fully earned upon Lender’s receipt thereof and payable upon the execution of this Amendment.

SECTION 5. Consent to Cancellation of Oil Feedstock Supply Agreement and Oil Supply Cure Rights Agreement The Lender hereby consents and agrees to Borrower’s cancellation of both the Oil Feedstock Supply Agreement and Oil Supply Cure Rights Agreement, and therefore all the Loan Documents, as applicable, are hereby revised to reflect such consent and cancellation.

SECTION 6. No Claims. Borrower acknowledges that there are no existing claims, defenses (personal or otherwise) or rights of set-off or recoupment whatsoever with respect to any of the Loan Documents. Borrower agrees that this Amendment in no way acts as a release or relinquishment of any liens in favor of the Lender securing payment of obligations and indebtedness between Borrower and Lender.

SECTION 7. References. All references in the Loan Agreement to “this Agreement” shall be deemed to refer to the Loan Agreement as amended hereby; and any and all references in the other Loan Documents to the Loan Agreement shall be deemed to refer to the Loan Agreement as amended hereby.

SECTION 8. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) The Recitals in this Amendment are true and correct in all respects.

(b) Borrower has the company power, and has been duly authorized by all requisite company action, to execute and deliver this Amendment and to perform its obligations hereunder and thereunder. This Amendment has been duly executed and delivered by Borrower.

(c) This Amendment is the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting the rights of creditors and (ii) applicable laws and regulations and principles of equity which may restrict the enforcement of certain remedies or the availability of certain equitable remedies.

(d) Borrower's execution, delivery and performance of this Amendment does not and will not (i) violate any law, rule, regulation or court order to which Borrower is subject; (ii) conflict with or result in a breach of Borrower's Certificate of Formation or Operating Agreement or any agreement or instrument to which Borrower is party or by which Borrower or its properties is bound, or (iii) result in the creation or imposition of any lien, security interest or encumbrance on any property of Borrower, whether now owned or hereafter acquired, other than liens in favor of Lender.

(e) The obligation of Borrower to repay the Obligations, together with all interest accrued thereon, is absolute and unconditional, and there exists no right of set off or recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations.

SECTION 9. Effect and Construction of Amendment. Except as expressly provided herein, the Loan Documents shall remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to:

(a) impair the validity, perfection or priority of any lien or security interest securing the Obligations; or

(b) waive or impair any rights, powers or remedies of Lender under the Loan Documents.

In the event of any inconsistency between the terms of this Amendment and the Loan Agreement or any of the Loan Documents, this Amendment shall govern. Borrower acknowledges that it has consulted with counsel and with such other experts and advisors as it has deemed necessary in connection with the negotiation, execution and delivery of this Amendment. This Amendment shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Amendment or any part hereof to be drafted.

SECTION 10. Conditions Precedent to Effectiveness of Amendment. This Amendment shall not be effective until:

(a) Lender shall have received this Amendment duly executed along with both Consents of Guarantor attached hereof;

(b) Lender shall have received notification from the IFA that the IFA has agreed and consented, without reservation, to all the terms of this Amendment to the extent the IFA's consent and agreement is required under the IFA Guaranty Documents;

(c) Lender shall have received payment of the fees and costs required herein and under the Loan Agreement; and

(d) Lender has received such other and further documents as Lender shall have reasonably requested prior to the date hereof, all in form and substance satisfactory to Lender and its counsel.

SECTION 11. Costs and Expenses. Borrower hereby reaffirms its agreement under the Loan Agreement to pay or reimburse the Lender on demand for all costs and expenses incurred by the Lender in connection with the Loan Agreement, the Loan Documents and all other documents contemplated thereby, including without limitation all reasonable fees and disbursements of legal counsel. Without limiting the generality of the foregoing, Borrower specifically agrees to pay all fees and disbursements of counsel to the Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto.

SECTION 12. Miscellaneous.

(a) Borrower agrees to execute such other and further documents and instruments as Lender may reasonably request to implement the provisions of this Amendment and to perfect and protect the liens and security interests created by the Loan Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, their respective successors and assigns. No other person or entity shall be entitled to claim any right or benefit hereunder, including, without limitation, the status of a third-party beneficiary of this Amendment.

(c) The provisions of this Amendment are intended to be severable. If any provisions of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Amendment in any jurisdiction.

(d) This Amendment may be executed in any number of counterparts and by different parties to this Amendment on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

(e) Any notices with respect to this Amendment shall be given in the manner provided for in the Loan Agreement.

(f) This Amendment shall be governed by and construed in accordance with the internal laws of the State of Missouri.

(g) All representations, warranties, covenants, agreements, undertakings, waivers and releases of Borrower contained herein shall survive until the Obligations are paid in full.

(h) Incorporation by Reference; Statement Required By Mo. Rev. Stat. Section 432.047. All of the terms, covenants and conditions of the Loan Documents are incorporated in, restated by, and made part of this Amendment by reference. Pursuant to Mo. Rev. Stat. Section 432.047, Lender hereby gives the following notice to Borrowers:

> **"Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the Loan Agreement. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it."**

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

BORROWER:

REG DANVILLE, LLC, a Delaware limited liability company, formerly known as Blackhawk Biofuels, LLC

By: /s/ Daniel Oh
Daniel Oh, President

LENDER:

FIFTH THIRD BANK, an Ohio banking corporation, successor by merger with **FIFTH THIRD BANK,** a Michigan banking corporation

By: /s/ Mary Ann Lemonds
Mary Ann Lemonds, Vice President

CONSENT OF GUARANTOR

Renewable Energy Group, Inc., a Delaware corporation ("***Guarantor***"), has executed in favor of Fifth Third Bank, an Ohio banking corporation, successor by merger with Fifth Third Bank, a Michigan banking corporation ("***Lender***"), those certain Guaranties dated as of May 9, 2008 and November 25, 2009 (the "***Guaranties***") in which Guarantor guaranteed certain obligations of Borrower to Lender. The undersigned Guarantor does hereby consent to the terms of this Amendment and does hereby ratify and reaffirm the Guaranties as amended as of the date hereof, and agrees that the Guaranties shall remain in full force and effect in accordance with its terms as amended hereby. The undersigned Guarantor further agrees that its consent to this Amendment is not required, and that the Lender's obtaining such consent shall in no way imply any requirement for obtaining such a consent in similar circumstances in the future.

Date: September 30, 2010

RENEWABLE ENERGY GROUP, INC.

By: /s/ Daniel J. Oh
Name: Daniel J. Oh
Title: President

CONSENT OF GUARANTOR

The Illinois Finance Authority ("***Guarantor***"), has executed in favor of Fifth Third Bank, an Ohio banking corporation, successor by merger with Fifth Third Bank, a Michigan banking corporation ("***Lender***"), that certain Guaranty dated May 9, 2008 (the "***Guaranty***") in which Guarantor guaranteed certain obligations of Borrower to Lender. The undersigned Guarantor does hereby consent to the terms of the Loan Agreement as further amended by this Amendment and does hereby ratify and reaffirm the Guaranty as amended as of the date hereof, and agrees that the Guaranty shall remain in full force and effect in accordance with its terms as amended hereby.

Date: September 30, 2010

ILLINOIS FINANCE AUTHORITY

By: /s/ Christopher B. Meister
Name: Christopher B. Meister
Title: Executive Director

Exhibit 10.15

FIRST AMENDMENT TO
STOCKHOLDER AGREEMENT

This First Amendment (this "Amendment") to the Stockholder Agreement of REG Newco, Inc. (now known as Renewable Energy Group, Inc.), a Delaware corporation (the "Company"), is made and entered into effective as of June 29, 2010. Capitalized terms used but not otherwise defined in this Amendment shall have the respective meanings assigned to such terms in the Stockholder Agreement (as defined below).

WHEREAS, the Company, NGP Energy Technology Partners L.P., a Delaware limited partnership ("NGP Energy"), Natural Gas Partners, VIII, L.P., a Delaware limited partnership (collectively with NGP Energy, "NGP") and certain other Stockholders entered into that certain Stockholder Agreement of the Company, dated as of February 26, 2010 (the "Stockholder Agreement");

WHEREAS, pursuant to Section 2(a)(ii) of the Stockholder Agreement, subject to certain conditions, NGP is entitled to nominate and elect two representatives to the Company's Board of Directors; and

WHEREAS, it is the desire of the undersigned to amend the Stockholder Agreement to modify the number of directors of the Company to be nominated and elected by NGP, and to provide NGP with an observer right with respect to Board meetings, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises of the parties, the parties agree and acknowledge as follows:

Section 1. *Amendments*.

(a) The Stockholder Agreement is amended, as of the date hereof, by replacing the existing Section 2(a)(ii) of the Stockholder Agreement with the following provision:

"(ii) the nomination and election to the Board of (A) for so long as NGP holds at least 2,105,263 shares of Series A Preferred Stock (and/or Common Stock issued or issuable upon conversion of such Series A Preferred Stock) (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares), one (1) representative designated by NGP, which number may be increased at any time in the sole discretion of NGP to two (2) representatives effective upon the written request of NGP, (B) for so long as Westway holds at least 657,895 shares of Series A Preferred Stock (and/or Common Stock issued or issuable upon conversion of such Series A Preferred Stock) (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares), one (1) representative designated by Westway, (C) for so long as Bunge holds at least 526,316 shares of Series A Preferred Stock (and/or Common Stock issued or issuable upon conversion of such Series A Preferred Stock) (subject to appropriate adjustments in the event of any stock dividend, stock split,

combination or other similar recapitalization affecting such shares), one (1) representative designated by Bunge and (D) for so long as the members of the USBG Group collectively hold at least 1,277,167 shares of Series A Preferred Stock (and/or Common Stock issued or issuable upon conversion of such Series A Preferred Stock) (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares), one (1) representative designated by the members of the USBG Group holding a majority of the shares of Series A Preferred Stock (and/or Common Stock issued or issuable upon conversion of the shares of such Series A Preferred Stock) held by members of the USBG Group (Westway, Bunge and the USBG Group are collectively referred to herein as the "**Strategic Investors**"); provided, however, in the event any of NGP, Westway, Bunge or USBG Group has elected to have all of its shares of Series A Preferred Stock redeemed by the Company pursuant to the Series A Certificate of Designation (a "**Redeeming Stockholder**"), and the Company is not able to redeem all the shares of Series A Preferred Stock held by the Redeeming Stockholder, then the Redeeming Stockholder shall not lose the right to have its representative(s) nominated and elected to the Board pursuant to this Subsection 2(a)(ii) until such redemption is complete."

(b) The Stockholder Agreement is amended, as of the date hereof, by replacing the existing Section 7(c) of the Stockholder Agreement with the following provision:

"(c) Observer Rights. The Company shall permit up to four (4) non-voting observers to attend each meeting of the Board and of any committees of the Board, consisting of the President of the Company, an observer appointed by West Central, an observer appointed by Energy Technology Partners, L.L.C. and, for so long as only (1) director has been appointed to the Board by NGP as contemplated in Section 2(a)(ii) above, an observer appointed by NGP; provided however that NGP shall not have the right to appoint an observer pursuant to this Section 7 during the period in which NGP has appointed two (2) directors to the Board as contemplated in Section 2(a)(ii) above. Such observers shall receive advance notice of all such meetings and all materials provided to the directors before and during such meetings. The Company may remove or exclude such observers from any meeting of the Board and of any committees of the Board when such observers' presence would reasonably be expected to compromise attorney-client confidentiality, would be reasonably necessary to protect highly confidential information or for other similar bona fide corporate reasons. The decision of the Board with respect to the privileged or confidential nature of such information shall be final and binding."

Section 2. *Effect*. This Amendment constitutes an amendment to the Stockholder Agreement. The terms and provisions of the Stockholder Agreement and all other documents and instruments relating and pertaining to the Stockholder Agreement shall continue in full force and effect, as amended hereby. In the event of any conflict between the provisions of the Stockholder Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

Section 3. *Counterparts*. This Amendment may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the day first above written.

COMPANY:

RENEWABLE ENERGY GROUP, INC.

By: /s/ Jeffrey Stroburg
Name: Jeffrey Stroburg
Title: Chairman / CEO

COMMON STOCKHOLDERS:

WEST CENTRAL COOPERATIVE

By: /s/ Jeffrey Stroburg
Name: Jeffrey Stroburg
Title: President / CEO

BLUE MARBLE INVESTORS LLC

By: /s/ Kendell Enebrit
Name: Kendell Enebrit
Title: Secretary

WEST CENTRAL BIODIESEL INVESTORS, LLC

By: /s/ Susan Tronchetti
Name: Susan Tronchetti
Title: Manager

ENERGY TECHNOLOGY PARTNERS, L.L.C.

By: /s/ Chris Sorrells
Name: Chris Sorrells
Title: Managing Director

BUNGE NORTH AMERICA, INC.

By: /s/ Eric Hakmiller
Name: Eric Hakmiller
Title: Vice-President Bunge Biofuels

BIOFUELS COMPANY OF AMERICA, LLC

By: /s/ Mark A. Barke
Name: Mark A. Barke
Title: President

GATX CORPORATION

By: /s/ Eric P. Herkness
Name: Eric P. Herkness
Title: Vice President

TODD & SARGENT, INC.

By: /s/ Lee Sargent
Name: Lee Sargent
Title: CEO & Chair

SARGECO, INC.

By: /s/ Lee Sargent
Name: Lee Sargent
Title: President

NATURAL GAS PARTNERS VIII, L.P.

By: G.F.W. Energy VIII, L.P., General Partner
By: GFW VIII, L.L.C., General Partner

By: /s/ William J. Quinn
Name: William J. Quinn
Authorized Member

E D & F MAN HOLDINGS BV

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

USBG MEMBERS:

USRG HOLDCO V, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title:

OHANA HOLDINGS, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title:

JYCO, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title:

SUPREME OIL COMPANY, INC.

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title:

PADMA RAG DATTA TRUST

By: /s/ Lois-Ellin G. Datta
Name: Lois-Ellin G. Datta
Title: Trustee

JANE SU AND RICHARD CHOW REVOCABLE TRUST

By: /s/ Richard Chow
Name: Richard Chow
Title: Trustee

FIRST AMENDMENT TO STOCKHOLDER AGREEMENT
SIGNATURE PAGE

SERIES A STOCKHOLDERS:

NGP ENERGY TECHNOLOGY PARTNERS, L.P.

By NGP ETP, L.L.C., its General Partner

By: /s/ Chris Sorrells
Name: Chris Sorrells
Title: Managing Director

NATURAL GAS PARTNERS VIII, L.P.

By: G.F.W. Energy VIII, L.P., General Partner
By: GFW VIII, L.L.C., General Partner

By: /s/ William J. Quinn
Name: William J. Quinn
Authorized Member

E D & F MAN HOLDINGS BV

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

BUNGE NORTH AMERICA, INC.

By: /s/ Eric Hakmiller
Name: Eric Hakmiller
Title: Vice-President Bunge Biofuels

WEST CENTRAL COOPERATIVE

By: /s/ Jeffrey Stroburg
Name: Jeffrey Stroburg
Title: President / CEO

USBG MEMBERS:

USRG HOLDCO V, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Manager

OHANA HOLDINGS, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Manager

JYCO, LLC

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Manager

SUPREME OIL COMPANY, INC.

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Manager

PADMA RAG DATTA TRUST

By: /s/ Lois-Ellin G. Datta
Name: Lois-Ellin G. Datta
Title: Trustee

JANE SU AND RICHARD CHOW
REVOCABLE TRUST

By: /s/ Richard Chow
Name: Richard Chow
Title: Trustee

Exhibit 10.16

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this **"Agreement"**) is made and entered into as of February 26, 2010, by and among REG Newco, Inc., a Delaware corporation (together with its successors and assigns, the **"Company"**), the holders of the Company's Series A Convertible Preferred Stock as listed on Exhibit A hereto (the **"Series A Stockholders"**), and the holders of the Company's Common Stock as listed on Exhibit A hereto (the **"Common Stockholders"**). The Series A Stockholders and Common Stockholders are collectively referred to herein as the **"Stockholders."**

1. Background. Pursuant to (a) the Second Amended and Restated Asset Purchase Agreement executed November 20, 2009 by and among the Company, REG Newton, LLC, Renewable Energy Group, Inc. ("REG") and Central Iowa Energy, LLC , (b) the Second Amended and Restated Asset Purchase Agreement executed November 20, 2009 by and among the Company, REG Wall Lake, LLC, REG and Western Iowa Energy, LLC, (c) the Second Amended and Restated Merger Agreement executed November 21, 2009 by and among the Company, REG Danville, LLC, REG and Blackhawk Biofuels, LLC and (d) the Second Amended and Restated Merger Agreement executed November 20, 2009 by and among the Company, REG and REG Merger Sub, Inc. (collectively, such Asset Purchase Agreements and Merger Agreements are referred to herein as the "Acquisition Agreements"), the Company is obligated to enter into this Agreement in order to provide the Stockholders with certain registration rights regarding the Company's equity securities. Certain terms used herein are defined in Section 2 of this Agreement.

2. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Commission: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

Exchange Act: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Exchange Act of 1934 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Form S-3: Such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the Commission that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the Commission.

Holder: Any Stockholder owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 8 hereof.

Initial Offering: The Company's first firm commitment underwritten public offering of its Common Stock under the Securities Act.

Junior Registrable Securities: (i) The shares of Common Stock issued to the Common Stockholders other than Senior Registrable Securities; and (ii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) above, excluding in all cases, however, any Junior Registrable Securities sold by a person in a transaction in which his rights under this Agreement are not assigned.

Person: A corporation, an association, a partnership, a limited liability company, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

Preferred Stock: Series A Preferred Stock

Registrable Securities: Any Senior Registrable Securities and Junior Registrable Securities.

Registration Expenses: All expenses incident to the Company's performance of or compliance with Sections 3.1, 3.2 and 3.3 below, including, without limitation, all registration, filing and National Association of Securities Dealers fees, all fees and expenses of complying with applicable laws (including securities or blue sky laws), all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including, without limitation, the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, the fees and disbursements of one special counsel for the selling Holders selected by the selling Holders with the approval of the Company, which approval shall not be unreasonably withheld, which fees and disbursements shall not exceed $50,000, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered, the fees and expenses of any special experts retained by the Company in connection with such offering, the fees and expenses of any qualified independent underwriter or other independent appraiser participating in any offering pursuant to the Conduct Rules of the National Association of Securities Dealers, Inc., all printing, mailing courier and overnight delivery charges (except to the extent borne by underwriters), all travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the offered securities, and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding Selling Expenses, if any; provided, that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of Company personnel or general overhead expenses of the Company, auditing fees, premiums or other expenses

relating to liability insurance required by underwriters of the Company or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

Securities Act: The Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as shall be in effect at the time. References to a particular section of the Securities Act of 1933 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Selling Expenses: Underwriting discounts and commissions and stock transfer taxes relating to Registrable Securities covered by such registration.

Senior Registrable Securities: (i) The shares of Common Stock issuable or issued upon conversion of the Series A Preferred Stock of the Company, (ii) the shares of Common Stock issued and outstanding following the exercise of any warrant to purchase shares of Common Stock issued by the Company to any Series A Stockholder or its affiliates, (iii) any other shares of Common Stock held by a Series A Stockholder, (iv) 1,409,053 shares of Common Stock issued to West Central Biodiesel Investors, LLC and 696,210 shares of the Common Stock issued to Blue Marble Investors, LLC, (v) the shares of Common Stock issued pursuant to any of the Acquisition Agreements, and (vi) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i), (ii), (iii), (iv) and (v) above, excluding in all cases, however, any Senior Registrable Securities sold by a person in a transaction in which his rights under this Agreement are not assigned.

3. Registration under Securities Act, etc.

3.1 Demand Registration.

(a) Demand Rights. Subject to the conditions of this Section 3.1, if the Company shall receive a written request from the holders of at least seventy-five percent (75%) of the issued and outstanding shares of Preferred Stock that were issued in exchange for shares of series A, series AA, series B or series BB preferred stock of Renewable Energy Group, Inc., a Delaware corporation ("REG"), pursuant to the Second Amended and Restated Agreement and Plan of Merger dated November 20, 2009 by and among the Company, REG and REG Merger Sub, Inc. (the **"Initiating Holders"**) that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities with anticipated proceeds of at least (i) $40,000,000 at a share price (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization as generally described in the Company's Certificate of Designation of Series A Convertible Preferred Stock (the **"Series A Certificate of Designation"**)) of at least two times the original purchase price

per share of the Series A Preferred Stock for the Initial Offering or (ii) $10,000,000 for a public offering thereafter, then the Company shall, within ten (10) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 3.1, use best efforts to file, and commercially reasonable efforts to cause to become effective, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company's notice pursuant to this Section 3.1(a). The holders of Senior Registrable Securities shall be limited to a maximum of two (2) demand registrations pursuant to this Section 3.1, provided that a registration requested pursuant to this Section 3.1(a) shall not be deemed to have been effected (i) unless a registration statement with respect thereto has been declared effective for a period of at least one hundred twenty (120) days, (ii) if after a registration statement has become effective, such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason, (iii) if the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than as a result of the voluntary termination of such offering by the Holders of Registrable Securities, or (iv) if the Holders of Registrable Securities that would otherwise be underwritten are required to exclude or withdraw a number of Registrable Securities from such underwriting pursuant to Section 3.1(b) the result of which is gross proceeds to the Holders of Registrable Securities from the registration of less than $40,000,000 if the Initial Offering or $10,000,000 if a public offering thereafter.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 3.1 and the Company shall include such information in the written notice referred to in Section 3.1(a). In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company (which underwriter or underwriters shall be nationally recognized and reputable investment banks reasonably acceptable to a majority in interest of the Initiating Holders). Notwithstanding any other provision of this Section 3.1, if the underwriter advises the Company that marketing factors require a limitation of the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated on a pro rata basis first among the selling Holders of Senior Registrable Securities based on the number of Senior Registrable Securities held by such Holder, and then, if any additional shares may be included in the underwriting, pro rata among the Holders

according to the total amount of remaining Junior Registrable Securities, owned by each such selling Holder. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 3.1:

(i) prior to the earlier of (A) August 1, 2011 or (B) six (6) months following the effective date of the Initial Offering; provided, however, that, if at any time after the date hereof the Initiating Holders shall provide to the Company letters from two nationally recognized and reputable investment banks of their willingness to act as lead underwriter in an Initial Offering with anticipated proceeds of at least $40,000,000 at a share price (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or other similar recapitalization as generally described in the Series A Certificate of Designation) of at least two times the original purchase price of the Series A Preferred Stock, the Company shall use its commercially reasonable efforts to file and effectuate a registration statement on Form S-1 under the Securities Act in a timely manner thereafter; or

(ii) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act; or

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred eighty (180) days following the effective date of, a Company-initiated registration subject to Section 3.2 below, provided that the Company is actively employing in good faith its best efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 3.3 below; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 3.1, a certificate signed by the Company's Chief Executive Officer or Chairman of the Board (as defined below) stating that in the good faith judgment of the Board of Directors of the Company (the "Board"), it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders, provided that (A) such right to delay a request shall be exercised by the Company not more

than once in any twelve (12)-month period and (B) any such delay must also suspend the registration rights of all stockholders of the Company having any registration rights with respect to shares of capital stock of the Company.

3.2 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register under the Securities Act (whether for its own account or otherwise) any of its Common Stock and solely for cash in connection with a public offering of such Common Stock (other than (i) a registration relating solely to the sale of securities to participants in a Company stock plan, (ii) a registration relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act, (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 7, the Company shall, subject to the provisions of Section 3.2(c), use its commercially reasonable efforts to cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 3.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 3.8 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 3.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with an underwriter or underwriters selected by the Company, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by holders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned on a pro rata basis first among the selling Holders of Senior Registrable Securities based on the number of

Senior Registrable Securities held by such Holder, and then, if any additional shares may be included in the underwriting, pro rata among the Holders according to the total amount of remaining Junior Registrable Securities owned by each such selling Holder) unless such offering is the Initial Offering in which case the selling Holders may be excluded if the underwriters make the determination described above.

3.3 Form S-3 Registration. In case the Company shall receive from any Holder or Holders a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, use commercially reasonable efforts to effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 3.3: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the Holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than $2,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such Form S-3 Registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 3.3; provided, however, that the Company shall not utilize this right more than once in any twelve (12) month period; (iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for any Holders pursuant to this Section 3.3; (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (vi) during the period ending one hundred eighty (180) days after the effective date of a registration statement subject to Section 3.2.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations

effected pursuant to this Section 3.3 shall not be counted as demands for registration or registrations effected pursuant to Section 3.1.

3.4 Registration Procedures. If and whenever the Company is required to use its commercially reasonable efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 3.1, 3.2 or 3.3 above, the Company shall as expeditiously as possible:

(a) prepare and as soon thereafter as possible (but with respect to a public offering other than the Initial Offering, in any event no later than ninety (90) days after the last request for inclusion in the applicable registration is timely given to the Company) file with the Commission the requisite registration statement to effect such registration and thereafter use commercially reasonable efforts to cause such registration statement to become effective and remain effective for a period of one hundred twenty (120) days or, if earlier, until the distribution contemplated by the registration statement has been completed (the "**Effectiveness Period**"); provided, however, in the case of any registrations on Form S-3 that are intended to be offered on a continuous or delayed basis, the Effectiveness Period shall be extended until all applicable Registrable Securities thereunder are sold. Notwithstanding the foregoing, the Company may discontinue any registration of its securities which are not Registrable Securities at any time prior to the effective date of the registration statement relating thereto; and provided further, in the event that, in the good faith judgment of the Company, it is advisable to suspend use of the prospectus relating to such registration statement for a discrete period of time (a "**Deferral Period**") due to pending or proposed material corporate developments or similar material events that have not yet been publicly disclosed and as to which the Company believes public disclosure will be prejudicial to the Company, the Company shall deliver a certified resolution of the Board, signed by a duly authorized officer of the Company, to each Holder of Registrable Securities covered by the Registration Statement to the effect of the foregoing and such Holders, upon receipt of such certificate, and the Company agrees not to dispose of any Registrable Securities covered by any registration or prospectus (other than in transactions exempt from the registration requirements under the Securities Act); provided, however, that the Company shall not utilize more than four (4) Deferral Periods in any twelve (12) month period and in no event shall the aggregate length of all such Deferral Periods in any such twelve (12) month period be greater than ninety (90) days. The Effectiveness Period shall be extended for a period of time equal to any Deferral Period.

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the Holder or Holders thereof set forth in such registration statement;

(c) furnish to each Holder of Registrable Securities covered by such registration statement such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including, without limitation, all exhibits), such number of copies of the prospectus contained in such registration statement (including, without limitation, each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such Holder may reasonably request;

(d) use commercially reasonable efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each Holder thereof shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in such jurisdictions of the securities owned by such Holder, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this clause (d) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary to enable the Holder or Holders thereof to consummate the disposition of such Registrable Securities;

(f) use its commercially reasonable efforts to furnish, at the request of the underwriters pursuant to an underwriting agreement, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to Section 3.1:

(i) an opinion of counsel for the Company for the purpose of such registration, dated as of such date, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and

(ii) a "comfort" letter, dated such date, signed by the independent certified public accountants who have certified the Company's financial statements included in such registration statement, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters.

(g) notify each Holder of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under

the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, or, if for any reason it shall be necessary during such time period to amend or supplement the registration statement or the prospectus in order to comply with the Securities Act, at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall (i) not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made or (ii) effect such compliance;

(h) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, and shall furnish to each such Holder of Registrable Securities covered by such registration statement at least five (5) business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any such Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(i) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(j) use its commercially reasonable efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the equity securities of the Company of the same class as the Registrable Securities are then listed;

(k) cooperate with the underwriters with respect to all roadshows and other marketing activities as may be reasonably requested by the underwriters; and

(l) enter into such agreements and take such other actions as the Holders of Registrable Securities covered by a registration statement shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company such information regarding such Holder and the

distribution of such securities as the Company may from time to time reasonably request in writing.

Each Holder of Registrable Securities agrees by acquisition of such Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in clause (g) of this Section 3.4, such Holder will forthwith discontinue such Holder's disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by clause (g) of this Section 3.4 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

3.5 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Agreement, the Company will give one representative designated by the Holders of a majority of the Registrable Securities included in such registration statement, and one special counsel and accounting firm similarly designated by the Holders of a majority of the Registrable Securities included in such registration statement, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such Holders' counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

3.6 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 3 with respect to the Registrable Securities of any selling Holder that at the request of the Company such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

3.7 Additional Rights of Holders. If any registration statement prepared under this Agreement refers to any Holder by name or otherwise as the Holder of any securities of the Company, then such Holder shall have the right to require (a) the insertion therein of language, in form and substance satisfactory to such Holder to the effect that the holding by such Holder of such securities does not necessarily make such Holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by such Holder of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to such Holder.

3.8 Expenses of Registration. The Company shall pay all Registration Expenses in connection with any registration requested pursuant to Sections 3.1, 3.2 or 3.3. Any Selling Expenses in connection with any registration requested pursuant to Sections 3.1, 3.2 or 3.3 shall be allocated among all Holders on whose behalf Registrable Securities of the Company are included in such registration, on the basis of the respective amounts of the Registrable Securities then being registered on their behalf. Notwithstanding the foregoing or anything contained herein to the contrary, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 3.1 or 3.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case the participating Holders shall bear such expenses on a pro rata basis based on the Registrable Securities of such Holder proposed to be included in such withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 3.1 or one S-3 registration pursuant to Section 3.3, as applicable; provided further, however, that if such withdrawal occurs prior to the date the registration statement shall have become effective and at the time of such withdrawal, the Holders have learned of a material adverse change in the financial condition, business, properties or results of operations of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 3.1 and 3.3, as applicable.

3.9 Indemnification.

(a) Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby does, indemnify and hold harmless the Holder of any Registrable Securities covered by such registration statement, its directors and officers, legal counsel and accountants for such Holder, and each other Person, if any, who controls such Holder, within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which any of the foregoing persons may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such Holder and each such director, officer, and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such

registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder specifically stating that it is for use in the preparation thereof; provided further, that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus; and provided still further, that the indemnity agreement contained in this Section 3.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such Holder.

(b) Indemnification by the Holders. Each Holder, severally and not jointly, shall indemnify and hold harmless the Company, each director of the Company, each officer of the Company and each other Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement and any officer, director, legal counsel or accountant or controlling person of any such Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state securities law insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement; provided, however, that the indemnity agreement contained in this Section 3.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld. The maximum liability of each Holder for any such indemnification shall not exceed the amount of aggregate gross proceeds received by such Holder from the sale of his/its Registrable Securities, except in the case of willful fraud. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such

director, officer or controlling Person and shall survive the transfer of such securities by such Holder.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 3.9(a) or (b) above, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 3.9(a) or (b) above, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release reasonably acceptable to such indemnified party from all liability in respect to such claim or litigation.

(d) Other Indemnification. Indemnification similar to that specified in Sections 3.9(a), (b) and (c) above (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority other than the Securities Act.

(e) Indemnification Payments. The indemnification required by this Section 3.9 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) Contribution. If the indemnification provided for in this Section 3.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided, that

in no event shall any contribution by a Holder under this Section 3.9(f) exceed the aggregate gross proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

3.10 Adjustments Affecting Registrable Securities. The Company will not effect or permit to occur any combination or subdivision which would adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in any registration of its securities contemplated by this Section 3 or the marketability of such Registrable Securities under any such registration.

4. Rule 144 and Rule 144A. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, if the Company is not required to file such reports, will, upon the request of any Holder of Registrable Securities, make publicly available other information) and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company). After any sale of Registrable Securities pursuant to this Section 4, the Company will, to the extent allowed by law, cause any restrictive legends to be removed and any transfer restrictions relating to the absence of registration under the Securities Act to be rescinded with respect to such Registrable Securities. In order to permit the Holders of Registrable Securities to sell the same, if they so desire, pursuant to Rule 144A promulgated by the Commission (or any successor to such rule) ("Rule 144A"), the Company will comply with all rules and regulations of the Commission applicable in connection with use of Rule 144A. Prospective transferees of Registrable Securities that are Qualified Institutional Buyers (as defined in Rule 144A) which would be purchasing such Registrable Securities in reliance upon Rule 144A may request from the Company information regarding the business, operations and assets of the Company. Within five (5) business days after receipt by the Company of any such request, the Company shall deliver to any such prospective transferee copies of annual audited and quarterly unaudited financial statements of the Company and such other information as may be required to be supplied by the Company for it to comply with Rule 144A.

5. Amendments and Waivers. This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and

either retroactively or prospectively) and the Company may take any action herein prohibited or omit to perform any act herein required to be performed by it, only if the Company agrees and it shall have obtained written consents to such amendment, action or omission to act from the Holders of at least a majority of the Registrable Securities (which must also include the consent of the holders of at least seventy-five percent (75%) of the issued and outstanding shares of Preferred Stock that were issued in exchange for shares of series A, series AA, series B or series BB preferred stock of REG, pursuant to the Second Amended and Restated Agreement and Plan of Merger dated November 20, 2009 by and among the Company, REG and REG Merger Sub, Inc.); provided, however, that any such amendment or consent that would have a material adverse effect on a particular Holder but would not have a similar material adverse effect on all Holders generally or would otherwise remove a Holder as a party to this Agreement shall require the consent of such Holder. Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 5, whether or not such Registrable Securities shall have been marked to indicate such consent.

6. Nominees for Beneficial Owners. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election, be treated as the Holder of such Registrable Securities for purposes of any request or other action by any Holder or Holders of Registrable Securities pursuant to this Agreement or any determination of any number or percentage of Registrable Securities held by any Holder or Holders of Registrable Securities contemplated by this Agreement. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

7. Notices. Except as set forth in Section 8, all communications provided for hereunder shall be sent (a) by first-class mail and (i) if addressed to a party other than the Company, to such party at the address furnished to the Company by such party, or (ii) if addressed to the Company, at the address of its principal place of business, Attention: President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each Holder of Registrable Securities at the time outstanding or (b) by electronic transmission in the manner permitted by the General Corporation Law of the State of Delaware.

8. Assignment. The rights to cause the Company to register Registrable Securities pursuant to Section 3 may be assigned (but only with all related obligations) by (a) a Holder to a transferee or assignee of such securities who, after such assignment or transfer, holds at least 250,000 shares of such Holder's Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations and other recapitalizations and including for purposes of such calculation the shares of Common Stock then issuable upon conversion of the Preferred Stock), or (b) any Holder who transfers all of its Registrable Securities to a single transferee or assignee, or (c) a Holder to its partners, members, stockholders, subsidiaries or affiliates ("the Distributees"); provided, however, prior to an assignment pursuant to subclause (c), the Distributees shall appoint a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under this Agreement; and provided, further, in each case: (i) the Company is, within

a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of a partnership or limited liability company who are partners or retired partners of such partnership or members of such limited liability company (including spouses and ancestors, lineal descendants and siblings of such partners or members or spouses who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership or limited liability company, as the case may be. For purposes of this Agreement, the terms “affiliates” or “affiliated” shall mean, with respect to any person or entity, any person or entity that, directly or indirectly, controls or is controlled by or is under common control with such person or entity. For the purposes of the preceding sentence, the term “control” shall mean the possession; directly or indirectly, through one or more intermediaries in the case of any person or entity, of the power or authority, through ownership of voting securities, by contract or otherwise, to direct the management, activities or policies of the person or entity.

9. Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the holders of two-thirds (2/3rds) of the Senior Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder the right to include such securities in any registration (unless such right is subordinate to the rights granted to holders of Senior Registrable Securities in this Agreement) or to demand any registration of any securities held by such holder or prospective holder.

10. Termination. The right of any Holder to request registration or inclusion in any registration pursuant to Section 3.1, Section 3.2 or Section 3.3 shall terminate at such time as both (A) all shares of Registrable Securities held or entitled to be held upon conversion by such Holder are permitted to be immediately sold under Rule 144 during any ninety (90) day period, and (B) such Holder holds or upon conversion of Series A Preferred Stock would hold less than three percent (3%) of the issued and outstanding shares of Common Stock of the Company.

11. Descriptive Headings. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof. References herein to Sections are references to Sections of this Agreement, except as otherwise indicated.

12. Specific Performance. The parties hereto recognize and agree that money damages may be insufficient to compensate the Holders of any Registrable Securities for breaches by the Company of the terms hereof and, consequently, that the equitable remedy of specific performance of the terms hereof will be available in the event of any such breach.

13. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the internal laws of the State of Delaware, without regard to rules or principles of conflicts of law requiring the application of the law of another State.

14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMPANY:

REG NEWCO, INC.

By: /s/ Jeff Stroburg
Name: Jeff Stroburg
Title: Chairman & CEO

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

WEST CENTRAL COOPERATIVE

By: /s/ Jeff Stroburg
Name: Jeff Stroburg
Title: President & CEO

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

NGP ENERGY TECHNOLOGY PARTNERS, L.P.

By: /s/ Chris Sorrells
Name: Chris Sorrells
Title: Managing Director

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

NATURAL GAS PARTNERS VIII, L.P.

By: G.F.W. Energy VIII, L.P., General Partner
By: GFW VIII, L.L.C., General Partner

By: /s/ William J. Quinn
Name: William J. Quinn
Title: Authorized Member

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

E D & F MAN NETHERLANDS BV

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

BUNGE NORTH AMERICA, INC.

By: /s/ Eric Hakmiller
Name: Eric Hakmiller
Title: Vice-President Bunge Biofuels

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SERIES A STOCKHOLDER:

USBG MEMBERS:

USRG HOLDCO V, LLC

By: USRG Management Company, LLC,
its Manager

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Managing Director

OHANA HOLDINGS, LLC

By: /s/ Michael G. Mohr
Name: Michael G. Mohr
Title: Manager

JYCO, LLC

By: /s/ Gregory R. Hardester
Name: Gregory R. Hardester
Title: Manager

SUPREME OIL COMPANY, INC.

By: /s/ Michael Leffler
Name: Michael Leffler
Title: Chief Executive Officer

MANDAM B.V.

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

PADMA RAG DATTA TRUST

By: /s/ Lois-Ellin G. Datta
Name: Lois-Ellin G. Datta
Title: Trustee

JANE SU AND RICHARD CHOW
REVOCABLE TRUST

By: /s/ Richard Chow
Name: Richard Chow
Title: Trustee

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

WEST CENTRAL COOPERATIVE

By: /s/ Jeff Stroburg
Name: Jeff Stroburg
Title: President & CEO

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

BLUE MARBLE INVESTORS LLC

By: /s/ Kendell Enebrit
Name: Kendell Enebrit
Title: Secretary

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

WEST CENTRAL BIODIESEL INVESTORS, LLC

By: /s/ Susan Tronchetti
Name: Susan Tronchetti
Title: Managing Director

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

ENERGY TECHNOLOGY PARTNERS, L.L.C.

By: /s/ Chris Sorrells
Name: Chris Sorrells
Title: Managing Director

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

BUNGE NORTH AMERICA, INC.

By: /s/ Eric Hakmiller
Name: Eric Hakmiller
Title: Vice-President Bunge Biofuels

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

USBG MEMBERS:

USRG HOLDCO V, LLC

By: USRG Management Company, LLC,
its Manager

By: /s/ Jonathan Koch
Name: Jonathan Koch
Title: Managing Director

OHANA HOLDINGS, LLC

By: /s/ Michael G. Mohr
Name: Michael G. Mohr
Title: Manager

JYCO, LLC

By: /s/ Gregory R. Hardester
Name: Gregory R. Hardester
Title: Manager

SUPREME OIL COMPANY, INC.

By: /s/ Michael Leffler
Name: Michael Leffler
Title: Chief Executive Officer

MANDAM B.V.

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

PADMA RAG DATTA TRUST

By: /s/ Lois-Ellin G. Datta
Name: Lois-Ellin G. Datta
Title: Trustee

JANE SU AND RICHARD CHOW
REVOCABLE TRUST

By: /s/ Richard Chow
Name: Richard Chow
Title: Trustee

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

SARGECO, INC.

By: /s/ Lee Sargent
Name: Lee Sargent
Title: President

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

NATURAL GAS PARTNERS VIII, L.P.

By: G.F.W. Energy VIII, L.P., General Partner
By: GFW VIII, L.L.C., General Partner

By: /s/ William J. Quinn
Name: William J. Quinn
Title: Authorized Member

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMMON STOCKHOLDER:

E D & F MAN NETHERLANDS BV

By: /s/ Paul Chatterton
Name: Paul Chatterton
Title: Appointed Representative

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

Exhibit 10.17

EXECUTION COPY

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of April 8, 2010

among

SENECA LANDLORD, LLC
as Borrower,

THE LENDERS REFERRED TO HEREIN,

WESTLB AG, NEW YORK BRANCH,
as Administrative Agent for the Lenders,

WESTLB AG, NEW YORK BRANCH,
as Collateral Agent for the Senior Secured Parties,

WESTLB AG, NEW YORK BRANCH,
as Administrative Agent and Lender under the DIP Credit Agreement referred to herein,

and

WESTLB AG, NEW YORK BRANCH,
as Lead Arranger and Sole Bookrunner

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Exhibit I	Form of Insurance Consultant’s Certificate
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Exhibit L	Form of Operating Statement
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Exhibit M-2	Form of Lessee Blocked Account Agreement
Exhibit O	Form of Interest Period Notice
Exhibit P-2	Form of Independent Engineer’s [First] [Second] Train Completion Date Certificate
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Exhibit Q	Form of Lender Assignment Agreement
Exhibit R-1	Form of Borrower Final Completion Certificate
Exhibit R-2	Form of Independent Engineer Final Completion Certificate
Exhibit S	Form of Insurance and Condemnation Proceeds Request Certificate
Exhibit BB	Form of Capital Improvement Status Report

This AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement"), dated as of April 8, 2010, is by and among SENECA LANDLORD, LLC, an Iowa limited liability company (the "Borrower"), each of the Lenders from time to time party hereto, WESTLB AG, NEW YORK BRANCH, as administrative agent for the Lenders, WESTLB AG, NEW YORK BRANCH, as collateral agent for the Senior Secured Parties, WESTLB AG, NEW YORK BRANCH, as administrative agent under the DIP Credit Agreement referred to herein (the "DIP Agent"), WESTLB AG, NEW YORK BRANCH, as sole lender under the DIP Credit Agreement referred to herein (the "DIP Lender"), and WESTLB AG, NEW YORK BRANCH, as lead arranger and sole bookrunner.

RECITALS

WHEREAS, WestLB AG, New York Branch provided financing to Nova Biofuels Seneca, LLC (the "Original Borrower") pursuant to the Credit Agreement, dated as of December 26, 2007, among the Original Borrower, each of the lenders referred to therein, WestLB AG, New York Branch as administrative agent and collateral agent and Sterling Bank as accounts bank (as amended, modified or supplemented through the date hereof, the "Original Credit Agreement");

WHEREAS, on March 30, 2009, the Original Borrower and certain of its Affiliates (collectively, the "Debtors") commenced cases jointly administered under Case No. 09 11081 (collectively, the "Chapter 11 Cases") by filing voluntary petitions for reorganization under the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, in connection with the Chapter 11 Cases, the DIP Lender provided financing to the Debtors pursuant to the Debtor-In-Possession Credit Agreement, dated as of July 15, 2009, among the Debtors, each of the lenders referred to therein, the DIP Agent, WestLB AG, New York Branch as collateral agent and Sterling Bank as accounts bank (as amended, modified or supplemented through the date hereof, the "DIP Credit Agreement");

WHEREAS, pursuant to the Asset Purchase Agreement, dated as of September 23, 2009 (as amended, modified or supplemented through the date hereof) among Nova Biofuels Seneca, LLC and Nova Biosource Technology, LLC (the "Sellers") and REG Seneca, LLC (the "Purchaser") (the "Asset Purchase Agreement"), the Purchaser has agreed to purchase certain assets of the Sellers including the Project;

WHEREAS, pursuant to the Membership Interest Purchase Agreement, dated as of April 8, 2010, Lessee Pledgor sold, transferred and conveyed all of the Equity Interests in the Purchaser and Purchaser has been renamed Seneca Landlord, LLC;

WHEREAS, pursuant to the Assignment and Assumption Agreement, (i) the Original Borrower has assigned certain of its rights and obligations under the Original Credit Agreement to the Borrower and the Borrower has assumed such rights and obligations and (ii) each Debtor has assigned all of its rights and obligations under the DIP Credit Agreement to the Borrower and the Borrower has assumed such rights and obligations;

WHEREAS, in connection with such assumptions, the Borrower desires to enter into the Lease with the Lessee and the Lenders are unwilling to permit the Borrower to enter into the Lease unless (i) the Lessee makes the representations and warranties, agrees to perform the covenants and agrees to the deposit arrangements set forth in the Lease and the Accounts Agreement and (ii) the Lessee secures its obligations under the Lease by granting security interests in favor of the Borrower, as lessor, in all assets of the Lessee pursuant to the Lessee Security Agreement, the deposit account arrangements set forth in the Accounts Agreement and by Lessee Pledgor granting a security interest in all the Equity Interests in the Lessee pursuant to the Lessee Pledge Agreement which security interests shall be further assigned by the Borrower to the Collateral Agent;

WHEREAS, the Borrower has requested that the parties to the Original Credit Agreement amend and restate the Original Credit Agreement with respect to the obligations set forth therein assigned and assumed pursuant to the Assignment and Assumption Agreement, and each such party is willing to amend and restate the Original Credit Agreement upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Borrower has requested that the DIP Agent and the DIP Lender consent to the termination of the DIP Credit Agreement, and each such party is willing to grant such consent upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, the parties hereto agree that the Original Credit Agreement, with respect to the obligations set forth therein assigned and assumed pursuant to the Assignment and Assumption Agreement, is hereby amended and restated to read in its entirety as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Defined Terms. Capitalized terms used in this Agreement, including its preamble and recitals, shall, except as otherwise defined, have the meanings provided in Exhibit A.

Section 1.02 Principles of Interpretation. (a) Unless otherwise defined, terms for which meanings are provided in this Agreement shall have the same meanings when used in each other Financing Document and each other notice or other communication delivered from time to time in connection with any Financing Document.

(b) Any reference in this Agreement to any Transaction Document shall mean such Transaction Document and all schedules, exhibits and attachments thereto.

(c) All agreements, contracts or documents defined or referred to herein shall mean such agreements, contracts or documents as the same may from time to time be supplemented, amended or replaced or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof and this Agreement, and

shall disregard any supplement, amendment, replacement, waiver or modification made in violation of this Agreement.

(d) Any reference in any Financing Document relating to a Default or an Event of Default that has occurred and is continuing (or words of similar effect) shall be understood to mean that such Default or Event of Default, as the case may be, has not been cured or remedied to the satisfaction of, or has not been waived by, the Required Lenders.

(e) Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular.

(f) The words "herein," "hereof" and "hereunder" and words of similar import when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement and all references to Articles, Sections, Exhibits and Schedules shall be references to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified.

(g) The words "include," "includes" and "including" are not limiting.

(h) Any reference to any Person shall include its permitted successors and permitted assigns in the capacity indicated, and in the case of any Governmental Authority, any Person succeeding to its functions and capacities.

Section 1.03 UCC Terms. Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the respective meanings given to those terms in the UCC.

Section 1.04 Accounting and Financial Determinations. Unless otherwise specified, all accounting terms used in any Financing Document shall be interpreted, all accounting determinations and computations hereunder or thereunder shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared, in accordance with GAAP.

ARTICLE II

COMMITMENTS; OTHER CREDIT AGREEMENTS

On the terms, subject to the conditions and relying upon the representations and warranties herein set forth:

Section 2.01 Loans. (a) After giving effect to the consummation of the transactions contemplated by the Assignment and Assumption Agreement, each Lender, severally and not jointly, on the terms and conditions of this Agreement, has as of the Closing Date made loans (each such loan, a "Loan") to the Borrower, in an aggregate principal amount not in excess of

such Lender's Commitment and the aggregate principal amount of the Loans does not exceed the Aggregate Loan Commitment. As of the Closing Date, each Loan is a Base Rate Loan.

(b) Loans repaid or prepaid may not be reborrowed.

Section 2.02 Other Credit Agreements.

(a) The Borrower, the DIP Agent and the DIP Lender hereby agree that the DIP Credit Agreement is terminated as of the Closing Date.

(b) The terms and conditions of the Original Credit Agreement are amended as set forth in, and restated and superseded by, this Agreement, in each case with respect to the obligations set forth in the Original Credit Agreement assigned and assumed pursuant to the Assignment and Assumption Agreement. Nothing in this Agreement shall be deemed to work a novation of any obligation under the Original Credit Agreement not assigned and assumed pursuant to the Assignment and Assumption Agreement (the "Unassumed Obligations"), but in no event shall the Borrower have any liability to the Senior Secured Parties or any other party with respect to such Unassumed Obligations. The Original Credit Agreement remains in full force and effect with respect to each such Unassumed Obligation, but in no event shall the Borrower have any liability to the Senior Secured Parties or any other party with respect to such Unassumed Obligations. Notwithstanding any provision of this Agreement or any other document or instrument executed in connection herewith, the execution and delivery of this Agreement and the incurrence of obligations hereunder shall be in substitution for, but not in payment of, the obligations owing to the Senior Secured Parties under the Original Credit Agreement assigned and assumed pursuant to the Assignment and Assumption Agreement.

Section 2.03 Evidence of Indebtedness. (a) Each Loan made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business, including the Register for the recordation of the Loans maintained by the Administrative Agent in accordance with the provisions of Section 11.03(c) (*Assignments*). The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive evidence, absent manifest error, of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control, absent manifest error.

(b) The Borrower agrees that in addition to the Register and any other accounts and records maintained pursuant to Section 2.03(a), the Loans made by each Lender may, if requested by the Lenders, be evidenced by a Note or Notes duly executed on behalf of the Borrower. The Notes shall be dated as of the Closing Date (or, if later, the date of any request therefor by a Lender). Each such Note shall be payable to the order of such Lender in a principal amount equal to such Lender's

Commitment. Each Lender may attach schedules to its Note and endorse thereon the date, amount and maturity of its Loan and payments with respect thereto.

ARTICLE III

REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

Section 3.01 Repayment of Loans. (a) The Borrower unconditionally and irrevocably promises to pay to the Administrative Agent for the ratable account of each Lender the aggregate outstanding principal amount of the Loans, on the Initial Quarterly Payment Date and on each Quarterly Payment Date thereafter, in accordance with Schedule 3.01 (which amount shall be reduced as a result of any prepayments of the Loans made in accordance with Section 3.07 (*Optional Prepayment*) or Section 3.08 (*Mandatory Prepayment*) in accordance with the terms set forth therein).

(b) Notwithstanding anything to the contrary set forth in Section 3.01(a), the final principal repayment installment on the Final Maturity Date shall in any event be in an amount equal to the aggregate principal amount of all Loans outstanding on such date.

Section 3.02 Interest Payment Dates. (a) Interest accrued on each Loan shall be payable, without duplication:

(i) on the Final Maturity Date;

(ii) on each Interest Payment Date for such Loan; and

(iii) with respect to any Loan, on any date when such Loan is prepaid hereunder.

(b) Interest accrued on the Loans or other monetary Obligations after the date such amount is due and payable (whether on the Final Maturity Date, any Quarterly Payment Date, any Interest Payment Date, upon acceleration or otherwise) shall be payable upon demand.

(c) Interest hereunder shall be due and payable in accordance with the terms hereof, before and after judgment, regardless of whether an Insolvency or Liquidation Proceeding exists in respect of the Borrower and, to the fullest extent permitted by law, the Lenders shall be entitled to receive post petition interest during the pendency of an Insolvency or Liquidation Proceeding.

Section 3.03 Interest Rates. (a) Pursuant to each properly delivered Interest Period Notice, (i) each Eurodollar Loan shall accrue interest at a rate per annum during each Interest Period applicable thereto equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin and (ii) each Base Rate Loan shall accrue interest at a rate per annum during

each Monthly Period equal to the sum of the Base Rate for such Monthly Period plus the Applicable Margin.

(b) On or before 2:00 p.m., New York City time, at least five (5) Business Days prior to the end of each Interest Period for each Eurodollar Loan, and at least three (3) Business Days prior to the end of any Monthly Period for any Base Rate Loans, the Borrower shall deliver to the Administrative Agent an Interest Period Notice setting forth the Borrower's election (i) to continue any such Eurodollar Loan as (or convert any such Base Rate Loan to) a Eurodollar Loan and setting forth the Borrower's election with respect to the duration of the next Interest Period applicable to such continued or converted Eurodollar Loan, which Interest Period shall be one (1), two (2) or three (3) months in length or (ii) to convert any such Eurodollar Loan to a Base Rate Loan at the end of the then-current Interest Period; provided, that if an Event of Default has occurred and is continuing, all Eurodollar Loans shall automatically convert into Base Rate Loans at the end of the then-current Interest Periods. Upon the waiver or cure of such Event of Default, the Borrower shall have the option to continue such Loans as Base Rate Loans and/or to convert such Loans to Eurodollar Loans (by delivery of an Interest Period Notice), subject to the notice periods set forth above. Notwithstanding anything to the contrary, any portion of the Loans maturing in less than one month may not be continued as, or converted to, Eurodollar Loans and will automatically convert to Base Rate Loans at the end of the then-current Interest Period.

(c) If the Borrower fails to deliver an Interest Period Notice in accordance with Section 3.03(b), (i) with respect to any Eurodollar Loan, provided there is no Default or Event of Default has occurred that is continuing, such Eurodollar Loan shall automatically continue as a Eurodollar Loan with an Interest Period of one (1) month or (ii) with respect to any Base Rate Loan, such Base Rate Loan shall automatically continue as a Base Rate Loan.

(d) All Eurodollar Loans shall bear interest from and including the first day of the applicable Interest Period to (and excluding) the last day of such Interest Period at the interest rate determined, as applicable, to such Eurodollar Loan.

(e) Notwithstanding anything to the contrary, the Borrower shall have one (1) Eurodollar Loan outstanding at any one time. For purposes of the foregoing, (i) Eurodollar Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Eurodollar Loans and (ii) all Eurodollar Loans having the same Interest Period and commencing on the same date shall be considered to be a single Eurodollar Loan.

(f) All Base Rate Loans shall bear interest from and including the first day of each Monthly Period (or the day on which Eurodollar Loans are converted to Base Rate Loans as required under Section 3.03(b) or under ARTICLE IV (*Eurodollar Rate and Tax Provisions*)) to (and including) the next succeeding Monthly Payment Date at the interest rate determined, as applicable, to such Base Rate Loan.

Section 3.04 Default Interest Rate. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest (after as well as before judgment) on the Obligations at a rate *per annum* equal to the rate then applicable to Base Rate Loans plus two percent (2%) *per annum* (the "Default Rate").

Section 3.05 Interest Rate Determination. The Administrative Agent shall determine the interest rate applicable to the Loans in accordance with the terms of this Agreement, and shall give prompt notice to the Borrower and the Lenders of such determination, and its determination thereof shall be conclusive, absent manifest error.

Section 3.06 Computation of Interest and Fees. (a) All computations of interest for Base Rate Loans when the Base Rate is determined by WestLB's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All computations of interest for Eurodollar Loans and for Base Rate Loans when the Base Rate is determined by the Federal Funds Effective Rate shall be made on the basis of a 360 day year and actual days elapsed.

(b) Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided, that any Loan or portion thereof that is repaid on the same day on which it is made shall bear interest for one (1) day.

(c) Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 3.07 Optional Prepayment. (a) The Borrower shall have the right at any time, and from time to time, to prepay the Loans, in whole or in part, upon not fewer than five (5) Business Days' prior written notice to the Administrative Agent.

(b) Any partial prepayment of the Loans shall be in a minimum amount of one hundred thousand Dollars ($100,000) and in integral multiples of fifty thousand Dollars ($50,000) in excess thereof.

(c) Each notice of prepayment given by the Borrower under this Section 3.07 shall specify the prepayment date and the portion of the principal amount of Loans to be prepaid. All prepayments under this Section 3.07 shall be made by the Borrower to the Administrative Agent for the account of the Lenders and shall be accompanied by accrued interest on the principal amount being prepaid to but excluding the date of payment and by any additional amounts required to be paid under Section 4.05 (*Funding Losses*).

(d) Amounts of principal prepaid under this Section 3.07 shall be applied by the Administrative Agent to the Loans pro rata among the Lenders based on their respective outstanding principal amounts of the Loans on the date of such prepayment and then to the remaining outstanding installments of principal of the Loans under Section 3.01(a) (*Repayment of Loans*) in inverse order of maturity.

(e) Amounts of the Loans prepaid pursuant to this Section 3.07 may not be reborrowed.

Section 3.08 Mandatory Prepayment. (a) The Borrower shall be required to apply the amounts set forth below to prepay the Loans:

(i) upon receipt of Insurance Proceeds as required pursuant to Section 8.01 (*Insurance and Condemnation Proceeds*);

(ii) upon receipt of Condemnation Proceeds, as required pursuant to Section 8.01 (*Insurance and Condemnation Proceeds*);

(iii) upon receipt of any Project Document Termination Payments, as required pursuant to Section 8.02 (*Extraordinary Proceeds*);

(iv) upon receipt of proceeds of any asset disposal (other than proceeds received from the sale of Products) that are not used for replacement, as required pursuant to Section 8.02 (*Extraordinary Proceeds*); and

(v) as required pursuant to Sections 3.03(a)(ii)(I) and (J) of the Accounts Agreement.

(b) All prepayments under this Section 3.08 shall be made by the Borrower to the Administrative Agent for the account of the applicable Lenders and shall be accompanied by accrued interest on the principal amount being prepaid to but excluding the date of payment and by any additional amounts required to be paid under Section 4.05 (*Funding Losses*).

(c) Amounts of principal prepaid under Section 3.08(a) shall be allocated by the Administrative Agent to the Loans *pro rata* among the Lenders based on their respective outstanding principal amounts of the Loans on the date of such prepayment and then to the remaining outstanding installments of principal of the Loans under Section 3.01(a) (*Repayment of Loans*) in inverse order of maturity.

(d) Amounts of the Loans prepaid pursuant to this Section 3.08 may not be reborrowed.

Section 3.09 Time and Place of Payments. (a) The Borrower shall make each payment (including any payment of principal of or interest on any Loan or any Fees or other Obligations) hereunder and under any other Financing Document without setoff, deduction or counterclaim not later than 2:00 p.m., New York City time on the date when due in Dollars in immediately available funds to the Administrative Agent at the following account: JPMorgan Chase Bank

(Swift ID: CHASUS33XXX), Account Number: 920-1-060663, for the Account of WestLB AG NY Branch, ABA #021 000 021, Ref: Seneca Landlord, LLC, Attention: Loan Administration, or at such other office or account as may from time to time be specified by the Administrative Agent to the Borrower. Funds received after 12:00 noon New York City time shall be deemed to have been received by the Administrative Agent on the next succeeding Business Day.

(b) The Administrative Agent shall promptly (but in no event later than 5:00 p.m. New York City time on the date such payment is received or deemed to be received) remit in immediately available funds to each Senior Secured Party its share, if any, of any payments received by the Administrative Agent for the account of such Senior Secured Party.

(c) Whenever any payment (including any payment of principal of or interest on any Loan or any Fees or other Obligations) hereunder or under any other Financing Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment shall (except as otherwise required by the proviso to the definition of "Interest Period" with respect to Eurodollar Loans) be made on the immediately succeeding Business Day, and such increase of time shall in such case be included in the computation of interest or Fees, if applicable.

Section 3.10 Payments Generally. (a) Unless the Administrative Agent has received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance with this Agreement and may, in reliance upon such assumption, distribute to the Lenders the amount due. If the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice by the Administrative Agent to any Lender with respect to any amount owing under this Section 3.10(a) shall be conclusive, absent manifest error.

(b) Nothing herein shall be deemed to obligate any Lender to obtain funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain funds for any Loan in any particular place or manner.

(c) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due under this Agreement or under any Notes held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender (other than, in the event that the Accounts Bank or any bank holding a Local Account is also a Lender, the Borrower Revenue Account or Local Account) any amount so due.

Section 3.11 Fees. (a) From and including the date hereof until the Final Maturity Date, the Borrower agrees to pay to the Administrative Agent, for the account of the Administrative Agent, on or prior to the date that is four (4) months after the Closing Date and on each anniversary of the Closing Date, an administrative agency fee equal to fifty thousand Dollars ($50,000).

(b) All Fees shall be paid on the dates due, in immediately available funds. Once paid, none of the Fees shall be refundable under any circumstances.

Section 3.12 Pro Rata Treatment. Except as required under Section 3.07 (*Optional Prepayment*), Section 3.08 (*Mandatory Prepayment*) or ARTICLE IV (*Eurodollar Rate and Tax Provisions*), (i) each payment or prepayment of principal of the Loans shall be allocated by the Administrative Agent pro rata among the applicable Lenders in accordance with the respective principal amounts of their outstanding Loans of the type being repaid and (ii) each payment of interest on the Loans shall be allocated by the Administrative Agent pro rata among the applicable Lenders in accordance with the respective interest amounts outstanding on their outstanding Loans of the type in respect of which interest is being paid.

Section 3.13 Sharing of Payments. (a) If any Lender obtains any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Loan (other than pursuant to the terms of ARTICLE IV (*Eurodollar Rate and Tax Provisions*)) in excess of its pro rata share of payments then or therewith obtained by all Lenders holding Loans of such type, such Lender shall purchase from the other Lenders holding Loans of such type such participations in Loans of such type made by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and each Lender that has sold a participation to the purchasing Lender shall repay to the purchasing Lender the purchase price to the ratable extent of such recovery together with an amount equal to such selling Lender's ratable share (according to the proportion of (x) the amount of such selling Lender's required repayment to the purchasing Lender to (y) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 3.13 may, to the fullest extent permitted by law, exercise all of its rights of payment (including pursuant to Section 11.14 (*Right of Setoff*)) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If under any applicable bankruptcy, insolvency or other similar Law, any Lender receives a secured claim in lieu of a setoff to which this Section 3.13 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section 3.13 to share in the benefits of any recovery on such secured claim.

ARTICLE IV

EURODOLLAR RATE AND TAX PROVISIONS

Section 4.01 Eurodollar Rate Lending Unlawful. (a) If any Lender reasonably determines (which determination shall, upon notice thereof to the Borrower and the Administrative Agent, be conclusive and binding on the Borrower absent manifest error), but only if such Lender has complied with its obligations under Section 4.04 (*Obligation to Mitigate; Replacement of Lender*)) that the introduction of or any change in or in the interpretation of any Law after the date hereof makes it unlawful, or any central bank or other Governmental Authority asserts after the date hereof that it is unlawful, for such Lender to maintain any Loan as a Eurodollar Loan, the obligations of such Lender to maintain any Loan as a Eurodollar Loan (but not the obligations of such Lender to maintain any Loan as a Base Rate Loan) shall, upon such determination, forthwith be suspended until such Lender notifies the Administrative Agent that the circumstances causing such suspension no longer exist, and all Eurodollar Loans of such Lender shall automatically convert into Base Rate Loans at the end of the then-current Interest Periods with respect thereto or sooner, if required by such Law or assertion. Upon any such conversion the Borrower shall pay any accrued interest on the amount so converted and, if such conversion occurs on a day other than the last day of the then-current Interest Period for such affected Eurodollar Loans, such Lender shall be entitled to make a request for, and the Borrower shall in such case pay, compensation for breakage costs under Section 4.05 (*Funding Losses*).

(b) If such Lender notifies the Borrower that the circumstances giving rise to the suspension described in Section 4.01(a) no longer apply, the Borrower may elect (by delivering an Interest Period Notice) to convert the principal amount of any such Base Rate Loan to a Eurodollar Loan in accordance with this Agreement.

Section 4.02 Inability to Determine Eurodollar Rates. (a) In the event, and on each occasion, that the Administrative Agent shall have determined in good faith that for any Eurodollar Loan (i) Dollar deposits in the amount of such Loan and with an Interest Period similar to such Interest Period are not generally available in the London interbank market, or (ii) the rate at which such Dollar deposits are being offered will not adequately and fairly reflect the cost to any Lender of making, maintaining or funding the principal amount of such Loan during such Interest Period, or (iii) adequate and reasonable means do not exist for ascertaining LIBOR, the Administrative Agent shall promptly notify the Borrower and the Lenders of such determination, whereupon each such Eurodollar Loan will automatically, on the last day of the then existing Interest Period for such Eurodollar Loan, convert into a Base Rate Loan. Each determination by the Administrative Agent hereunder shall be conclusive, absent manifest error.

(b) Upon the Administrative Agent's determination that the condition that was the subject of a notice under Section 4.02(a) has ceased, the Administrative Agent shall promptly notify the Borrower and the Lenders of such determination, whereupon the Borrower may elect (by delivering an Interest Period Notice) to convert any such Base Rate Loan to a Eurodollar Loan on the last day of the then-current Monthly Period in accordance with this Agreement.

Section 4.03 Increased Eurodollar Loan Costs. If, after the date hereof, the adoption of any applicable Law or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by any Lender (or its Eurodollar Office) with any request or directive (whether or not having the force of law) of any Governmental Authority increases the cost (other than with respect to Taxes, which are addressed in Section 4.07 (*Taxes*)) to such Lender of, or results in any reduction in the amount of any sum receivable by such Lender (whether of principal, interest or any other amount) in respect of, maintaining (or of its obligation to maintain) the Loans as Eurodollar Loans, then the Borrower agrees to pay to the Administrative Agent for the account of such Lender the amount of any such increase or reduction. Such Lender shall promptly notify the Administrative Agent and the Borrower in writing of the occurrence of any such event, such notice to state, with accompanying support, the additional amount required to compensate fully such Lender for such increased cost or reduced amount. Such additional amounts shall be payable by the Borrower directly to such Lender within five (5) Business Days of delivery of such notice, and such notice and determination shall be binding on the Borrower, absent manifest error. Notwithstanding anything to the contrary in this Section 4.03, the Borrower shall not be required to pay a Lender pursuant to this Section 4.03 for any such increase or reduction incurred more than 365 days prior to the date that such Lender notifies the Borrower, or notifies the Borrower of its intention to demand compensation, in accordance with this Section 4.03; provided that, if the circumstance giving rise to such increase or reduction is retroactive, then such 365 day period shall be extended to include the period of retroactive effect.

Section 4.04 Obligation to Mitigate; Replacement of Lender. (a) Each Lender agrees that, after it becomes aware of the occurrence of an event that would entitle it to give notice pursuant to Section 4.01 (*Eurodollar Rate Lending Unlawful*), Section 4.03 (*Increased Eurodollar Loan Costs*) or Section 4.06 (*Increased Capital Costs*) or to receive additional amounts pursuant to Section 4.07 (*Taxes*), such Lender shall use reasonable efforts to maintain its affected Loan through another lending office (i) if as a result thereof the increased costs would be avoided or materially reduced or the illegality would thereby cease to exist and (ii) if, in the opinion of such Lender, the maintaining of such Loan through such other lending office would not be disadvantageous to such Lender, contrary to such Lender's normal banking practices or violate any applicable Law.

(b) No change by a Lender in its Domestic Office or Eurodollar Office made for such Lender's convenience shall result in any increased cost to the Borrower.

(c) If any Lender demands compensation pursuant to Section 4.03 (*Increased Eurodollar Loan Costs*) or Section 4.06 (*Increased Capital Costs*) with respect to any Eurodollar Loan, the Borrower may, at any time upon at least three (3) Business Days' prior notice to such Lender through the Administrative Agent, elect to convert such Loan to a Base Rate Loan. Thereafter, unless and until such Lender notifies the Borrower that the circumstances giving rise to such notice no longer apply, all such Eurodollar Loans by such Lender shall bear interest as Base Rate Loans. If such Lender notifies the Borrower that the circumstances giving rise to such notice no longer apply, the Borrower may elect (by delivering an Interest Period Notice) to convert the principal amount of each such Base Rate Loan to a Eurodollar Loan in accordance with this Agreement.

(d) The Borrower will be permitted, with the approval of the Administrative Agent, to replace (with one or more replacement Lenders) any Lender that provides notice under Section 4.01(a) (*Eurodollar Rate Lending Unlawful*) that it is unable to maintain any Loan as a Eurodollar Loan or requests reimbursement for, or is otherwise entitled to, amounts owing pursuant to Section 4.03 (*Increased Eurodollar Loan Costs*), Section 4.06 (*Increased Capital Costs*) or Section 4.07(c) (*Taxes – Indemnification by Borrower*); provided, that (i) such replacement does not conflict with any Law or any determination of an arbitrator or a court or other Governmental Authority, in each case applicable to the Borrower or such Lender or to which the Borrower or such Lender or any of their respective property is subject, (ii) no Default or Event of Default shall have occurred and be continuing at the time of such replacement, (iii) the replacement Lender shall purchase, at par, the Loans and all other amounts owing to such replaced Lender prior to the date of replacement, (iv) the Borrower shall be liable to such replaced Lender under Section 4.05 (*Funding Losses*) if any Eurodollar Loan owing to such replaced Lender is purchased other than on the last day of the Interest Period relating thereto, (v) until such time as such replacement is consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 4.03 (*Increased Eurodollar Loan Costs*), Section 4.06 (*Increased Capital Costs*) or Section 4.07(c) (*Taxes – Indemnification by Borrower*), as the case may be, (vi) the replacement Lender is an Eligible Assignee, (vii) such replacement is made in accordance with the provisions of Section 11.03(b) (*Assignments*) (provided, that the Borrower shall be obligated to pay the registration and processing fee), (viii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, any Agent or any other Lender may have against the replaced Lender, and (ix) prior to any such replacement, in the case of any replacement of a Lender that has determined that the maintaining of a Loan as a Eurodollar Loan is unlawful, the Lender to be replaced shall not have delivered a notice to the Borrower under Section 4.01(b) (*Eurodollar Rate Lending Unlawful*) that it is no longer unable to maintain any Loan as a Eurodollar Loan and, in the case of any replacement of a Lender that has claimed increased costs, shall have taken no action under Section 4.04 (*Obligation To Mitigate; Replacement of Lender*) so as to eliminate the need for payment of amounts owing pursuant to Section 4.03 (*Increased Eurodollar Loan Costs*), Section 4.06 (*Increased Capital Costs*) or Section 4.07(c) (*Taxes – Indemnification by Borrower*), as the case may be.

Section 4.05 Funding Losses. In the event that any Lender incurs any loss or expense (including any loss or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by such Lender to continue or maintain any portion of the principal amount of any Loan as a Eurodollar Loan, and any customary administrative fees charged by such Lender in connection with the foregoing) as a result of any conversion or repayment or prepayment of the principal amount of any Loans on a date other than the scheduled last day of the Interest Period applicable thereto, whether pursuant to Section 3.07 (*Optional Prepayment*), Section 3.08 (*Mandatory Prepayment*), Section 4.01(a) (*Eurodollar Rate Lending Unlawful*) or otherwise, then, upon the written notice of such Lender to the Borrower (with a copy to the Administrative Agent), together with accompanying support of the amounts owing, the Borrower shall, within five (5) Business Days of receipt thereof, pay to the Administrative Agent for the account of such Lender such amount as will (in the reasonable determination of such Lender)

reimburse such Lender for such loss or expense. Such written notice and determination shall be binding on the Borrower, absent manifest error.

Section 4.06 Increased Capital Costs. If after the date hereof any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase in of, any applicable Law, guideline or request (whether or not having the force of law) of any Governmental Authority, affects the amount of capital required to be maintained by any Lender, and such Lender reasonably determines that the rate of return on its capital as a consequence of its Loan is reduced to a level below that which such Lender could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Lender to the Borrower (with accompanying support for the amount required to compensate such Lender for such reduction in rate of return), the Borrower shall pay, within five (5) Business Days after such demand, directly to such Lender additional amounts sufficient to compensate such Lender for such reduction in rate of return. A statement of such Lender as to any such additional amount or amounts shall be binding on the Borrower, absent manifest error.

Section 4.07 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any Obligations shall be made free and clear of, and without deduction for, any Taxes, unless required by Law; provided that if the Borrower shall be required to deduct any Indemnified Taxes from any such payment, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.07) the Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.

(b) Payment of Other Taxes by the Borrower. In addition, the Borrower shall timely pay any Indemnified Taxes arising from any payment made under any Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Financing Document and not collected by withholding at the source as contemplated by Section 4.07(a) to the relevant Governmental Authority in accordance with applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify each Agent and each Lender, within five (5) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 4.07) paid by such Agent or Lender, as the case may be, and any penalties, interest, additions to tax and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or Agent, as the case may be, shall be conclusive, absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Foreign Lenders. Each Lender (including any Participant and any other Person to which any Lender transfers its interests in this Agreement as provided under Section 11.03 (*Assignments*)) that is not a United States Person (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent two (2) copies of U.S. Internal Revenue Service Form W 8ECI, Form W 8BEN or Form W 8IMY (with supporting documentation and any other certificate or statements required for exemption from, or reduction of, U.S. federal withholding tax), or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments of interest by the Borrower under the Financing Documents if such Lender is legally entitled to so claim, together with, in the case of a Non-U.S. Lender that is relying on an exemption pursuant to Section 871(h) or 881(c) of the Code, a certificate substantially in the form of Exhibit H certifying that such Lender is not a bank described in Section 881(c)(3)(A) of the Code. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement. In addition, to the extent that it is in a position to legally do so, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by U.S. taxing authorities for such purpose). The Borrower shall not be obligated to pay any additional amounts in respect of U.S. federal income taxes pursuant to this Section 4.07 (or make an indemnification payment pursuant to this Section 4.07) to any Lender (or any Participant or other Person to which any Lender transfers its interests in this Agreement as provided under Section 11.03 (*Assignments*)) if the obligation to pay such additional amounts (or such indemnification) would not have arisen but for a failure by such Lender to comply with this Section 4.07(e).

ARTICLE V

REPRESENTATIONS AND WARRANTIES

In order to induce each Agent and each Lender to enter into this Agreement, the Borrower represents and warrants to each Senior Secured Party as set forth in this ARTICLE V as follows:

Section 5.01 Organization; Power; Compliance with Law and Contractual Obligations. On the date hereof and the Bring Down Date, the Borrower (a) is duly formed, validly existing

and in good standing under the laws of its jurisdiction of organization, (b) is duly qualified to do business as is now being conducted and as is proposed to be conducted and is in good standing in each jurisdiction where the nature of its business requires such qualification (including Illinois), (c) has all requisite power and authority required to enter into and perform its obligations under each Transaction Document to which it is a party and to conduct its business as currently conducted by it and (d) is in compliance in all material respects with all Laws and Contractual Obligations necessary to conduct its business, except to the extent that any non compliance with clause (b) of this Section 5.01 in any jurisdiction (other than Illinois) could not reasonably be expected to result in a Material Adverse Effect.

Section 5.02 Due Authorization; Non-Contravention. On the date hereof and the Bring Down Date, the execution, delivery and performance by the Borrower of each Transaction Document to which it is a party are within the Borrower's powers, have been duly authorized by all necessary action, and do not:

(a) contravene the Borrower's Organic Documents;

(b) contravene in any material respect any Law binding on or affecting the Borrower;

(c) (i) in the case of any Financing Document, contravene any Contractual Obligation binding on or affecting the Borrower or (ii) in the case of any Project Document, contravene in any material respect any Contractual Obligation binding on or affecting the Borrower;

(d) require any consent or approval under the Borrower's Organic Documents or under any Contractual Obligation binding on or affecting the Borrower that has not been obtained; or

(e) result in, or require the creation or imposition of, any Lien on any of the Borrower's properties or Equity Interests other than Permitted Liens.

Section 5.03 Governmental Approvals.

(a) As of the date hereof and the Bring Down Date:

(i) all material Governmental Approvals that are required to be obtained by the Borrower in connection with (A) the due execution, delivery and performance by it of the Transaction Documents to which it is a party, (B) the ownership, use and operation of the Project as contemplated by the Transaction Documents, and the completion of those capital improvements indentified in the Capital Improvement Budget, and (C) the grant by the Borrower of the Liens granted under the Security Documents and the validity, perfection and enforceability thereof (the "Necessary Project Approvals") are listed in Schedule 5.03;

(ii) the Necessary Project Approvals listed in Part A of Schedule 5.03 have been obtained, are in full force and effect, are properly in the name of the appropriate Person, and are final and Non-Appealable;

(iii) the Necessary Project Approvals listed in Part B of Schedule 5.03 are not required under applicable Laws to be obtained prior to the Closing Date (collectively, the "Deferred Approvals") and the Borrower has no reason to believe that any Deferred Approval will not be obtained, as required, in the normal course of the ownership, use and operation of the Project, and the completion of those capital improvements identified in the Capital Improvement Budget; and

(iv) Part B of Schedule 5.03 specifies the stage of performance of capital improvements or operation for which, each Deferred Approval included therein is required to be obtained.

(b) The Borrower may update and correct, with approval of the Administrative Agent, which approval will not be unreasonably withheld, conditioned or delayed, any reference to a Necessary Project Approval on Schedule 5.03 that has been replaced in accordance with applicable Law or to reflect changes in the status thereof between the date hereof and the Bring Down Date.

(c) As of the Bring Down Date, the information set forth in each application (including any updates or supplements thereto) submitted by or on behalf of the Borrower in connection with each Necessary Project Approval after the date hereof was accurate and complete at the time of submission and continues to be accurate and complete, in each case in all material respects and to the extent required for the issuance or continued effectiveness of such Necessary Project Approval.

Section 5.04 Investment Company Act. As of the date hereof and the Bring Down Date, the Borrower is not, and after giving effect to the Loans and the application of the proceeds of the Loans as described herein will not be, an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Section 5.05 Validity. As of the date hereof and the Bring Down Date, each Transaction Document to which the Borrower is a party has been duly authorized, validly executed and delivered, and constitutes the legal, valid and binding obligations of the Borrower enforceable against the Borrower in each case in accordance with its respective terms, except as the enforceability hereof or thereof may be limited by (a) bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

Section 5.06 Financial Information. As of the date hereof and the Bring Down Date, each of the financial statements of the Borrower delivered pursuant hereto (which, as of the date hereof, consists solely of the balance sheet of the Borrower delivered pursuant to Section 6.01(h) *Conditions to Closing Date – Financial Statements*) has been prepared in accordance with

GAAP, and fairly presents in all material respects the financial condition of the Borrower covered thereby as at the dates thereof and the results of its operations for the period then ended (subject, in the case of unaudited financial statements, to changes resulting from audit and normal year end adjustments and the absence of footnotes).

Section 5.07 [Intentionally Omitted].

Section 5.08 Project Compliance. (a) As of the Bring Down Date, except as set forth on Schedule 5.08, the Project is owned, improved and maintained in compliance in all material respects with all applicable Laws and in compliance in all material respects with the requirements of all Necessary Project Approvals (including all Deferred Approvals) then required to have been obtained.

(b) As of the Bring Down Date, the Project is owned, improved and maintained in compliance in all material respects with all of the Borrower's Contractual Obligations.

Section 5.09 Litigation. As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, no action, suit, proceeding or investigation has been instituted or threatened in writing against the Borrower that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 5.10 Sole Purpose Nature; Business. As of the date hereof and the Bring Down Date, the Borrower has not conducted and is not conducting any business or activities other than businesses and activities relating to the ownership of the Project as contemplated by the Transaction Documents.

Section 5.11 Contracts. As of the date hereof:

(i) all contracts, agreements, instruments, letter agreements, or other documents to which the Borrower is a party or by which it or any of its properties is bound (other than the Financing Documents), including the Project Documents, and all documents amending, supplementing, interpreting or otherwise modifying or clarifying such contracts, agreements, instruments, letter agreements, understandings and other documents are listed in Schedule 5.11, other than any such contracts that are not Project Documents and (A) have a term of less than six (6) months, (B) under which the Borrower could not reasonably be expected to have obligations, liabilities or revenues equal to or in excess of one hundred thousand Dollars ($100,000) per year individually or two hundred fifty thousand Dollars ($250,000) per year in the aggregate and (C) a termination of which could not reasonably be expected to result in a Material Adverse Effect;

(ii) all contracts, agreements, instruments, letter agreements, or other documents that are required to be obtained by the Borrower in connection with the repair, remediation and improvement contemplated by the Capital Improvement Budget and operation of the Project as contemplated by the

Transaction Documents (subject, until the CS End Date, to Cold Shutdown) (collectively, the "Necessary Project Contracts") are listed in Schedule 5.11, other than any such contracts that (A) have a term of less than six (6) months, (B) under which the Borrower could not reasonably be expected to have obligations, liabilities or revenues equal to or in excess of one hundred thousand Dollars ($100,000) per year individually or two hundred fifty thousand Dollars ($250,000) per year in the aggregate and (C) a termination of which could not reasonably be expected to result in a Material Adverse Effect; and

(iii) the Necessary Project Contracts listed in Part B of Schedule 5.11 are not required to be in effect prior to the Closing Date (collectively, the "Deferred Contracts") and are not yet in effect.

Section 5.12 Collateral. (a) As of the date hereof, the Collateral includes all of the Equity Interests in, and all of the tangible and intangible assets of, the Borrower.

(b) As of the date hereof, the Liens and security interests granted to the Collateral Agent (for the benefit of the Senior Secured Parties) pursuant to the Security Documents (i) constitute, as to personal property included in the Collateral, a valid first priority security interest in such personal property and (ii) constitute, as to the Mortgaged Property included in the Collateral, a valid first priority Lien of record in the Mortgaged Property, in each case subject only to Permitted Liens.

(c) As of the date hereof, the security interest granted to the Collateral Agent (for the benefit of the Senior Secured Parties) pursuant to the Security Documents in the Collateral consisting of personal property will be perfected (i) with respect to any property that can be perfected by filing, upon the filing of UCC financing statements in the filing offices identified in Schedule 5.12(c), (ii) with respect to any Blocked Account Collateral that can be perfected solely by control, upon execution of a Blocked Account Agreement and (iii) with respect to any property (if any) that can be perfected solely by possession, upon the Collateral Agent receiving possession thereof, and in each case such security interest will be, as to Collateral perfected under the UCC or otherwise as aforesaid, superior and prior to the rights of all third Persons now existing or hereafter arising whether by way of mortgage, lien, security interest, encumbrance, assignment or otherwise, in each case subject only to Permitted Liens. After giving effect to the filings, registrations and giving of notice referred to in the prior sentence, all such action as is necessary has been taken to establish and perfect the Collateral Agent's rights in and to the Collateral covered by the Security Documents to the extent the Collateral Agent's security interest can be perfected by filing, including any recordation, filing, registration, giving of notice or other similar action. The Borrower has properly delivered or caused to be delivered to the Collateral Agent, or provided the Collateral Agent control of, all Collateral relating to assets of or equity in the Borrower or the Lessee, as applicable, that requires perfection of the Liens and security interests described above by possession or control. All or substantially all of the Collateral relating to assets of or equity in the Borrower and all the Lessee Collateral relating to assets of or equity in the Lessee (other than in each

case, the Blocked Account Collateral, certificates, securities, investments, chattel paper, books and records and general intangibles), including the Mortgaged Property, is or will (when acquired) be located on the Site.

Section 5.13 Ownership of Properties. (a) As of the date hereof and the Bring Down Date, to the extent set forth in the Sale Order, the Borrower has a good and valid fee ownership interest in the Site, subject to Permitted Liens.

(b) As of the date hereof and the Bring Down Date, to the extent set forth in the Sale Order, the Borrower has a good and valid ownership interest, leasehold interest, license interest or other right of use in all other property and assets (tangible and intangible) included in the Collateral relating to assets of or equity in the Borrower under each Security Document, other than the collateral pledged pursuant to the Pledge Agreement. To the Knowledge of Borrower, none of such properties or assets of or equity in the Borrower are subject to any other claims of any Person on and after the Closing Date, including any easements, rights of way or similar agreements affecting the use or occupancy of the Project or the Site, other than Permitted Liens.

(c) As of the date hereof and the Bring Down Date, all Equity Interests in the Borrower are owned by the Pledgor.

(d) As of the date hereof and the Bring Down Date, the properties and assets of the Borrower are separately identifiable and are not commingled with the properties and assets of any other Person and are readily distinguishable from the property and assets of other Persons.

(e) As of the date hereof and the Bring Down Date, the Borrower does not have any leasehold interest in, and is not lessee of, any real property.

(f) As of the date hereof and the Bring Down Date, there are no easements, rights of way or similar agreements affecting the use or occupancy of the Project, other than Permitted Liens.

Section 5.14 Taxes. (a) As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, the Borrower has (i) filed all Tax Returns required by Law to have been filed by it and (ii) has paid all Taxes thereby shown to be owing, as and when the same are due and payable, other than, in the case of this Section 5.14(a)(ii), Taxes that are subject to a Contest.

(b) As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, the Borrower is not taxable as a corporation for federal tax purposes, and the Borrower has not taken any action to cause it to be treated as a corporation for state or local tax purposes if it would, in the absence of such action, not be taxable as a corporation for state or local purposes.

(c) As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, the Borrower is not a party to any tax sharing agreement with any Person.

(d) As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, the Borrower has not agreed to extend the statute of limitations period applicable to the assessment or collection of any Tax.

(e) As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date, the Borrower is not under any governmental audit with respect to any Tax for any period, there are no claims for additional Tax being pursued by any Governmental Authority with respect to its business, income or activities, and no such claims have been threatened in writing by a Governmental Authority.

Section 5.15 ERISA Plans. As of the date hereof and the Bring Down Date, (i) neither the Borrower nor any ERISA Affiliate has (or within the five year period immediately preceding the date hereof had) any liability in respect of any Plan or Multiemployer Plan and (ii) the Borrower has no contingent liability with respect to any post retirement benefit under any "welfare plan" (as defined in Section 3(1) of ERISA).

Section 5.16 Property Rights, Utilities, Supplies Etc. (a) As of the Bring Down Date, all material property interests, utility services, means of transportation, facilities and other materials necessary for the performance of capital repairs, remediation and improvements with respect to, testing, start-up, use and operation of the Project (until the CS End Date in Cold Shutdown) (including, as necessary, gas, roads, rail transport, electrical, water and sewage services and facilities) are, or will be when needed, available to the Project, and arrangements in respect thereof have been or will be made on commercially reasonable terms.

(b) As of the Bring Down Date, there are no material supplies, materials or equipment necessary for the performance of capital repair, remediation and improvements with respect to, operation (until the CS End Date in Cold Shutdown) or maintenance of the Project that are not expected to be available at the Site on commercially reasonable terms consistent with the Capital Improvement Budget, any Supplemental Capital Improvement Budget, or the Operating Budget, as applicable.

Section 5.17 No Defaults. As of the date hereof and the Bring Down Date, (i) no Default or Event of Default has occurred and is continuing and (ii) no default has occurred under the Lease and is continuing.

Section 5.18 Environmental Warranties. As of the date hereof (to the Knowledge of the Borrower) and as of the Bring Down Date:

(a) (i) The Borrower and its Environmental Affiliates are in compliance in all material respects with all applicable Environmental Laws, (ii) the Borrower and its Environmental Affiliates have all Environmental Approvals required to operate their businesses as presently conducted and are in compliance in all material respects with the terms and conditions thereof and (iii) none of the Borrower nor any of its Environmental Affiliates has received any written communication (other than a communication that the Administrative Agent has agreed in writing is not materially adverse) from a Governmental Authority that alleges that the Borrower or such

Environmental Affiliate is not in compliance in all material respects with all Environmental Laws and Environmental Approvals.

(b) There is no Environmental Claim pending or, to the Knowledge of the Borrower, threatened against the Borrower. There is no Environmental Claim pending or , to the Knowledge of the Borrower, threatened against any Environmental Affiliate of the Borrower.

(c) Except as disclosed in the Environmental Site Assessment Report, there are no circumstances, conditions, events or incidents, including the release, emission, discharge, presence or disposal of any Material of Environmental Concern that have occurred since the Closing Date, that could reasonably be expected to form the basis of any Environmental Claim against the Borrower or any Environmental Affiliate or could otherwise reasonably be expected to interfere with the capital improvement work with respect to or operation (until the CS End Date in Cold Shutdown) of the Project.

(d) Except to the extent disclosed in the Environmental Site Assessment Report, without in any way limiting the generality of the foregoing, (i) there are no on site or off site locations in which the Borrower or any Environmental Affiliate of the Borrower has stored, disposed or arranged for the disposal of Materials of Environmental Concern that could reasonably be expected to form the basis of an Environmental Claim or that is not in compliance with applicable Environmental Laws and (ii) no polychlorinated biphenyls (PCBs) are or will be used or stored by the Borrower at any property owned or leased by the Borrower.

(e) The Borrower has not received any letter or request for information under Section 104 of the CERCLA, or comparable state laws, and none of the business or operations of the Borrower is the subject of any investigation by a Governmental Authority evaluating whether any remedial action is needed to respond to a release or threatened release of any Material of Environmental Concern at the Project or at any other location, including any location to which the Borrower has transported, or arranged for the transportation of, any Material of Environmental Concern.

Section 5.19 Regulations T, U and X. As of the date hereof and as of the Bring Down Date, the Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Loan will be used for any purpose that violates, or would be inconsistent with, F.R.S. Board Regulation T, U or X. Terms for which meanings are provided in F.R.S. Board Regulation T, U or X or any regulations substituted therefor, as from time to time in effect, are used in this Section 5.19 with such meanings.

Section 5.20 Accuracy of Information. As of the date hereof and as of the Bring Down Date:

(a) All factual information furnished by or on behalf of the Borrower in this Agreement, in any other Financing Document or otherwise in writing to any Senior Secured Party, any Consultant, or counsel for purposes of or in connection with this Agreement and the other

Financing Documents (other than projections, budgets and other “forward looking” information that have been prepared on a reasonable basis and in good faith by or on behalf of the Borrower) is, when taken as a whole, after giving effect to any supplemental information, and as of the date furnished, true and accurate in all material respects and such information is not, when taken as a whole, after giving effect to any supplemental information, as of the date furnished, incomplete by omitting to state any material fact necessary to make such information not misleading in any material respect.

(b) The assumptions constituting the basis on which the Borrower prepared the Capital Improvement Budget and the Operating Budget, and the numbers set forth therein, were developed and consistently utilized in good faith and are reasonable and represent the Borrower’s reasonable judgment as of the date prepared as to the matters contained therein, based on all information known to the Borrower.

(c) The Borrower reasonably believes that the Capital Improvement Completion Date will occur on or before the Commencement Date Certain and that the cost to complete the performance of capital improvements with respect to the Project shall be as set forth in the Capital Improvement Budget.

(d) The Borrower reasonably believes that after the performance of capital repair, remediation and improvements contemplated under the Capital Improvement Budget and performance of any necessary testing and start-up, the use, ownership, operation and maintenance of the Project are economically and technically feasible.

Section 5.21 Indebtedness. (a) As of the date hereof and as of the Bring Down Date, the Obligations are, after giving effect to the Financing Documents and the transactions contemplated thereby, the only outstanding Indebtedness of the Borrower other than Permitted Indebtedness. The Obligations rank at least pari passu with all other Indebtedness of the Borrower.

(b) As of the date hereof and as of the Bring Down Date, after giving effect to the Financing Documents and the transactions contemplated thereby, the Borrower will have no outstanding Indebtedness other than Permitted Indebtedness, and all Liens (other than Permitted Liens) against assets of the Borrower will have been released.

Section 5.22 Separateness. (a) As of the date hereof and as of the Bring Down Date, (i) the Borrower maintains separate bank accounts and separate books of account from any other Person and (ii) the separate liabilities of the Borrower are readily distinguishable from the liabilities of each Affiliate of the Borrower, including the Pledgor.

(b) As of the date hereof and as of the Bring Down Date, the Borrower conducts its business solely in its own name in a manner not misleading to other Persons as to its identity.

(c) As of the date hereof and as of the Bring Down Date, the Borrower is in compliance with the provisions set forth on Schedule 5.22.

Section 5.23 [Intentionally Omitted].

Section 5.24 Subsidiaries. As of the date hereof and as of the Bring Down Date, the Borrower has no Subsidiaries.

Section 5.25 Foreign Assets Control Regulations, Etc. As of the date hereof and as of the Bring Down Date:

(a) The use of the proceeds of the Loan by the Borrower will not violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) The Borrower:

(i) is not a Person or entity described by Section 1 of Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (12 C.F.R. 595), and does not engage in dealings or transactions with any such Persons or entities; and

(ii) is not in violation of the Patriot Act.

Section 5.26 [Intentionally Omitted]

Section 5.27 Employment Matters. As of the date hereof and as of the Bring Down Date, the Borrower does not have any employees.

Section 5.28 Legal Name and Place of Business. (a) As of the date hereof and as of the Bring Down Date, the exact legal name and jurisdiction of formation of the Borrower is: Seneca Landlord, LLC, a limited liability company organized and existing under the laws of the State of Iowa, and the Borrower has not had any other legal names in the previous five (5) years other than REG Seneca, LLC.

(b) As of the date hereof and as of the Bring Down Date, the chief executive office of the Borrower is located at 2425 Olympic Boulevard, Suite 4050, West Santa Monica, California 90404. The Borrower also does business at the Site.

Section 5.29 No Brokers. As of the date hereof and as of the Bring Down Date, the Borrower has no obligation to pay any finder's, advisory, broker's or investment banking fee in connection with the transactions contemplated by this Agreement, except for the fees payable pursuant to Section 3.11 (*Fees*).

Section 5.30 Insurance. As of the date hereof, all insurance required to be obtained and maintained pursuant to the Transaction Documents by the Borrower is in full force and effect and complies with the insurance requirements set forth on Schedule 7.01(h) (and, in the case of insurance required under any Project Document, also complies in all material respects with the

insurance requirements in such Project Document). All premiums then due and payable on all such insurance have been paid.

Section 5.31 Patents, Trademarks, Etc. As of the date hereof:

(a) The Borrower has obtained all patents, trademarks, copyrights and other such rights or adequate licenses therein set forth in the Sale Order.

(b) To the extent set forth in the Sale Order, the Borrower is the sole owner of the issued and pending patents set forth on Schedule 5.31. No claims have been made against the Borrower in writing with respect to such issued or pending patents or its ownership thereof.

(c) To the extent set forth in the Sale Order, the Borrower owns and possesses all, right, title and interest in and to the Intellectual Property owned or used by the Borrower ("Borrower Intellectual Property") as currently available for use.

(d) The Borrower has not received any notice regarding any infringement or misappropriation by the Borrower of any Intellectual Property of any third party including any demands or offers to license any Intellectual Property from any third party.

(e) To the Knowledge of the Borrower, no third party is infringing or has infringed, misappropriated or otherwise violated any Borrower Intellectual Property. No such claims have been brought or threatened in writing against any third party by the Borrower.

(f) As used herein, "Intellectual Property" means any of the following in any jurisdiction throughout the world: (A) patents, patent applications, patent disclosures and inventions, including any continuations, divisionals, continuations-in-part, renewals and reissues for any of the foregoing; (B) Internet domain names, trademarks, service marks, trade dress, trade names, logos, slogans and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith; (C) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof; (D) mask works and registrations and applications for registration thereof; (E) computer Software, data, data bases and documentation thereof; (F) trade secrets and other confidential information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information) (collectively, "Trade Secrets"); and (G) copies and tangible embodiments thereof (in whatever form or medium). As used herein, "Software" means computer software programs, including all source code, object code, specifications, databases, designs and documentation related to such programs, in each case as they exist anywhere in the world.

Section 5.32 Accounts. As of the date hereof and as of the Bring Down Date, the Borrower does not have, and is not the beneficiary of, any bank account other than (i) the Borrower Revenue Account and the Capital Improvements Account and (ii) Local Accounts set forth on Schedule 5.32 with respect to which Blocked Account Agreements have been duly executed and delivered.

Section 5.33 Closing Date Disbursements. The Closing Date Disbursements are in accordance with the Capital Improvement Budget.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.01 Conditions to Closing Date. The occurrence of the Closing Date is subject to the satisfaction of each of the following conditions precedent:

(a) Delivery of Financing Documents. The Administrative Agent shall have received each of the following fully executed documents, each of which shall be originals, portable document format ("pdf") or facsimiles (followed promptly by originals), duly executed and delivered by each party thereto and in form and substance reasonably satisfactory to each Lender:

(i) this Agreement;

(ii) if requested by any Lender, the original Note, duly executed and delivered by an Authorized Officer of the Borrower in favor of such Lender;

(iii) the Security Agreement;

(iv) the IP Security Agreement;

(v) the Pledge Agreement;

(vi) the Leasehold Mortgage;

(vii) the Mortgage; and

(viii) the Blocked Account Agreement(s).

(b) Project Documents; Contracts; Consents; Lessee Security Documents. (i) The Administrative Agent shall have received true, correct and complete copies of (A) each of the Necessary Project Contracts listed on Schedule 5.11 Part A (and in the case of the Lease, the original executed counterpart thereof), which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Independent Engineer, (B) each other material Contractual Obligation of the Borrower relating to the Project for which a copy has been reasonably requested by the Administrative Agent and (C) the Lessee Security Documents.

(ii) The Administrative Agent shall have received a Consent, in form and substance reasonably satisfactory to the Administrative Agent, with respect to each Construction Contract and with respect to the Lessee Security Agreement and the Lessee Pledge Agreement.

(c) Officer's Certificates. The Administrative Agent shall have received the following certificates, dated as of the Closing Date, upon which the Administrative Agent and each Senior Secured Party may conclusively rely:

(i) Borrower:

(A) a duly executed certificate of an Authorized Officer of the Borrower certifying that (x) all conditions set forth in this Section 6.01 have been satisfied on and as of the Closing Date, (y) all representations and warranties made by the Borrower in this Agreement and each other Financing Document to which the Borrower is a party are true and correct on and as of the Closing Date and (z) the Effective Date (as such term is defined in the Lease) has occurred;

(B) a duly executed certificate of an Authorized Officer of the Borrower certifying that (w) the copies of each of the documents delivered pursuant to Section 6.01(b) are true, correct and complete, (x) each such document is in full force and effect and no term or condition of any such document has been amended from the form thereof delivered to the Administrative Agent, (y) each of the conditions precedent set forth in each such document delivered pursuant to Section 6.01(b) that is required to be satisfied on or before the Closing Date has been satisfied or waived by the parties thereto, and (z) no material breach, material default or material violation by the Borrower, or to the Knowledge of the Borrower, by the other party under any such document has occurred and is continuing; and

(C) a duly executed certificate of an Authorized Officer of the Pledgor certifying that all representations and warranties made by the Pledgor in the Pledge Agreement are true and correct on and as of the Closing Date (except with respect to representations and warranties that expressly refer to an earlier date).

(ii) the Lessee: each certificate delivered to Borrower on the Closing Date pursuant to the Lease Documents each of which shall be in form and substance reasonably acceptable to the Administrative Agent.

(d) Resolutions, Incumbency, Organic Documents. (i) The Administrative Agent shall have received from each of the Borrower and the Pledgor a certificate of

an Authorized Officer, dated as of the Closing Date, upon which the Administrative Agent and each Senior Secured Party may conclusively rely, as to:

(A) satisfactory resolutions of its members, managers or directors, as the case may be, then in full force and effect authorizing the execution, delivery and performance of each Transaction Document to which it is party and the consummation of the transactions contemplated therein;

(B) the incumbency and signatures of those of its officers and representatives duly authorized to execute and otherwise act with respect to each Financing Document to which it is party; and

(C) such Person's Organic Documents, which in the case of the Borrower shall be in form and substance reasonably satisfactory to the Administrative Agent and shall include the Required LLC Provisions, and in every case certifying that (A) such documents are in full force and effect and no term or condition thereof has been amended from the form thereof delivered to the Administrative Agent and (B) no material breach, material default or material violation thereunder has occurred and is continuing.

(ii) The Administrative Agent shall have received each resolution, incumbency certificate and Organic Document delivered to Borrower on the Closing Date pursuant to the Lease Documents each of which shall be in form and substance reasonably acceptable to the Administrative Agent.

(e) Authority to Conduct Business. The Administrative Agent shall have received satisfactory evidence, including certificates of good standing from the Secretaries of State of each relevant jurisdiction, dated no more than five (5) Business Days (or such other time period reasonably acceptable to the Administrative Agent) prior to the Closing Date, that each of the Borrower, the Lessee, the Pledgor and the Lessee Pledgor is duly authorized as a limited liability company or corporation, as applicable, to carry on its business, and is duly formed, validly existing and in good standing in each jurisdiction in which it is required to be so authorized.

(f) Opinions of Counsel. The Administrative Agent shall have received the legal opinions of New York, Illinois and Iowa counsel to the Borrower, the Pledgor, the Lessee, the Lessee Pledgor, REG Services and REG Marketing, including with respect to the enforceability of the Management and Operating Services Agreement against REG Services and REG Marketing, addressed to the Senior Secured Parties, and each in form and substance reasonably satisfactory to the Administrative Agent.

(g) Lien Search; Perfection of Security. The Collateral Agent shall have been granted a first priority perfected security interest in all Collateral (including the Lessee Collateral), and the Administrative Agent shall have received satisfactory copies or

evidence, as the case may be, of the following actions in connection with the perfection of the Security:

(i) completed requests for information or lien search reports, dated no more than five (5) Business Days (or such other, longer time period reasonably acceptable to the Administrative Agent) before the Closing Date, listing all effective UCC financing statements, fixture filings or other filings evidencing a security interest filed in Delaware, Illinois, Iowa and any other jurisdictions reasonably requested by the Administrative Agent that name the Borrower, the Pledgor, the Lessee or the Lessee Pledgor as a debtor, together with copies of each such UCC financing statement, fixture filing or other filings, which shall show no Liens other than Permitted Liens;

(ii) UCC financing statements and other filings and recordations (including fixture filings), in proper form for filing in all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect and protect the first priority Liens and security interests created under the Security Documents covering the Collateral described therein, and each such UCC financing statement and other filing or recordation shall be duly filed on or prior to the Closing Date;

(iii) the original certificates representing all Equity Interests in the Borrower shall have been delivered to the Collateral Agent, in each case together with a duly executed irrevocable proxy and a duly executed transfer power in the forms attached to the Pledge Agreement;

(iv) UCC financing statements and other filings and recordations (including fixture filings), in proper form for filing in all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect and protect the first priority Liens and security interests created under the Lessee Security Documents covering the Lessee Collateral described therein, and each such UCC financing statement and other filing or recordation shall be duly filed on or prior to the Closing Date;

(v) the original certificates representing all Equity Interests in the Lessee shall have been delivered to the Collateral Agent, in each case together with a duly executed irrevocable proxy and a duly executed transfer power in the forms attached to the Lessee Pledge Agreement; and

(vi) with respect to the Borrower and the Project, evidence of the making (which may be done on the Closing Date) of all other actions, recordings and filings of or with respect to the Security Documents delivered pursuant to Section 6.01(a) (*Conditions Precedent – Conditions to Closing*) that the Administrative Agent may deem necessary or desirable in order to perfect and protect the first priority Liens created thereunder (including the Borrower's security interest in the Lease Collateral).

(h) Financial Statements. The Administrative Agent shall have received an accurate and complete copy of the Borrower's balance sheet as of March 31, 2010.

(i) Governmental Approvals. The Borrower shall have obtained all Necessary Project Approvals listed on Schedule 5.03 Part A, and the Administrative Agent shall have received a duly executed certificate of an Authorized Officer of the Borrower certifying that (i) attached to such certificate are true, correct and complete copies of each such Necessary Project Approval and (ii) Schedule 5.03 Part A accurately identifies all Necessary Project Approvals.

(j) Equator Principles. The Administrative Agent shall have received all documentation requested by the Administrative Agent that is necessary to evidence compliance with, and otherwise required in connection with, the Equator Principles.

(k) Third Party Approvals. The Administrative Agent shall have received reasonably satisfactory documentation of any approval by any Person required in connection with any transaction contemplated by this Agreement or any other Financing Document that the Administrative Agent has reasonably requested in connection herewith.

(l) Fees; Expenses. The Administrative Agent shall have received for its own account, or for the account of each Senior Secured Party entitled thereto, all costs and expenses (including costs, fees and expenses of legal counsel and Consultants) for which invoices have been presented subject, in the case of Closing Costs and Closing Costs (as such term is defined in the ABL Agreement) payable on the Closing Date (as such term is defined in the ABL Agreement), to an aggregate maximum amount of one hundred and fifty thousand Dollars $150,000.

(m) Establishment of Deposit Accounts. Each of the Borrower Revenue Account, the Capital Improvements Account and the Lessee Revenue Account shall have been established to the reasonable satisfaction of the Administrative Agent.

(n) Insurance. The Administrative Agent shall have received:

(i) satisfactory evidence that the insurance requirements set forth on Schedule 7.01(h) with respect to the Borrower and the Project have been satisfied, including binders or certificates evidencing the commitment of insurers to provide each insurance policy required by Schedule 7.01(h), evidence of the payment of all premiums then due and owing in respect of such insurance policies and a certificate of the Borrower's insurance broker (or insurance carrier) certifying that all such insurance policies are in full force and effect; and

(ii) a report of the Insurance Consultant in form and substance reasonably satisfactory to the Administrative Agent discussing, among other matters that the Administrative Agent may require, the adequacy of the insurance coverage for the Project, together with a duly executed certificate of the

Insurance Consultant in the form of Exhibit I, appropriately completed to the satisfaction of the Administrative Agent.

(o) Independent Engineer's Report. The Administrative Agent shall have received a report of the Independent Engineer with respect to the Project, accompanied by a duly executed certificate of the Independent Engineer in the form of Exhibit J-1, each in form and substance reasonably satisfactory to each Lender, discussing, among other matters that the Lenders may require:

(i) the reasonableness of the Capital Improvement Budget and the feasibility and efficacy of the Borrower's approach to performing capital repair, remediation and improvement work with respect to and start-up of the Project;

(ii) operating performance and costs assumptions;

(iii) confirmation that the Borrower is in compliance in all material respects with all Environmental Approvals applicable to the Project and does not have any known present or contingent liability relating to any Environmental Approval or Environmental Claim regarding the Project; and

(iv) confirmation that all Environmental Approvals necessary to perform capital improvement work with respect to and operate the Project (other than Environmental Approvals that are Deferred Approvals) have been obtained and are in full force and effect, final and Non-Appealable.

(p) Environmental Site Assessment Report. The Administrative Agent shall have received the Environmental Site Assessment Report.

(q) Capital Improvement Budget; Preliminary Operating Budget. The Administrative Agent shall have received (i) the Capital Improvement Budget in form and substance reasonably satisfactory to the Required Lenders, and (ii) a certificate of a Financial Officer of each of the Borrower and the Lessee certifying as to the reasonableness of the underlying assumptions and the conclusions on which the Capital Improvement Budget is based and demonstrating aggregate Designated Capital Improvement Costs equal to or less than $4,000,000. The Administrative Agent shall have received a proposed Operating Budget ("Preliminary Operating Budget") for the period from the proposed First Train Completion Date to the six-month anniversary of such date setting forth in reasonable detail the projected requirements for Operating and Maintenance Expenses for such period.

(r) Survey; Site Description. The Administrative Agent shall have received a current survey of the Site conforming with ALTA/ACSM 2005 survey standards, including Table A, items 6, 8, 10 and 11(a), and otherwise acceptable to the Administrative Agent (a "Survey") prepared by Etscheid Duttlinger & Associates Inc., or another registered or licensed surveyor acceptable to the Administrative Agent and the Title Insurance Company, certified to the Senior Secured Parties and such

Title Insurance Company. The Administrative Agent shall have received a detailed description of the parcel of real property owned by the Borrower and/or on which the Project is situated and, upon approval by the Administrative Agent, such description shall be deemed to be an amendment to this Agreement and Schedule 5.13 shall be deemed to be replaced with such description.

(s) Title Insurance.

(i) The Administrative Agent shall have received a paid policy or policies of mortgage title insurance (the "Title Insurance Policy"), in an aggregate amount equal to the Aggregate Loan Commitment on a Form 2006 extended coverage lender's policy, containing such endorsements (including an endorsement deleting the creditor's rights exception) as the Administrative Agent may request and otherwise in form and substance reasonably satisfactory to the Administrative Agent, from the Title Insurance Company (with co insurance or reinsurance in such amounts and with such title insurance companies as may be required and approved by the Administrative Agent), containing no exception for mechanics' or materialmen's Liens and no other exceptions (printed or otherwise) other than those approved by the Required Lenders, and insuring that the Collateral Agent has a good, valid and enforceable first Lien of record on the Mortgaged Property free and clear of all defects and encumbrances (other than Permitted Liens).

(ii) The Title Insurance Policy shall confirm that the Borrower has good, marketable title to the Site subject to no Liens (other than Liens in favor of the Collateral Agent or other Permitted Liens).

(t) Bank Regulatory Requirements. The Administrative Agent shall have received at least four (4) Business Days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti money laundering rules and regulations, including the Patriot Act.

(u) Process Agent. The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent, acceptances from the Process Agent for the Borrower appointed under Section 11.02(d) (*Applicable Law; Jurisdiction; Etc. – Appointment of Process Agent and Service of Process*) and as required under each other Financing Document in effect on the Closing Date.

(v) [INTENTIONALLY OMITTED].

(w) Equity. The Required Equity Contribution less the Closing Date Disbursements shall have been funded into the Capital Improvements Account and the Administrative Agent shall have received satisfactory confirmation thereof.

(x) Asset Purchase Agreement. The transactions contemplated by the Asset Purchase Agreement shall have been consummated in accordance with the terms of the

Asset Purchase Agreement and a final order of the Bankruptcy Court in form and substance acceptable to the Administrative Agent and the DIP Agent.

(y) Assignment and Assumption Agreement. The transactions contemplated by the Assignment and Assumption Agreement shall have been consummated in accordance with the terms of the Assignment and Assumption Agreement and a final order of the Bankruptcy Court in form and substance acceptable to the Administrative Agent and the DIP Agent.

(z) Lease Documents. The Lease Documents shall have been entered into and shall be in full force and effect. No default or breach has occurred and is continuing under any Lease Document.

(aa) Representations and Warranties. All representations and warranties made by the Borrower and the Pledgor in any Financing Document to which it is a party are true and correct in all material respects (other than representations and warranties that are qualified by Material Adverse Effect or materiality, which shall be true and correct in all respects) on and as of the Closing Date, before and after giving effect to the making of the Loans;

(bb) No Default. No Default or Event of Default has occurred and is continuing, or would result from the making of the Loans.

(cc) No MAE. As of the Closing Date, there is no event or occurrence that would reasonably be expected to have a Material Adverse Effect.

(dd) No Litigation. No action, suit, proceeding or investigation shall have been instituted or threatened in writing against the Borrower, the Pledgor or the Project.

(ee) Abandonment, Taking, Total Loss. (i) No Event of Abandonment or Event of Total Loss shall have occurred and be continuing with respect to the Project, (ii) no Event of Taking relating to any Equity Interests in the Borrower or the Lessee shall have occurred and be continuing, or (iii) no Event of Taking with respect to a material part of the Project shall have occurred.

(ff) Effective Date. The Effective Date (as such term is defined in the Lease) shall have occurred.

ARTICLE VII

COVENANTS

Section 7.01 Affirmative Covenants. The Borrower agrees with each Senior Secured Party that, until the Discharge Date, it will perform the obligations set forth in this Section 7.01 applicable to it.

(a) Compliance with Laws. The Borrower shall comply in all material respects with all Laws (other than Environmental Laws, which are addressed in Section 7.01(b)) applicable to it or to its business or property.

(b) Environmental Matters.

(i) The Borrower shall (A) comply in all material respects with all Environmental Laws, (B) after giving effect to the terms of the Sale Order, keep the Project free of any Lien imposed pursuant to any Environmental Law, (C)) after giving effect to the terms of the Sale Order, pay or cause to be paid when due and payable any and all costs required to be paid by the Borrower by any Environmental Laws, including the cost of identifying the nature and extent of the presence of any Materials of Environmental Concern in, on or about the Project or on any real property owned or leased by the Borrower or on the Mortgaged Property, and the cost of delineation, management, remediation, removal, treatment and disposal of any such Materials of Environmental Concern, and (D) use its best efforts to ensure that no Environmental Affiliate takes any action or violates any Environmental Law that could reasonably be expected to result in an Environmental Claim.

(ii) Without limiting the provisions of Section 7.01(b)(i), the Borrower shall not use or allow the Project to generate, manufacture, refine, produce, treat, store, handle, dispose of, transfer, process or transport Materials of Environmental Concern other than in compliance in all material respects with Environmental Laws.

(c) Operations and Maintenance. The Borrower shall own and peform (or cause to be performed) capital improvement work with respect to, and operate and maintain (or cause to be operated and maintained) (until the CS End Date in Cold Shutdown) the Project in all material respects in accordance with (i) the terms and provisions of the Transaction Documents to which it is a party, (ii) all applicable Governmental Approvals and Laws and (iii) Prudent Biodiesel Operating Practice.

(d) Capital Improvement of Project; Maintenance of Properties. (i) The Borrower shall apply the proceeds of the Required Equity Contribution to the purposes specified in Section 7.01(g) (*Covenants – Affirmative Covenants – Use of Proceeds and Cash Flow*) and shall duly complete, or cause the completion of, capital repair, remediation and improvement work with respect to the Project and shall cause the Final Completion Date to occur, substantially in accordance with (A) the scope of work and other specifications set forth in the Construction Contracts, (B) the Capital Improvement Budget, and (C) exercise of that degree of skill, diligence, prudence, foresight and care that are expected of a biodiesel construction contractor, in order to efficiently accomplish the desired result consistent with safety standards, applicable Laws, manufacturers' warranties, manufacturers' recommendations and the Project Documents.

(ii) The Borrower (subject to Cold Shutdown until the CS End Date) shall keep, or cause to be kept, in good working order and condition, ordinary wear and tear excepted, all of its material properties and equipment that are necessary or useful in the proper conduct of its business.

(iii) Except as required in connection with the performance of capital repair, remediation and improvement work with respect to the Project, the Borrower shall not permit the Project or any material portion thereof to be removed, demolished or materially altered, unless such material portion that has been removed, demolished or materially altered has been replaced or repaired as permitted under this Agreement.

(iv) The Borrower shall continue to engage in business of the same type as now conducted by it and do or cause to be done all things necessary to preserve and keep in full force and effect (A) its entity existence and (B) its material patents, trademarks, trade names, copyrights, franchises and similar rights.

(e) Payment of Obligations. The Borrower shall pay and discharge as the same shall become due and payable all of its material obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are subject to a Contest, (ii) all of its obligations and liabilities under its Contractual Obligations, (iii) all lawful claims that, if unpaid, would by law become a Lien upon its properties (other than Permitted Liens), unless such claims are subject to a Contest and (iv) the obligation to pay $200,000 in real property taxes with respect to the Project assumed by the Borrower pursuant to the Asset Purchase Agreement.

(f) Governmental Approvals. The Borrower shall maintain in full force and effect, in the name of the Borrower or the Lessee, all Necessary Project Approvals and obtain all Deferred Approvals, all of which shall be reasonably satisfactory to the Administrative Agent prior to the time it is required to be obtained hereunder, including as set forth on Schedule 5.03 Part B, but in any event no later than the date required to be obtained under applicable Law.

(g) Use of Proceeds and Cash Flow.

(i) All proceeds of the Required Equity Contribution shall be applied to pay Designated Capital Improvement Costs.

(ii) The Borrower shall cause all Cash Flow, Insurance Proceeds and Condemnation Proceeds, proceeds of asset disposals (other than the sale of Products) and Project Document Termination Payments that it receives to be applied in accordance with the Accounts Agreement and ARTICLE VIII (*Certain Proceeds*).

(iii) Prior to the receipt by the Borrower of Insurance Proceeds, Condemnation Proceeds, proceeds of asset disposals (other than the sale of Products) or

Project Document Termination Payments, the Borrower shall establish a bank account on terms and conditions reasonably acceptable to the Collateral Agent into which such Insurance Proceeds, Condemnation Proceeds, proceeds of asset disposals (other than the sale of Products) and Project Document Termination Payments shall be deposited.

(h) Insurance. Without cost to any Senior Secured Party, the Borrower shall at all times obtain and maintain, or cause to be obtained and maintained, the types and amounts of insurance listed and described on Schedule 7.01(h), in accordance with the terms and provisions set forth therein for the Project and the Borrower, and shall obtain and maintain such other insurance as may be required pursuant to the terms of any Transaction Document. The Lenders shall be additional insureds on all liability policies except workers compensation/employers liability policies and additional named insureds on all property policies, and the Administrative Agent shall be the loss payee in accordance with Schedule 7.01(h), under all property related policies including business interruption (including any delay in start-up) as applicable. The Borrower shall cause such insurance to be in place prior to the date required, and each required insurance policy shall be renewed or replaced prior to the expiration thereof. In the event the Borrower fails to take out or maintain (or cause to be taken out and maintained) the full insurance coverage required by this Section 7.01(h), the Administrative Agent may (but shall not be obligated to) take out and maintain the required policies of insurance and pay the premiums on such policies. All amounts so advanced by the Administrative Agent shall become Obligations, and the Borrower shall forthwith pay such amounts to the Administrative Agent, together with interest from the date of payment by the Administrative Agent at the Default Rate.

(i) Books and Records; Inspections. The Borrower shall keep proper books of record and account relating to the Project, separate from the books and records of any other Person (including any Affiliates of the Borrower), in which complete, true and accurate entries in conformity with GAAP and all requirements of Law shall be made of all financial transactions and matters elating to the Project, and shall maintain such books of record and account in material conformity with applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower. The Borrower shall keep books and records that accurately reflect all of its business affairs, transactions and the documents and other instruments that underlie or authorize all of its actions in each case relating to the Project. The Borrower shall permit officers and designated representatives of the Agents to visit and inspect any of its properties (including the Project), to examine its entity, financial and operating records relating to the Project, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts relating to the Project with its members, managers, directors, officers and independent public accountants, all at the expense of the Borrower (provided that so long as no Default or Event of Default has occurred and is continuing, such visits or inspections shall be at the expense of the Borrower only once per Fiscal Year) and at reasonable times during normal business hours, upon reasonable advance notice to the Borrower; provided that if a Default or Event of Default has occurred and is continuing, any Agent, Lender or Consultant (or any of

their respective officers or designated representatives) may do any of the foregoing at the expense of the Borrower during normal business hours and without advance notice.

(j) Operating Budget.

(i) The Borrower shall, not later than fifteen (15) days before the First Train Completion Date, adopt an operating plan and a budget setting forth in reasonable detail the projected requirements for Operation and Maintenance Expenses for the Project for the period from such date to the conclusion of the then-current Fiscal Year and provide a copy of such operating plan and budget at such time to the Administrative Agent. No less than forty-five (45) days in advance of the beginning of each Fiscal Year and each six (6) month period thereafter, the Borrower shall similarly adopt a twelve (12) calendar month operating plan and budget for the Project setting forth in reasonable detail the projected requirements for Operation and Maintenance Expenses for the ensuing twelve (12) calendar month period and provide a copy of such operating plan and budget at such time to the Administrative Agent. (Each such operating plan and budget is herein called an "Operating Budget".) Each Operating Budget shall set forth for each week covered thereby (i) an amount expressed in Dollars in respect of the OPEX Expenses to be incurred during such week and (ii) an amount expressed in the relevant quantity in respect of the COGS Expenses to be incurred during such week and the notional Dollar value of such quantities calculated in the manner set forth in the Operating Budget. Each Operating Budget shall be prepared in accordance with a form approved by the Independent Engineer and shall become effective upon approval, which shall not be unreasonably withheld, conditioned or delayed, of the Administrative Agent (acting in consultation with the Consultants). If the Borrower shall not have adopted an Operating Budget before the beginning of any six (6) month period or any Operating Budget adopted by the Borrower shall not have been accepted by the Administrative Agent before the beginning of any upcoming six (6) month period, the Operating Budget for the preceding twelve (12) calendar month period shall, until the adoption of an Operating Budget by the Borrower and acceptance of such Operating Budget by the Administrative Agent, be deemed to be in force and effective as the Operating Budget for the upcoming twelve (12) calendar month period.

(ii) Each Operating Budget delivered to the Administrative Agent pursuant to this Section 7.01(j) shall be accompanied by a memorandum detailing all material assumptions used in the preparation of such Operating Budget, shall contain a line item for each Operating Budget Category, shall specify for each month and for each such Operating Budget Category the amount budgeted for such category for such month, and shall clearly distinguish Operation and Maintenance Expenses.

(k) Project Documents.

(i) The Borrower shall maintain in full force and effect, preserve, protect and defend its material rights under, and take all actions necessary to prevent termination or cancellation (except by expiration in accordance with its terms or permitted replacement) of, each Project Document to which it is a party. The Borrower shall exercise all material rights, discretion and remedies under each such Project Document, if any, in accordance with its terms and in a manner consistent with (and subject to) the Borrower's obligations under the Financing Documents.

(ii) Promptly upon execution of any Additional Project Document by the Borrower or the Lessee, the Borrower shall deliver to the Administrative Agent a certified copy of such Project Document and, if reasonably requested by the Administrative Agent, any Ancillary Documents related thereto.

(iii) If any Project Document provides that such Project Document will expire prior to the Final Maturity Date, then, on or prior to the date that is ninety (90) days (or such shorter period as shall be satisfactory to the Administrative Agent) prior to the expiration date of such Project Document to which it is a party, the Borrower shall enter into an agreement replacing such Project Document, in form and substance, and with a counterparty, reasonably satisfactory to the Required Lenders, unless the Administrative Agent reasonably agrees that such Project Document is no longer required for the Project.

(l) Preservation of Title; Acquisition of Additional Property.

(i) The Borrower shall preserve and maintain (A) good, marketable and insurable interest in the Site and valid easement interest in its easement interest in the Site and (B) good, legal and valid title to all of its other respective material properties and assets, in each case free and clear of all Liens other than Permitted Liens. If the Borrower at any time acquires any real property or leasehold or other interest in real property (including, to the extent reasonably requested by the Administrative Agent, with respect to any material easement or right-of-way not covered by the Mortgage), the Borrower shall, promptly upon such acquisition and at the Administrative Agent's request, execute, deliver and record a supplement to the Mortgage, reasonably satisfactory in form and substance to the Administrative Agent, subjecting such real property or leasehold or other interest to the Lien and security interest created by the Mortgage. If reasonably requested by the Administrative Agent and available on commercially reasonable terms, the Borrower shall obtain an appropriate endorsement or supplement to the Title Insurance Policy insuring the Lien of the Security Documents in such additional property, subject only to Permitted Liens.

(ii) Prior to the acquisition or lease of any such additional real property interests (other than easements that do not involve soil disturbance), the Borrower shall deliver to the Administrative Agent an environmental site assessment report(s) with respect to such real property (if, in the reasonable determination of the Administrative Agent, acting in consultation with the Independent Engineer, such environmental site assessment report(s) with respect to such real property interests is warranted), in each case along with a corresponding reliance letter from the consultant issuing such report(s) (to the extent such report(s) does not permit reliance thereon by the Senior Secured Parties). Each such environmental site assessment report(s) shall be in form and substance reasonably satisfactory to the Administrative Agent and shall not identify any material liability associated with the condition of such real property.

(m) Maintenance of Liens; Creation of Liens on Newly Acquired Property.

(i) Borrower shall take or cause to be taken all action necessary or desirable to maintain and preserve the Lien of the Security Documents and, on and after the Closing Date, the first ranking priority thereof (subject to Permitted Liens).

(ii) Borrower shall take all actions required to cause each Additional Project Document to which it becomes a party to be or become subject to the Lien of the Security Documents (whether by amendment to any Security Document or otherwise) and shall, if required, deliver or cause to be delivered to the Administrative Agent all Ancillary Documents related thereto.

(iii) Simultaneously with the making of any investment in Cash Equivalents, the Borrower shall take or cause to be taken all actions required to cause such Cash Equivalents to be or become subject to a first priority perfected Lien (subject to Permitted Liens) in favor of the Senior Secured Parties.

(n) Certificate of Formation. The Borrower shall observe all of the provisions and procedures of its certificate of formation and Borrower LLC Agreement.

(o) [Intentionally Omitted].

(p) Further Assurances. Upon written request of the Administrative Agent, Borrower shall promptly perform or cause to be performed any and all acts and execute or cause to be executed any and all documents (including UCC financing statements and UCC continuation statements):

(A) that are necessary or desirable for compliance with Section 7.01(m)(i) (*Covenants – Affirmative Covenants – Maintenance of Liens; Creation of Liens on Newly Acquired Property*);

(B) for the purposes of ensuring the validity and legality of this Agreement or any other Financing Document and the rights of the Senior Secured Parties hereunder or thereunder; and

(C) for the purposes of facilitating the proper exercise of rights and powers granted to the Senior Secured Parties under this Agreement or any other Financing Document.

(q) First Priority Ranking. The Borrower shall cause its payment obligations with respect to the Loans to constitute direct senior secured obligations of the Borrower and to rank no less than pari passu in priority of payment, in right of security (except with respect to Permitted Liens) and in all other respects to all other Indebtedness of the Borrower.

(r) Final Completion. The Borrower shall cause Final Completion to occur on or before the date that is thirty (30) days after the Capital Improvement Completion Date.

(s) Closing Costs. Within sixty (60) days after the Closing Date, the Borrower shall pay to the Administrative Agent for its own account, or for the account of each Senior Secured Party entitled thereto, to the extent not paid by REG pursuant to Section 5.5.21 (*Closing Costs*) of the Lease, all Closing Costs for which invoices have been presented and all Closing Costs (as defined in the ABL Agreement) up to an aggregate maximum amount of seventy five thousand Dollars ($75,000). In addition to the payment required to be made pursuant to the immediately preceding sentence, within ninety (90) days after the Closing Date, the Borrower shall pay to the Administrative Agent for its own account, or for the account of each Senior Secured Party entitled thereto, to the extent not paid by REG pursuant to Section 5.5.21 (*Closing Costs*) of the Lease, all Closing Costs for which invoices have been presented and all Closing Costs (as defined in the ABL Agreement) up to an aggregate maximum amount of seventy five thousand Dollars ($75,000).

(t) Observer Rights. The Borrower shall permit the Administrative Agent to designate an observer to the board of managers of the Borrower (the "Board"). The observer shall have the right to receive notice of the meetings of the Board at the same time such notice is given to the members of the Board. The observer shall have the right to be present at each such meeting and receive a copy of all materials distributed at each such meeting to the members of the Board. The observer shall also have the right to meet and consult with members of the Board and the officers of the Borrower from time to time. All costs of the observer shall be borne by the Administrative Agent and shall not be considered fees or expenses payable by the Borrower. The observer shall have no approval or other participation right in any Board meeting.

(u) Certain Proceeds. The Borrower shall pay and deliver to the Borrower Revenue Account any and all funds, refunds, payments or other monetary receipts received by the Borrower from the Village of Seneca, LaSalle and Grundy Counties, Illinois pursuant to the Redevelopment Agreement, including any and all payments

received pursuant to the Company Note, as that term is defined in the Redevelopment Agreement. Such amounts shall be deemed to be Cash Flow of the Borrower for purposes of the Accounts Agreement.

(v) Appointment of Auditor. Within one hundred and eighty (180) days after the Closing Date, the Borrower shall appoint the Auditors.

Section 7.02 Negative Covenants. The Borrower agrees with each Senior Secured Party that, until the Discharge Date, it will perform the obligations set forth in this Section 7.02 applicable to it.

(a) Restrictions on Indebtedness. The Borrower will not create, incur, assume or suffer to exist any Indebtedness except:

(i) the Obligations;

(ii) accounts payable to trade creditors incurred in the ordinary course of business and (A) not more than ninety (90) days past due or (B) subject to a Contest not more than six (6) months past due and not exceeding an aggregate amount of two hundred fifty thousand Dollars ($250,000); and

(iii) obligations as lessee under operating leases or leases for the rental of any real or personal property which are required by GAAP to be capitalized where all such leases under this Section 7.02(a)(iii) do not require the Borrower to make scheduled payments to the lessors in any Fiscal Year in excess of one hundred thousand ($100,000) in the aggregate.

(b) Liens. The Borrower shall not create, incur, assume or suffer to exist any Lien upon any of its property, revenues or assets or its Equity Interests, whether now owned or hereafter acquired, except:

(i) Liens in favor, or for the benefit, of the Collateral Agent pursuant to the Security Documents;

(ii) Liens in favor of the Borrower under the Lessee Security Documents;

(iii) Liens for taxes, assessments and other governmental charges that are not yet due or the payment of which is the subject of a Contest;

(iv) Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is the subject of a Contest;

(v) Liens of no more than one hundred thousand Dollars ($100,000) in the aggregate securing judgments for the payment of money not constituting an Event of Default, provided that each such Lien is subject to a Contest and any appropriate legal proceedings which may have been initiated for

the review shall not have been terminated or the period within such proceedings may have been initiated shall not have expired;

(vi) rights of setoff and other similar Liens of banks holding Local Accounts, solely to the extent permitted by, and in accordance with, the Blocked Accounts Agreement applicable to such Local Account;

(vii) purchase money security interests in discrete items of equipment not comprising an integral part of the Project or other Collateral when the obligation secured is incurred for the purchase of such equipment and does not exceed the lesser of the cost or the fair market value thereof at the time of acquisition and, in aggregate, an outstanding value of one hundred thousand Dollars ($100,000); and

(viii) any Liens reflected on the Title Insurance Policy or any Title Continuation.

(c) Permitted Investments. The Borrower shall not make any loan or advance to any Person other than accounts receivable incurred in commercially reasonable amounts in the normal course of its business and investments received in satisfaction or partial satisfaction thereof from financially troubled Account Debtors to the extent reasonably necessary in order to prevent or limit loss. Except for (i) Cash Equivalents and (ii) investments received in satisfaction or partial satisfaction of accounts receivable incurred in commercially reasonable amounts in the normal course of its business from financially troubled Account Debtors to the extent reasonably necessary in order to prevent or limit loss, the Borrower will not purchase or otherwise acquire the capital stock, securities, debt, assets or obligations of, or any interest in, any Person.

(d) Change in Business. The Borrower shall not (i) enter into or engage in any business other than the ownership, operation (until the CS End Date in Cold Shutdown), maintenance, performance of capital repair, remediation and improvement work with respect to, start-up, testing, use and financing of the Project and all activities reasonably related thereto or (ii) change in any material respect the scope of the Project from that which is contemplated as of the date hereof.

(e) Equity Issuances. The Borrower shall not issue any Equity Interests unless such Equity Interests are immediately pledged to the Collateral Agent (for the benefit of the Senior Secured Parties) on a first priority perfected basis pursuant to the Pledge Agreement or, if necessary, a supplement thereto or a pledge and security agreement in substantially the form of the Pledge Agreement. Notwithstanding anything to the contrary contained in any Financing Document, but subject to Section 7.02(g) *(Consolidation, Merger*) and Section 7.02(f) *(Asset Dispositions)*, the Lenders agree that the Lessee Pledgor may exercise its call option to purchase, and Pledgor may exercise its put option to sell, the Equity Interests in the Borrower in accordance with the terms of the Put/Call Agreement.

(f) Asset Dispositions. The Borrower shall not sell, lease, assign, transfer or otherwise dispose of assets of the Project or the Borrower (other than Products), whether now owned or hereafter acquired, except:

(i) disposal of assets that are promptly replaced in accordance with the then-current Operating Budget;

(ii) to the extent that such assets are uneconomical, obsolete or no longer useful or no longer usable in connection with the operation or maintenance of the Project;

(iii) disposal of assets with a fair market value, or at a disposal price, of less than one million Dollars ($1,000,000) in the aggregate during any Fiscal Year; provided, that such disposal does not, and would not reasonably be expected to, adversely affect the performance of capital repair, remediation and improvement work with respect to, operation or maintenance of the Project; and

(iv) so long as no Default or Event of Default has occurred and is continuing or would result therefrom the Pledgor and Lessee Pledgor may consummate the Put/Call Option.

(g) Consolidation, Merger. The Borrower will not directly or indirectly liquidate, wind up, terminate, reorganize or dissolve (or suffer any liquidation, winding up, termination, reorganization or dissolution). The Borrower will not acquire (in one transaction or a series of related transactions) all or any substantial part of the assets, property or business of, or any assets that constitute a division or operating unit of, the business of any Person or otherwise merge or consolidate with or into any other Person; provided that if the Put/Call Option is exercised, the Borrower may be merged with the Lessee so long as the Borrower is the surviving entity and an amendment and restatement of this Agreement and the other Financing Documents on terms and conditions acceptable to the parties thereto providing for the Senior Secured Parties to receive the benefits of the representations, warranties, covenants and defaults set forth in the Lease and the Lessee Security Documents shall be entered into simultaneously with the closing of such merger.

(h) Transactions with Affiliates. Except to the extent indentified on Schedule 7.02(h), the Borrower shall not enter into or cause, suffer or permit to exist any arrangement or contract with any of its Affiliates or any other Person that owns, directly or indirectly, any Equity Interest in the Borrower unless such arrangement or contract (i) is fair and reasonable to the Borrower and (ii) is an arrangement or contract that is on an arm's length basis and contains terms no less favorable than those that would be entered into by a prudent Person in the position of the Borrower with a Person that is not one of its Affiliates; provided that with respect to any licensing or other arrangement pursuant to which the Borrower provides any Affiliate with the right to own or use any of the Borrower's patents or other intellectual property, the Borrower shall provide to the Administrative Agent prior written notice of such license

or other arrangement and a certificate executed by the chief executive officer of the Borrower stating that such license or other arrangement complies with the provisions of clauses (i) and (ii).

(i) Accounts. (A) The Borrower shall not maintain, establish or use any deposit account, securities account (as each such term is defined in the UCC) or other banking account other than (x) the Borrower Revenue Account and the Capital Improvements Account and (y) any Local Account set forth on Schedule 5.32 with respect to which a Blocked Account Agreement is in effect.

(B) The Borrower shall not change the name or account number of the Borrower Revenue Account, the Capital Improvements Account or any Local Account without the prior written consent of the Administrative Agent, which will not be unreasonably delayed, conditioned or withheld.

(C) There shall not be, at any single point in time, more than one Borrower Local Account.

(j) Subsidiaries. The Borrower shall not create or acquire any Subsidiary or enter into any partnership or joint venture.

(k) ERISA. The Borrower will not engage in any nonexempt prohibited transactions under Section 406 of ERISA or under Section 4975 of the Code that could reasonably be expected to result in a material liability. The Borrower will not incur any obligation or liability in respect of any Plan, Multiemployer Plan or employee welfare benefit plan providing post retirement welfare benefits (other than a plan providing continuation coverage under Part 6 of Title I of ERISA) that could reasonably be expected to result in a material liability and the Borrower shall obtain the prior written approval of the Administrative Agent before incurring any such obligation or liability.

(l) Taxes. The Borrower shall not make any election to be treated as an association taxable as a corporation for federal, state or local tax purposes.

(m) Project Documents.

(i) The Borrower shall not direct or consent or agree to any amendment, modification, supplement, waiver or consent in respect of any provision of any Project Document except the Lease (other than any immaterial amendment, modification, supplement, waiver or consent, in which case a true, correct and complete copy shall be delivered to the Administrative Agent) without the prior written consent of the Administrative Agent, which consent shall not be unreasonably delayed, conditioned or withheld, and in the case of any amendment to a Project Document other than the Lease solely to reflect the removal or replacement of a party, the prior written consent of the Required Lenders, which consent shall not be unreasonably delayed, conditioned or withheld.

(ii) The Borrower shall not direct or consent or agree to any amendment, modification, supplement, waiver or consent in respect of any provision of the Lease or approve any document submitted to the Borrower for approval pursuant to Section 5.6.13(b) of the Lease without the prior written consent of the Administrative Agent which consent may be withheld in its sole discretion and in the case of any amendment to the Lease solely to reflect the removal or replacement of the Lessee, the prior written consent of the Required Lenders (except in the case of removal and replacement of the initial Lessee with an Approved Lessee).

(iii) Except for collateral assignments under the Security Documents, the Borrower shall not assign any of its rights under any Project Document to which it is a party except the Lease to any Person, or consent to the assignment of any obligations under any such Project Document by any other party thereto, without the prior written approval of the Administrative Agent, which consent shall not be unreasonably delayed, conditioned, or withheld, and in the case of any assignment of any obligations under any Project Document other than the Lease by a party, without the prior written approval of the Required Lenders, which consent shall not be unreasonably delayed, conditioned or withheld.

(iv) Except for collateral assignments under the Security Documents, the Borrower shall not assign any of its rights under the Lease to any Person, or consent to the assignment of any obligations under the Lease by any other party thereto, without the prior written approval of the Administrative Agent which approval may be withheld in its sole discretion and in the case of any assignment of any obligations under the Lease by the Lessee, without the prior written approval of the Required Lenders (except in the case of an assignment by the initial Lessee to an Approved Lessee).

(v) The Borrower shall not enter into a Project Document unless such Project Document requires the counterparty thereto to obtain such insurance to protect, directly or indirectly, against loss or liability to the Borrower, the Project or any Senior Secured Party as the Administrative Agent may reasonably require.

(n) Additional Project Documents. The Borrower shall not enter into any Additional Project Document except with the prior written approval of the Administrative Agent, which shall not be unreasonably delayed, conditioned or withheld.

(o) Suspension or Abandonment. The Borrower shall not (i) permit or suffer to exist an Event of Abandonment without the prior written approval of the Required Lenders or (ii) except to the extent contemplated by Cold Shutdown until the CS End Date, order or consent to any suspension of work under any Project Document without the prior written approval of the Administrative Agent.

(p) Margin Regulations. The Borrower shall not purchase or carry any Margin Stock (as defined in Regulation U) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock. The Borrower shall not violate or act in a manner inconsistent with the provisions of Regulations T, U or X.

(q) Environmental Matters. Without prejudice to Section 7.01(b), the Borrower shall not permit (i) any underground storage tanks to be located on any property owned or leased by the Borrower (unless such storage tanks exist on the Closing Date), (ii) any asbestos to be contained in or form part of any building, building component, structure or office space owned or leased by the Borrower (unless such asbestos exists on the Closing Date), (iii) any polychlorinated biphenyls (PCBs) to be used or stored at any property owned or leased by the Borrower or (iv) any other Materials of Environmental Concern to be used, stored or otherwise be present at any property owned or leased by the Borrower (unless such Materials of Environmental Concern exist on the Closing Date), other than Materials of Environmental Concern necessary for the performance of capital improvements with respect to or operation of the Project and used in accordance with all Laws and Prudent Biodiesel Operating Practice.

(r) Restricted Payments. The Borrower shall not make a Restricted Payment; provided that so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the representations and warranties of the Borrower and the Pledgor set forth in the Financing Documents are true in all material respects on the date of such Restricted Payment and (iii) a Financial Officer of the Borrower certifies to the Administrative Agent in writing that after giving effect to such Restricted Payment the Borrower has no knowledge of any circumstance or event that exists on the date of such certificate that the Borrower reasonably believes will prevent the Borrower from paying in accordance with the terms hereof all Debt Service due in the three-month period following the making of such Restricted Payment, the Borrower shall be permitted to make such Restricted Payments in accordance with Section 3.03 of the Accounts Agreement.

(s) Accounting Changes. The Borrower shall not make any change in (i) its accounting policies or reporting practices, except as required by GAAP and notified to the Administrative Agent in writing (provided that the Borrower shall provide a historical reconciliation for the prior period addressing any such change in accounting practices) or (ii) its Fiscal Year without the prior written consent of the Administrative Agent, which consent shall not be unreasonably delayed, conditioned or withheld.

(t) Capital Expenditure. The Borrower shall not make or become legally obligated to make any Capital Expenditure using Cash Flow individually or in the aggregate at any time in excess of one million Dollars ($1,000,000), except to the extent such Capital Expenditure is included in the Capital Improvement Budget, the Supplemental Capital Improvement Budget or any Operating Budget.

(u) Operation and Maintenance Expenses. The Operation and Maintenance Expenses of the Project in any month shall not exceed the lesser of (i) actual expenses

incurred and (ii) the expenses set forth in the Operating Budget for such month subject to the Permitted Operating Budget Deviation Levels.

Section 7.03 Reporting Requirements. The Borrower will furnish to the Administrative Agent the following information with respect to itself and, to the extent received by the Borrower from the Lessee pursuant to the Lease, with respect to the Lessee:

(a) Quarterly Financial Statements. As soon as available and in any event within forty-five (45) days after the end of the first three (3) Fiscal Quarters of each Fiscal Year, unaudited financial statements, including balance sheets, statements of income and cash flows for each of Borrower and the Lessee for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, prepared in accordance with GAAP together with, in each case, consolidated and consolidating financial statements for the Borrower and the Lessee.

(b) Annual Financial Statements. As soon as available and in any event within ninety (90) days after the end of each Fiscal Year, a copy of the annual audit report for such Fiscal Year for each of the Borrower and the Lessee including therein balance sheets as of the end of such Fiscal Year and statements of income and cash flows for such Fiscal Year, and accompanied by an unqualified opinion of the Auditors stating that such financial statements present fairly in all material respects the financial position of the Borrower or the Lessee, as applicable, for the periods indicated in conformity with GAAP applied on a basis consistent with prior periods, which report and opinion shall not be subject to any "*going concern*" or like qualification or exception or any qualification or exception as to the scope of such audit.

(c) Certificate of Financial Officer. Concurrently with the delivery of the financial statements referred to in Section 7.03(a) and (b), other than consolidated or consolidating financial statements, certificates executed by a Financial Officer of the Borrower or the Lessee, as applicable, stating that:

(i) its financial statements fairly present in all material respects the financial condition and results of operations of the Borrower or the Lessee, as applicable, on the dates and for the periods indicated in accordance with GAAP subject, in the case of interim financial statements, to the absence of notes and normally recurring year end adjustments;

(ii) such Financial Officer has reviewed the terms of the Financing Documents and has made, or caused to be made under his or her supervision, a review in reasonable detail of the business and financial condition of the Borrower or the Lessee, as applicable, during the accounting period covered by such financial statements; and

(iii) as a result of such review such Financial Officer has concluded that no Default or Event of Default has occurred during the period covered by

such financial statements through and including the date of such certificate or, if any Default or Event of Default has occurred, specifying the nature and extent thereof and, if continuing, the action that the Borrower or the Lessee, as applicable, has taken and proposes to take in respect thereof.

(d) Concurrently with the delivery of the consolidated and consolidating financial statements referred to in Section 7.03(a) and (b), certificates executed by a Financial Officer of the Borrower or the Lessee, as applicable, stating that such financial statements fairly present in all material respects the consolidated financial condition and results of operations of the Borrower or the Lessee on the dates and for the periods indicated in accordance with GAAP subject, in the case of interim financial statements, to the absence of notes and normally recurring year end adjustments.

(e) Auditor's Letters. Promptly upon receipt, copies of any detailed audit reports, management letters or recommendations submitted to the Borrower (or the audit or finance committee of the Borrower) by the Auditors in connection with the accounts or books of the Borrower or any audit of the Borrower.

(f) Notice of Default or Event of Default. As soon as possible and in any event within five (5) days after the Borrower has Knowledge of the occurrence of any Default or Event of Default, a statement of an Authorized Officer of the Borrower setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto.

(g) Notice of Other Events. Within five (5) Business Days after the Borrower obtains Knowledge thereof, a statement of an Authorized Officer of the Borrower setting forth details of:

(i) any litigation or governmental proceeding pending or threatened in writing against the Borrower or the Project that has or could reasonably be expected to have a Material Adverse Effect;

(ii) any litigation or governmental proceeding pending or threatened in writing against any Project Party that has or could reasonably be expected to have a Material Adverse Effect;

(iii) any other event, act or condition that has or could reasonably be expected to have a Material Adverse Effect;

(iv) notification of any event of force majeure or similar event under a Project Document that has or could reasonably be expected to have a Material Adverse Effect; or

(v) notification of any other change in circumstances that could reasonably be expected to result in an increase of more than three hundred thousand Dollars ($300,000) in Project Costs.

(h) Project Document or Additional Project Document Notice. Promptly after delivery or receipt thereof, copies of all material notices or documents given or received by the Borrower, pursuant to any of the Project Documents including:

(i) any written notice alleging any breach or default thereunder that has or could reasonably be expected to have a Material Adverse Effect; and

(ii) any written notice regarding, or request for consent to, any assignment, termination, modification, waiver or variation thereof.

(i) Construction Contracts Notice. Within three (3) Business Days following receipt thereof, the Borrower shall deliver to the Administrative Agent and the Independent Engineer any report provided to the Borrower under any Construction Contract, which shall be subject to review by the Independent Engineer.

(j) ERISA Event. As soon as possible and in any event within five (5) days after the Borrower has Knowledge that any of the events described below has occurred, a duly executed certificate of an Authorized Officer of the Borrower setting forth the details of each such event and the action that the Borrower proposes to take with respect thereto, together with a copy of any notice or filing from the PBGC, Internal Revenue Service or Department of Labor or that may be required by the PBGC or other U.S. Governmental Authority with respect to each such event:

(i) any Termination Event with respect to an ERISA Plan or a Multiemployer Plan has occurred or will occur that could reasonably be expected to result in any liability to the Borrower;

(ii) any condition exists with respect to a Plan that presents a material risk of termination of a Plan (other than a standard termination under Section 4041(b) of ERISA) or imposition of an excise tax or other material liability on the Borrower;

(iii) an application has been filed for a waiver of the minimum funding standard under Section 412 of the Code or Section 302 of ERISA under any Plan;

(iv) the Borrower or any Plan fiduciary has engaged in a "prohibited transaction," as defined in Section 4975 of the Code or as described in Section 406 of ERISA, that is not exempt under Section 4975 of the Code, Section 408 of ERISA or another applicable administrative, regulatory or statutory exemption, that could reasonably be expected to result in material liability to the Borrower;

(v) there exists any Unfunded Benefit Liabilities under any ERISA Plan;

(vi) any condition exists with respect to a Multiemployer Plan that presents a risk of a partial or complete withdrawal (as described in Section 4203 or

4205 of ERISA) from a Multiemployer Plan that could reasonably be expected to result in any liability to the Borrower;

(vii) a "default" (as defined in Section 4219(c)(5) of ERISA) occurs with respect to payments to a Multiemployer Plan and such default could reasonably be expected to result in any liability to the Borrower;

(viii) a Multiemployer Plan is in "reorganization" (as defined in Section 418 of the Code or Section 4241 of ERISA) or is "insolvent" (as defined in Section 4245 of ERISA);

(ix) the Borrower or any ERISA Affiliate has incurred any potential withdrawal liability (as defined in accordance with Title IV of ERISA); or

(x) there is an action brought against the Borrower or any ERISA Affiliate under Section 502 of ERISA with respect to its failure to comply with Section 515 of ERISA.

(k) Notice of PBGC Demand Letter. As soon as possible and in any event within five (5) days after the receipt by the Borrower of a demand letter from the PBGC notifying the Borrower of a final decision finding liability and the date by which such liability must be paid, a copy of such letter, together with a duly executed certificate of the president or chief financial officer of the Borrower setting forth the action the Borrower proposes to take with respect thereto.

(l) Notice of Environmental Event. Promptly and in any event within five (5) days after the existence of any of the following conditions, a duly executed certificate of an Authorized Officer of the Borrower specifying in detail the nature of such condition and, if applicable, the Borrower's proposed response thereto:

(i) receipt by the Borrower of any written communication from a Governmental Authority or any written communication from any other Person (other than a privileged communication from legal counsel to the Borrower, the Pledgor or the Pledgor's members) or other source of written information, including reports prepared by the Borrower, that alleges or indicates that the Borrower or an Environmental Affiliate is not in compliance in all material respects with applicable Environmental Laws or Environmental Approvals and such alleged noncompliance could reasonably be expected to form the basis of an Environmental Claim against the Borrower;

(ii) the Borrower obtains Knowledge that there exists any Environmental Claim pending or threatened in writing against the Borrower or an Environmental Affiliate;

(iii) the Borrower obtains Knowledge of any release, threatened release, emission, discharge or disposal of any Material of Environmental Concern or obtains Knowledge of any material non compliance with any

Environmental Law that, in either case, could reasonably be expected to form the basis of an Environmental Claim against the Borrower or any Environmental Affiliate; or

(iv) any Removal, Remedial or Response action is taken, or required to be taken, by the Borrower or any other person in response to any material release, emission, discharge or disposal of any Material of Environmental Concern in, at, on or under a part of or about the Borrower's properties or any property in connection with the Project.

(m) Materials of Environmental Concern. The Borrower will maintain and make available for inspection by the Administrative Agent, the Consultants and, if an Event of Default has occurred and is continuing, the Lenders, and each of their respective agents and employees, on reasonable notice during regular business hours, accurate and complete records of all material non privileged correspondence, investigations, studies, sampling and testing conducted, and any and all remedial actions taken, by the Borrower or, to the best of the Borrower's Knowledge and to the extent obtained by the Borrower, by any Governmental Authority or other Person in respect of Materials of Environmental Concern that could reasonably be expected to form the basis of an Environmental Claim on or affecting the Borrower or the Project.

(n) Deferred Approvals. Promptly after receipt thereof, copies of each Deferred Approval obtained by the Borrower or the Lessee, together with such documents relating thereto as the Administrative Agent may request, certified as true, complete and correct by an Authorized Officer of the Borrower or the Lessee.

(o) Capital Improvement Disbursement Statements. Not less than ten (10) Business Days after the last day of each month in which a disbursement from the Capital Improvements Account is made, a disbursement statement which shall include:

(i) all invoices for Designated Capital Improvement Costs with respect to which such disbursement was made, each of which shall be certified as true, correct and complete by the Borrower and substantiated by the Independent Engineer;

(ii) absolute and unconditional sworn Lien waiver statements in form and substance reasonably satisfactory to the Administrative Agent and the Independent Engineer evidencing receipt of payment by each Construction Contractor, all subcontractors, all contractors performing capital improvement work with respect to the Project and all other Persons having the right to create a Lien on any asset of the Borrower or Lessee who were paid from the proceeds of such disbursement (other than Lien waivers from contractors whose work, on an aggregate basis (taking into account any and all contracts or agreements pursuant to which such contractor has performed work relating to the Project), entitles them to aggregate payment of less than $50,000. Each such Lien waiver statement shall be certified as true and correct and complete by the Borrower to its

Knowledge and the applicable contractor and shall be verified by the Independent Engineer;

(iii) Capital Improvement Status Report(s) covering such month, each of which shall be certified as true and complete by the Borrower and substantiated by the Independent Engineer; and

(iv) a certification of a Financial Officer of the Borrower and a Financial Officer of the Lessee confirming that such disbursement, when considered on its own and when considered on an aggregate basis with all prior disbursements, is in compliance with the Capital Improvement Budget (or, if such disbursement would be in excess of the Capital Improvement Budget, such deviation from the Capital Improvement Budget has been approved by the Independent Engineer).

(p) Operating Statements. Within forty-five (45) days after the end of each Fiscal Quarter the Borrower shall furnish to the Administrative Agent an Operating Statement regarding the operation and performance of the Project for each monthly, quarterly and, in the case of the last quarterly Operating Statement for each year, annual period substantially in the form of Exhibit L. Such Operating Statements shall contain (i) line items corresponding to each Operating Budget Category of the then-current Operating Budget showing in reasonable detail by Operating Budget Category all actual expenses related to the operation and maintenance of the Project compared to the budgeted expenses for each such Operating Budget Category for such period, (ii) information showing the amount of biodiesel and other Products produced by the Project during such period and (iii) information showing (A) the amount of biodiesel sold by the Lessee from the Project, (B) the amount, if any, of other sales of biodiesel and the amount of all sales of glycerin sold by the Lessee from the Project, together with an explanation of any such sale and identification of the purchaser, and (C) the amount, if any, of other Products sold by the Lessee from the Project, together with an explanation of any such sale and identification of the purchaser. The Operating Statements shall be certified as complete and correct in all material respects by an Authorized Officer of each of the Borrower and the Lessee, subject to auditing review, who also shall certify that, the expenses reflected therein for the year to date and for each month or quarter therein did not exceed the provision for such period contained in the Operating Budget then in effect by more than the Permitted Operating Budget Deviation Levels or, if any of such certifications cannot be given, stating in reasonable detail the necessary qualifications to such certifications.

(q) Capital Expenditure. As soon as possible and in any event within five (5) days after the incurrence of a Capital Expenditure in excess of fifty thousand Dollars ($50,000) by the Borrower or the Lessee using Cash Flow, a notice to the Administrative Agent setting forth the amount and purpose of such expenditure.

(r) Commodity Hedging Arrangements. Within fifteen (15) Business Days after the end of each calendar month, (i) a position report describing all of the Commodity Hedging Arrangements in effect as of the date of such report and (ii) a

duly authorized certificate of an Authorized Officer of the Borrower stating that the Commodity Hedging Arrangements set forth in the report delivered pursuant to clause (i) have been entered into in accordance with the Commodity Risk Management Plan.

(s) Other Information. Other information reasonably requested by the Administrative Agent or any Lender (through the Administrative Agent).

ARTICLE VIII

CERTAIN PROCEEDS

Section 8.01 Insurance and Condemnation Proceeds. (a) The Borrower may apply any Insurance Proceeds and Condemnation Proceeds in amounts less than or equal to one million Dollars ($1,000,000) arising from any one claim or any series of claims relating to the same occurrence directly for the replacement or repair of damaged assets to which such Insurance Proceeds or Condemnation Proceeds, as the case may be, relate; provided, that the Borrower delivers to the Administrative Agent, no fewer than three (3) Business Days in advance of any such application, an Insurance and Condemnation Proceeds Request Certificate setting forth proposed instructions for such application. A Financial Officer of the Borrower shall certify that each Insurance and Condemnation Proceeds Request Certificate is being delivered, and the applications specified therein are being directed, in accordance with this Agreement and the other Transaction Documents, and shall also certify that the directed applications will be used exclusively for repair or replacement of damaged assets to which such Insurance Proceeds or Condemnation Proceeds, as the case may be, relate.

(b) Any Insurance Proceeds and Condemnation Proceeds in amounts greater than one million Dollars ($1,000,000) but less than or equal to five million Dollars ($5,000,000) arising from any one claim or any series of claims relating to the same occurrence shall:

(i) be applied for repair or replacement of damaged assets to which such Insurance Proceeds or Condemnation Proceeds, as the case may be, relate in accordance with the Borrower’s direction in an Insurance and Condemnation Proceeds Request Certificate delivered to the Administrative Agent if, within sixty (60) days after the occurrence of the Casualty Event or Event of Taking giving rise to such proceeds, the Borrower delivers a Restoration or Replacement Plan to the Administrative Agent and the Independent Engineer with respect to such Casualty Event or Event of Taking that is based upon, and accompanied by, each of the following:

(A) a description of the nature and extent of such Casualty Event or Event of Taking, as the case may be;

(B) a bona fide assessment (from a contractor reasonably acceptable to the Independent Engineer) of the estimated cost and time needed to

restore or replace the Project to substantially the same value and general performance capability as prior to such event;

(C) reasonably satisfactory evidence that such Insurance Proceeds or Condemnation Proceeds, as the case may be, are sufficient to make the necessary restorations or replacements;

(D) a certificate of a Financial Officer of the Borrower certifying that (1) all work contemplated to be done under the Restoration or Replacement Plan can be done within the time periods, if any, required under any Project Document; (2) all Governmental Approvals necessary to perform the work have been obtained (or are reasonably expected to be obtained without undue delay); and (3) the Project once repaired/restored will continue to perform at the levels set forth in the then-current Operating Budget with respect to production volume, yield and utility consumption (or other levels approved by the Required Lenders);

(E) the Casualty Event or Event of Taking, as the case may be (including the non operation of the Project during any period of repair or restoration) has not resulted or would not reasonably be expected to result in a default giving rise to a termination of, or a materially adverse modification of, one or more of the Governmental Approvals or Project Documents (or, in the case of a default giving rise to a termination of a Project Document, an agreement replacing such Project Document, in form and substance, and with a counterparty, reasonably satisfactory to the Required Lenders is entered into (together with all applicable Ancillary Documents) within forty-five (45) days thereof (or, if such termination could not reasonably be expected to result in a Material Adverse Effect, within sixty (60) days thereof));

(F) after taking into consideration the availability of such Insurance Proceeds or Condemnation Proceeds, as applicable, and Business Interruption Insurance Proceeds and any additional documented voluntary equity contributions for the purpose of covering such costs, there will be adequate amounts available to pay all ongoing expenses including Debt Service during the period of repair or restoration;

(G) construction contractors and vendors of recognized skill, reputation and creditworthiness and reasonably acceptable to the Administrative Agent have executed reconstruction contracts, purchase orders or similar arrangements for the repair, rebuilding or restoration on terms and conditions reasonably acceptable to the Administrative Agent; and

(H) a confirmation by the Independent Engineer of its agreement with the matters set forth in clauses (A) through (G) above and its approval of such Restoration or Replacement Plan; or

(ii) if (A) the Borrower does not deliver such Restoration or Replacement Plan and the accompanying deliveries referred to in Section 8.01(b)(i) within such sixty (60) day period or (B) after the completion of such Restoration or Replacement Plan, there are excess Insurance Proceeds or Condemnation Proceeds, as the case may be, the Borrower shall on the next succeeding Quarterly Payment Date thereafter, transfer to the Administrative Agent, for the account of the Lenders, an amount equal to such Insurance Proceeds or Condemnation Proceeds, as the case may be, for mandatory prepayment of the Loans in accordance with Section 3.08 *(Mandatory Prepayments)*.

(c) Any Insurance Proceeds or Condemnation Proceeds in amounts greater than five million Dollars ($5,000,000) arising from any one claim or any series of claims relating to the same occurrence shall be applied, at the written instruction of the Administrative Agent, to prepay the Loans or for repair or replacement of damaged assets, as determined by the Required Lenders in their sole discretion.

Section 8.02 Extraordinary Proceeds. (a) If at any time the Borrower receives proceeds of an asset disposal by the Borrower (other than proceeds from the sale of Products) that will not be used for replacement in accordance with Section 7.02(f)(i) (*Covenants – Negative Covenants - Asset Dispositions*), then:

(i) if such proceeds are in an amount in the aggregate of less than one hundred thousand Dollars ($100,000) (taken together with any other such proceeds received by the Borrower during the then-current Fiscal Year), the Borrower shall transfer such funds to the Borrower Revenue Account; and

(ii) if such proceeds are in an amount equal to or greater than one hundred thousand Dollars ($100,000) (taken together with any other such proceeds received by the Borrower during the then-current Fiscal Year), such amounts shall be transferred by the Borrower to the Administrative Agent for application as a prepayment of the Loans in accordance with Section 3.08 (*Mandatory Prepayment*).

(b) If at any time the Borrower receives Project Document Termination Payments, then:

(i) if such Project Document Termination Payments are in an amount in the aggregate of less than one hundred thousand Dollars ($100,000) (taken together with any other Project Document Termination Payments received during the then-current Fiscal Year), the Borrower shall transfer such

Project Document Termination Payments to the Borrower Revenue Account; and

(ii) if such Project Document Termination Payments are in an amount equal to or greater than one hundred thousand Dollars ($100,000) (taken together with any other Project Document Termination Proceeds received during the then-current Fiscal Year), such amounts shall be transferred by the Borrower to the Administrative Agent for application as a prepayment of the Loans in accordance with Section 3.08 (*Mandatory Prepayment*).

ARTICLE IX

DEFAULT AND ENFORCEMENT

Section 9.01 Events of Default. Each of the following events or occurrences described in this Section 9.01 shall constitute an Event of Default.

(a) Nonpayment. The Borrower fails to pay any amount of principal of any Loan, any interest on any Loan or any fee or other Obligation or amount payable hereunder or under any other Financing Document within three (3) Business Days after the same becomes due and payable.

(b) Breach of Warranty. Any representation or warranty of any Loan Party in any Financing Document is incorrect or misleading in any material respect when made or; provided that (i) if such Loan Party was not aware that such representation or warranty was incorrect or misleading at the time such representation or warranty was made, (ii) the fact, event or circumstance resulting in such incorrect or misleading representation or warranty is capable of being cured, corrected or otherwise remedied, (iii) such fact, event or circumstance resulting in such incorrect or misleading representation or warranty is cured, corrected or otherwise remedied within thirty (30) days from the date any Loan Party obtains, or should have obtained, Knowledge thereof, and (iv) no Material Adverse Effect shall have occurred as a result of such representation or warranty being incorrect or misleading, then such incorrect representation or warranty shall not constitute an Event of Default.

(c) Non-Performance of Certain Covenants and Obligations. (i) The Borrower defaults in the due performance and observance of any of its obligations under Sections 7.01(d)(ii), (iii) and (iv)(A) (*Covenants – Affirmative Covenants – Capital Improvement of Project; Maintenance of Properties*), Section 7.01(g) (*Covenants – Affirmative Covenants – Use of Proceeds and Cash Flow*), Section 7.01(h) (*Covenants – Affirmative Covenants – Insurance*), Section 7.01(q) (*Covenants – Affirmative Covenants – First Priority Ranking*), Section 7.02 (*Covenants – Negative Covenants*), Section 7.03(f) (*Covenants – Reporting Requirements – Notice of Default or Event of Default*) or Section 7.03(g) (*Covenants – Reporting Requirements – Notice of Other Events*) of this Agreement, or Section 5.02, Section 5.04 or Section 5.07 of the Security Agreement; or (ii) the Borrower or the

Pledgor defaults in the due performance and observance of any of its obligations under Section 5.02, Section 5.04, Section 5.05 or Section 5.09 of the Pledge Agreement.

(d) Non-Performance of Other Covenants and Obligations. (i) The Borrower or the Pledgor defaults in the due performance and observance of any covenant or agreement (other than covenants and agreements referred to in Section 9.01(a) (*Events of Default – Nonpayment*) or Section 9.01(c) (*Events of Default – Non-Performance of Certain Covenants and Obligations*) contained in any Financing Document to which it is a party, and such default continues unremedied for a period of thirty (30) days after the Borrower or the Pledgor, as the case may be, obtains, or should have obtained, Knowledge thereof; or (ii) the Borrower defaults in the due performance and observance of any covenant or agreement contained in the Lease or a Lessee Security Document, and such default continues unremedied for a period of thirty (30) days after the Borrower obtains, or should have obtained, Knowledge thereof.

(e) Capital Improvement Completion. The Capital Improvement Completion Date does not occur on or before the Commencement Date Certain; provided, that such failure shall not constitute an Event of Default if within 60 days of such failure, the Borrower shall terminate the Lease, obtain possession of the Project, enter into such alternative arrangements and agreements replacing the Lease (which arrangements and agreements as well as the counterparties thereto shall be satisfactory to the Required Lenders (together with all applicable Ancillary Documents), it being understood that for purposes of this Section 9.01(e) the replacement of the initial Lessee by an Approved Lessee and any such alternate arrangements having the same terms and conditions as the Lease and the Management and Operating Services Agreement shall be deemed satisfactory to the Required Lenders) and achieve the Capital Improvement Completion Date.

(f) Cross Defaults. Any one of the following occurs with respect to a Loan Party:

(i) a default occurs in the payment when due (subject to any applicable grace period and notice requirements), whether by acceleration or otherwise, with respect to Indebtedness (other than the Obligations) in an amount greater than or equal to one hundred thousand Dollars ($100,000) in the aggregate or has resulted in or could reasonably be expected to result in a Material Adverse Effect;

(ii) such Person fails to observe or perform (subject to any applicable grace periods and notice requirements) any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (other than the Obligations) or the beneficiary or beneficiaries of any Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or

to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness (other than the Obligations) to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded, in each case with respect to Indebtedness in an amount greater than or equal to one hundred thousand Dollars ($100,000) in the aggregate or has resulted in or could reasonably be expected to result in a Material Adverse Effect; or

(iii) any "Event of Default" (as defined therein) shall occur under or within the meaning of the Lease; provided, that any such event under or within the meaning of the Lease shall not constitute an Event of Default if within 60 days of such event, the Borrower shall terminate the Lease, obtain possession of the Project, enter into such alternative arrangements and agreements replacing the Lease (which arrangements and agreements as well as the counterparties thereto shall be satisfactory to the Required Lenders (together with all applicable Ancillary Documents), it being understood that for purposes of this Section 9.01(f)(iii) the replacement of the initial Lessee by an Approved Lessee and any such alternate arrangements having the same terms and conditions as the Lease and the Management and Operating Services Agreement shall be deemed satisfactory to the Required Lenders) and, if such replacement does not cure any such event which affects the operation of the Project, then cure such event.

(g) Judgments. (i) Any judgment or order that has or could reasonably be expected to have a Material Adverse Effect is rendered against a Loan Party, or (ii) any judgment or order is rendered against a Loan Party in an amount in excess of two hundred fifty thousand Dollars ($250,000) in the aggregate and, in any such case, (x) enforcement proceedings are commenced by any creditor upon such judgment or order or (y) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment is not in effect.

(h) ERISA Events. Any one of the following occurs that has resulted in or could reasonably be expected to result in a Material Adverse Effect: (i) Any Termination Event occurs, (ii) any Plan incurs an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), (iii) any Loan Party or an ERISA Affiliate engages in a transaction that is prohibited under Section 4975 of the Code or Section 406 of ERISA for which there is no regulatory, statutory or administrative exemption, (iv) any Loan Party or any ERISA Affiliate fails to pay when due any amount it has become liable to pay to the PBGC, any Plan or a trust established under Title IV of ERISA, (v) a condition exists by reason of which the PBGC would be entitled to obtain a decree adjudicating that an ERISA Plan must be terminated or have a trustee appointed to administer it, (vi) any Loan Party or any ERISA Affiliate suffers a partial or complete withdrawal from a Multiemployer Plan or is in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan, (vii) a proceeding is instituted against any Loan Party to enforce Section 515 of

ERISA, (viii) the aggregate amount of the then "current liability" (as defined in Section 412(l)(7) of the Code, as amended) of all accrued benefits under such Plan or Plans exceeds the then-current value of the assets allocable to such benefits by more than five hundred thousand Dollars ($500,000) at such time, or (ix) any other event or condition occurs or exists with respect to any Plan that would subject any Loan Party to any material tax, material penalty or other material liability.

(i) Bankruptcy. Any Loan Party:

(i) generally fails to pay, or admits in writing its inability or unwillingness to pay, debts as they become due;

(ii) applies for, consents to, or acquiesces in, the appointment of a trustee, receiver, sequestrator or other custodian for such Person or a substantial portion of its property, or makes a general assignment for the benefit of creditors;

(iii) in the absence of such application, consent or acquiescence, permits or suffers to exist the appointment of a trustee, receiver, sequestrator or other custodian for such Person or for a substantial part of its property, and such trustee, receiver, sequestrator or other custodian is not discharged within sixty (60) days; provided that nothing in the Financing Documents shall prohibit or restrict any right any Senior Secured Party may have under applicable Law to appear in any court conducting any relevant proceeding during such sixty (60) day period to preserve, protect and defend its rights under the Financing Documents (and such Person shall not object to any such appearance);

(iv) permits or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of such Person and, if any such case or proceeding is not commenced by such Person, such case or proceeding is consented to or acquiesced in by such Person or results in the entry of an order for relief or remains for sixty (60) days undismissed; provided that nothing in the Financing Documents shall prohibit or restrict any right any Senior Secured Party may have under applicable Law to appear in any court conducting any such case or proceeding during such sixty (60) day period to preserve, protect and defend its rights under the Financing Documents (and such Person shall not object to any such appearance); or

(v) takes any action authorizing, or in furtherance of, any of the foregoing.

(j) Project Document Defaults; Termination.

(i) The Borrower shall be in material breach of or otherwise in material default under any Project Document to which it is a party, and such breach or default has continued beyond any applicable grace period expressly

provided for in such Project Document (or, if no such cure period is provided, thirty (30) days).

(ii) Any Project Document to which the Borrower is a party ceases to be in full force and effect prior to its scheduled expiration, is repudiated, or its enforceability is challenged or disaffirmed by or on behalf of the Borrower; provided, that such occurrence shall not constitute an Event of Default with respect to any Project Document if an agreement replacing such Project Document, in form and substance, and with a counterparty, reasonably satisfactory to the Required Lenders, is entered into (together with all applicable Ancillary Documents) within forty-five (45) days thereof.

(k) Governmental Approvals. Any Loan Party fails to obtain, renew, maintain or comply in all material respects with any Necessary Project Approval then required to be maintained or any Necessary Project Approval then required to be maintained is revoked, canceled, terminated, withdrawn or otherwise ceases to be in full force and effect, or any Necessary Project Approval then required to be maintained is adversely modified without the consent of the Required Lenders, or a proceeding is commenced which could reasonably produce any such result.

(l) Unenforceability of Documentation. At any time after the execution and delivery thereof:

(i) any material provision of any Financing Document (including the further assignment of the Lessee Collateral) shall cease to be in full force and effect;

(ii) any Financing Document is revoked or terminated, becomes unlawful or is declared null and void by a Governmental Authority of competent jurisdiction;

(iii) any Financing Document becomes unenforceable, is repudiated or the enforceability thereof is contested or disaffirmed by or on behalf of any party thereto other than the Senior Secured Parties; or

(iv) any Liens against any of the Collateral (including the Lessee Collateral) cease to be a first priority, perfected security interest in favor of the Collateral Agent, or the enforceability thereof is contested by any Loan Party or any of the Security Documents ceases to provide the security intended to be created thereby with the priority purported to be created thereby.

(m) Environmental Matters. (i) Any Environmental Claim has occurred with respect to any Loan Party, the Project or any Environmental Affiliate, (ii) any release, Threat of Release, emission, discharge or disposal of any Material of Environmental Concern occurs, and such event would reasonably be expected to form the basis of an Environmental Claim against any Loan Party, the Project or any Environmental

Affiliate, or (iii) any violation or alleged violation of any Environmental Law or Environmental Approval occurs that could reasonably result in an Environmental Claim against any Loan Party or the Project or, to the extent any Loan Party may have liability, any Environmental Affiliate that, in the case of any of Section 9.01(m)(i), (ii) or (iii), could reasonably be expected to result in liability for any Loan Party in an amount greater than fifty thousand Dollars ($50,000) for any single claim or two hundred fifty thousand Dollars ($250,000) for all such claims during any twelve (12) month period or could otherwise reasonably be expected to result in a Material Adverse Effect.

(n) Loss of Collateral. Any portion of the Collateral (excluding any portion of the Collateral that is immaterial) is damaged, seized or appropriated; provided that such an occurrence shall not constitute an Event of Default if the Borrower repairs, replaces, rebuilds or refurbishes such damaged, seized or appropriated Collateral (i) in accordance with Section 8.01 (*Insurance and Condemnation Proceeds*), or (ii) otherwise with the approval of the Required Lenders, in consultation with the Independent Engineer (provided that such approval is obtained within sixty (60) days thereof).

(o) Event of Abandonment. An Event of Abandonment occurs.

(p) Taking or Total Loss. An Event of Taking with respect to all or a material portion of the Project or any Equity Interests in the Borrower occurs, or an Event of Total Loss occurs.

(q) ABL EOD. At anytime following the purchase of the equity interests of the Borrower pursuant to the Put/Call Option, an ABL Event of Default occurs.

(r) Change of Control. A Change of Control occurs.

Section 9.02 Action Upon Bankruptcy. If any Event of Default described in Section 9.01(i) (*Events of Default – Bankruptcy*) occurs with respect to the Borrower, the outstanding principal amount of the outstanding Loans and all other Obligations shall automatically be and become immediately due and payable, without notice, demand or further act of the Administrative Agent, the Collateral Agent or any other Senior Secured Party.

Section 9.03 Action Upon Other Event of Default. (a) If any other Event of Default occurs and is continuing for any reason, whether voluntary or involuntary, the Administrative Agent may, or upon the direction of the Required Lenders shall, by written notice to the Borrower, declare all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable, whereupon the full unpaid amount of such Loans and other Obligations that has been declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment. During the continuance of an Event of Default, the Administrative Agent may, or upon the direction of the Required Lenders shall, instruct the Collateral Agent to exercise any or all remedies provided for under this Agreement or the other Financing Documents.

(b) Any declaration made pursuant to Section 9.03(a) may, should the Required Lenders in their sole and absolute discretion so elect, be rescinded by written notice to the Borrower at any time after the principal of the Loans has become due and payable, but before any judgment or decree for the payment of the monies so due, or any part thereof, has been entered; provided that no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 9.04 Application of Proceeds. Any moneys received by the Collateral Agent after the occurrence and during the continuance of an Event of Default may be held by the Collateral Agent as Collateral and/or, at the direction of the Administrative Agent, may be applied in full or in part by the Collateral Agent against the Obligations in the following order of priority (but without prejudice to the right of the Collateral Agent to recover any shortfall from the Borrower):

(a) first, to payment of that portion of the Obligations constituting fees, costs, expenses (and interest owing thereon (if any)) and any other amounts (including fees, costs and expenses of counsel and amounts payable under ARTICLE IV (*Eurodollar Rate and Tax Provisions*)) payable to the Agents in their capacities as such ratably among them in proportion to the amounts described in this clause first;

(b) second, to payment of that portion of the Obligations constituting fees, costs, expenses (and interest owing thereon (if any)) and any other amounts (including fees, costs and expenses of counsel and amounts payable under ARTICLE IV (*Eurodollar Rate and Tax Provisions*)) but excluding principal of and accrued interest on the Loans payable to the Lenders, ratably among the Lenders in proportion to the amounts described in this clause second payable to them;

(c) third, to payment of the portion of the Obligations constituting accrued and unpaid interest (including default interest) with respect to the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause third payable to them;

(d) fourth, to the principal amount of the Loans payable by the Borrower to the Lenders, ratably among the Lenders in proportion to the respective amounts described in this clause fourth held by them;

(e) fifth, to payment of the portion of the Obligations constituting ABL Shortfall, ratably among the Lenders in proportion to the respective amounts described in this clause fifth payable to them; and

(f) last, the balance, if any, after all of the Obligations have been paid in full, to the Borrower or as otherwise required by Applicable Law.

Section 9.05 Event of Default Caused by Lessee. Notwithstanding anything contained in this Agreement to the contrary, if an event which would constitute an Event of Default under or within the meaning of this Agreement shall occur as the direct result of any “Event of Default” under or within the meaning of the Lease, such event shall not constitute an Event of

Default if within 60 days of such event the Borrower shall terminate the Lease, obtain possession of the Project, enter into such alternative arrangements and agreements replacing the Lease (which arrangements and agreements as well as the counterparties thereto shall be satisfactory to the Required Lenders (together with all applicable Ancillary Documents), it being understood that for purposes of this Section 9.05) the replacement of the initial Lessee by an Approved Lessee and any such alternate arrangements having the same terms and conditions as the Lease and the Management and Operating Services Agreement shall be deemed satisfactory to the Required Lenders) and, if such replacement does not cure such event, cure such event.

ARTICLE X

THE AGENTS

Section 10.01 Appointment and Authority. (a) Each Lender hereby irrevocably appoints, designates and authorizes each Agent to take such action on its behalf under the provisions of this Agreement and each other Financing Document and to exercise such powers and perform such duties as are expressly delegated to such Agent by the terms of this Agreement or any other Financing Document, together with such actions as are reasonably incidental thereto. The provisions of this ARTICLE X are solely for the benefit of the Agents and the Lenders, and neither the Borrower nor any other Person shall have rights as a third party beneficiary of any of such provisions.

(b) Each Lender hereby appoints WestLB as its Administrative Agent under and for purposes of each Financing Document to which it is a party. WestLB hereby accepts this appointment and agrees to act as the Administrative Agent for the Lenders in accordance with the terms of this Agreement. Each Lender appoints and authorizes the Administrative Agent to act on behalf of such Lender under each Financing Document to which it is a party and, in the absence of other written instructions from the Required Lenders received from time to time by the Administrative Agent (with respect to which the Administrative Agent agrees that it will comply, except as otherwise provided in this Section 10.01 or as otherwise advised by counsel), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in any Financing Document, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into any Financing Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(c) Each Lender hereby appoints WestLB as its Collateral Agent under and for purposes of each Financing Document to which it is a party. WestLB hereby accepts this appointment and agrees to act as the Collateral Agent for the Senior Secured Parties in accordance with the terms of this Agreement. Each of the Lenders hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Borrower, the Pledgor or the Lessee Pledgor to the Collateral Agent in order to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 10.05 (*Delegation of Duties*) for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent, as the case may be, shall be entitled to the benefits of all provisions of this ARTICLE X and ARTICLE XI (*Miscellaneous Provisions*) (including Section 11.08 (*Indemnification by the Borrower*), as though such co-agents, sub-agents and attorneys-in-fact were the Collateral Agent under the Financing Documents. Notwithstanding any provision to the contrary contained elsewhere in any Financing Document, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein or in the other Financing Documents to which the Collateral Agent is party, nor shall the Collateral Agent have or be deemed to have any fiduciary relationship with the Borrower or any Senior Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into any Financing Document or otherwise exist against the Collateral Agent. Each of the Collateral Agent and the Administrative Agent shall have the right at any time to seek instructions from the Required Lenders or, in the case of the Collateral Agent, the Administrative Agent as to any discretionary actions contemplated hereby or in any other Financing Document or if this Agreement or any other Financing Document is silent as to any matter requiring action by the Collateral Agent and shall be fully protected in accordance with Section 10.03 (*Exculpatory Provisions*) and Section 10.04 (*Reliance by Agents*) when acting upon such instructions. Any action taken by the Collateral Agent or the Administrative Agent under or in relation to this Agreement and any other Financing Document to which it is party with requisite authority or on the basis of appropriate instructions received from the Lenders (other otherwise as duly authorized) shall be binding on each Lender. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 10.02 Rights as a Lender. Each Person serving as Agent hereunder or under any other Financing Document shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent. Each such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor for or in any other advisory capacity for and generally engage in any kind of business with the Borrower

or Affiliates of the Borrower as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders or any other Agent.

Section 10.03 Exculpatory Provisions. (a) No Agent nor any of its respective directors, officers, employees or agents shall have any duties or obligations except those expressly set forth herein and in the other Financing Documents to which it is party. Without limiting the generality of the foregoing, no Agent shall:

(i) be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers except discretionary rights and powers expressly contemplated hereby or by the other Financing Documents to which it is party that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in such other Financing Documents); provided that such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Financing Document or applicable Law; and provided further that no such direction given to such Agent that in the sole judgment of such Agent imposes, or purports to impose, or might reasonably be expected to impose upon such Agent any obligation or liability not set forth in this Agreement or arising under this Agreement or other Financing Documents to which it is party shall be binding upon such Agent unless such Agent, in its sole discretion, accepts such direction;

(iii) except as expressly set forth herein and in the other Financing Documents to which it is party, have any duty to disclose, or be liable for any failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity; or

(iv) be required to institute any legal proceedings arising out of or in connection with, or otherwise take steps to enforce, this Agreement or any other Financing Document other than on the instructions of the Lenders.

(b) No Agent nor any of its respective directors, officers, employees or agents shall be liable for any action taken or not taken by it (i) with the prior written consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as may be necessary, or as such Agent may reasonably believe in good faith to be necessary, under the circumstances as provided in Section 10.01 (*Appointment and Authority*)), (ii) in connection with any amendment, consent, approval or waiver which it is permitted under the Financing Documents to enter into, agree to or grant or (iii) in the absence of its own gross negligence or willful misconduct. Each Agent shall be deemed not to have knowledge of any Default or Event of Default unless and

until notice describing such Default or Event of Default is given to such Agent in writing by the Borrower or a Lender.

(c) No Agent nor any of its respective directors, officers, employees or agents shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Financing Document, (ii) the contents of any certificate, report, opinion or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein (including the use of proceeds) or the occurrence or continuance of any Default or Event of Default, (iv) the execution, validity, enforceability, effectiveness, genuineness or admissibility into evidence of this Agreement, any other Financing Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien or security interest created or purported to be created by any Security Document (or title to or rights in any Collateral under any Security Document), or (v) the satisfaction of any condition set forth in ARTICLE VI (*Conditions Precedent*) or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to any such Agent.

(d) Each Agent may, unless and until it shall have received directions from the Lenders, take such action or refrain from taking such action in respect of a Default or Event of Default of which such Agent has been advised in writing by the Lenders as it shall reasonably deem advisable in the best interests of the Lenders (but shall not be obligated to do so).

(e) The Collateral Agent may refrain from acting in accordance with any instructions of the Lenders to institute any legal proceedings arising out of or in connection with this Agreement or any other Financing Document until it has been indemnified and/or secured to its satisfaction against any and all costs, expenses or liabilities (including legal fees and expenses) which it would or might reasonably be expected to incur as a result.

(f) No Agent shall be required to advance or expend any funds or otherwise incur any financial liability in the performance of its duties or the exercise of its powers or rights hereunder or under any Financing Document to which it is party unless it has been provided with security or indemnity reasonably satisfactory to it against any and all liability or expense which may be incurred by it by reason of taking or continuing to take such action.

Section 10.04 Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not (nor shall any of its directors, officers, employees or agents) incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) reasonably believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and reasonably believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder

to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, each Agent may presume that such condition is satisfactory to such Lender unless such Agent shall have received written notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts reasonably selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Each Agent may at any time and from time to time solicit written instructions in the form of directions from the Required Lenders or an order of a court of competent jurisdiction as to any action that it may be requested or required to take, or that it may propose to take, in the performance of any of its obligations under this Agreement or any other Financing Document to which it is party.

Section 10.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise any and all its rights and powers hereunder or under any other Financing Document by or through any one or more sub-agents appointed by such Agent. Absent gross negligence or willful misconduct in selecting a sub agent, no Agent shall be responsible for any action of, or failure to act by, any sub agent that has been approved by the Required Lenders. Each Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this ARTICLE X shall apply to any such sub agent and to the Related Parties of such Agent and any such sub agent, and shall apply to their respective activities in connection with their acting as Agent.

Section 10.06 Resignation or Removal of Agent. (a) Any Agent may resign from the performance of all its functions and duties hereunder and/or under the other Financing Documents at any time by giving thirty (30) days' prior notice to the Borrower and the Lenders. Any Agent may be removed at any time by the Required Lenders. Such resignation or removal shall take effect upon the appointment of a successor Agent, in accordance with this Section 10.06.

(b) Upon any notice of resignation by any Agent or upon the removal of any Agent by the Required Lenders, the Required Lenders shall, in consultation with the Borrower (provided that no Default or Event of Default has occurred and is continuing), appoint a successor Agent hereunder and under each other Financing Document who shall be a commercial bank having a combined capital and surplus of at least two hundred fifty million Dollars ($250,000,000).

(c) If no successor Agent has been appointed by the Required Lenders within thirty (30) days after the date such notice of resignation was given by such Agent or the Required Lenders elected to remove such Agent, any Senior Secured Party may petition any court of competent jurisdiction for the appointment of a successor Agent. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Agent, as applicable, who shall serve as Agent hereunder and under each other Financing Document until such time, if any, as the Required Lenders appoint a successor Agent, as provided above.

(d) Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers,

privileges and duties of the retiring (or removed) Agent, and the retiring (or removed) Agent shall be discharged from all of its duties and obligations hereunder and under the other Financing Documents. After the retirement or removal of any Agent hereunder and under the other Financing Documents, the provisions of this ARTICLE X shall continue in effect for the benefit of such retiring (or removed) Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while such Agent was acting as Agent.

(e) If a retiring (or removed) Agent is the Collateral Agent, such Collateral Agent will promptly transfer any Collateral in the possession or control of such Collateral Agent to the successor Collateral Agent and will, subject to payment of its reasonable costs and expenses (including counsel fees and expenses), execute and deliver such notices, instructions and assignments as may be reasonably necessary or desirable to transfer the rights of the Collateral Agent with respect to such Collateral property to the successor Collateral Agent.

Section 10.07 No Amendment to Duties of Agent Without Consent. No Agent shall be bound by any waiver, amendment, supplement or modification of this Agreement or any other Financing Document that affects its rights or duties hereunder or thereunder unless such Agent shall have given its prior written consent, in its capacity as Agent, thereto.

Section 10.08 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and make its Loans. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Financing Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.09 No Lead Arranger or Bookrunner Duties. Anything herein to the contrary notwithstanding, no Lead Arranger or Bookrunner shall have any powers, duties or responsibilities under this Agreement or any of the other Financing Documents, except in its capacity, as applicable, as an Agent or a Lender hereunder.

Section 10.10 Collateral Agent May File Proofs of Claim. (a) In case of the pendency of any Insolvency or Liquidation Proceeding relative to the Borrower, the Pledgor or the Lessee Pledgor (including any event described in Section 9.01(i) (*Events of Default – Bankruptcy*), the Collateral Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent or any other Senior Secured Party shall have made any demand on the Borrower) shall be entitled and empowered, but shall not be obligated, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are

owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Senior Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Senior Secured Parties and their respective agents and counsel and all other amounts due the Senior Secured Parties under Section 3.11 (*Fees*), Section 11.06 (*Costs and Expenses*) and Section 11.08 (*Indemnification by the Borrower*)) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(b) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Collateral Agent and, in the event that the Collateral Agent consents to the making of such payments directly to the Lenders, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Agents under Section 3.11 (*Fees*), Section 11.06 (*Costs and Expenses*) and Section 11.08 (*Indemnification by the Borrower*).

(c) Nothing contained herein shall be deemed to authorize the Collateral Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Collateral Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 10.11 Collateral Matters. (a) The Lenders irrevocably authorize the Collateral Agent to release any Lien on any property granted to or held by the Collateral Agent under any Financing Document for the benefit of the Senior Secured Parties (i) upon the occurrence of the Discharge Date, (ii) if approved, authorized or ratified in writing in accordance with Section 11.01 (*Amendments, Etc.)* or (iii) as permitted pursuant to the terms of the Financing Documents (including as contemplated by Section 7.02(f) (*Covenants – Negative Covenants – Asset Dispositions*)).

(b) Upon request by the Collateral Agent at any time and from time to time, the Lenders will confirm in writing the Collateral Agent's authority to release its interest in particular types or items of property pursuant to this Section 10.11. In each case as specified in this Section 10.11, the Collateral Agent will, at the Borrower's expense, execute and deliver to the Borrower, the Pledgor or the Lessee Pledgor, as the case may be, such documents as such Person may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents in accordance with the terms of the Financing Documents and this Section 10.11.

(c) Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any of the other

Financing Documents to which it is party, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Collateral Agent is deemed to have knowledge of such matters, or as to taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral (including the filing of UCC continuation statements). The Collateral Agent shall be deemed to have exercised appropriate and due care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which other collateral agents accord similar property.

Section 10.12 Copies. Each Agent shall give prompt notice to each Lender of each material notice or request required or permitted to be given to such Agent by the Borrower pursuant to the terms of this Agreement or any other Financing Document and copies of all other communications received by such Agent from the Borrower for distribution to the Lenders by such Agent in accordance with the terms of this Agreement or any other Financing Document.

Section 10.13 No Liability for Clean-up of Hazardous Materials. If the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any duty or obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under any Environmental Laws or otherwise cause the Collateral Agent to incur, or be exposed to, any Environmental Liabilities or any liability under any other federal, state or local law, the Collateral Agent reserves the right, instead of taking such action, either to resign as Collateral Agent or to arrange for the transfer of the title or control of the asset to a court appointed receiver. The Collateral Agent will not be liable to any Person for any Environmental Liabilities or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Collateral Agent's action and conduct as authorized, empowered or directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any Hazardous Materials into the environment.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Financing Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or, if expressly contemplated hereby, the Administrative Agent) and, in the case of an amendment, the Borrower and in each such case acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 9.03(a) (*Action Upon Other Event of*

Default) without the prior written consent of such Lender (other than any Non-Voting Lender or extend or increase the Aggregate Loan Commitment);

(b) postpone any date scheduled for any payment of principal or interest under Section 3.01 (*Repayment of Loans*) or Section 3.02 (*Interest Payment Dates*), or any date fixed by the Administrative Agent for the payment of fees or other amounts due to the Lenders (or any of them) hereunder or under any other Financing Document without the prior written consent of each Lender affected thereby (other than any Non-Voting Lender);

(c) reduce the principal of, or the rate of interest specified herein on, any Loan, or any Fees or other amounts (including any mandatory prepayments under Section 3.08 (*Mandatory Prepayment*)) payable hereunder or under any other Financing Document to any Lender without the prior written consent of each Lender directly affected thereby (other than any Non-Voting Lender); provided that only the prior written consent of the Required Lenders shall be necessary to amend the definition of Default Rate or to waive any obligation of the Borrower to pay interest at the Default Rate;

(d) change the order of application of any prepayment of Loans from the application thereof set forth in the applicable provisions of Section 3.07 (*Optional Prepayment*) or Section 3.08 (*Mandatory Prepayment*) in any manner without the prior written consent of each Lender affected thereby (other than any Non-Voting Lender);

(e) change any provision of this Section 11.01, the definition of Required Lenders or any other provision of any Financing Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights under any Financing Document (including any such provision specifying the number or percentage of Lenders required to waive any Event of Default or forbear from taking any action or pursuing any remedy with respect to any Event of Default), or make any determination or grant any consent under any Financing Document, without the prior written consent of each Lender (other than any Non-Voting Lender); or

(f) release (i) any Loan Party from all or substantially all of its obligations under any Financing Document or (ii) all or substantially all of the Collateral in any transaction or series of related transactions, without the prior written consent of each Lender (other than any Non-Voting Lender); and provided further that (i) no amendment, waiver or consent shall, unless in writing and signed by an Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, such Agent under this Agreement or any other Financing Document; and (ii) Section 11.03(h) (*Assignments*) may not be amended, waived or otherwise modified without the prior written consent of each Granting Lender all or any part of whose Loan is being funded by an SPV at the time of such amendment, waiver or other modification.

Notwithstanding the other provisions of this Section 11.01, the Borrower, the Collateral Agent and the Administrative Agent may (but shall have no obligation to) amend or supplement the Financing Documents without the consent of any Lender solely: (i) to cure any ambiguity, defect or inconsistency; (ii) to make any change that would provide any additional rights or benefits to the Lenders or (iii) to make, complete or confirm any grant of Collateral permitted or required by this Agreement or any of the Security Documents or any release of any Collateral that is otherwise permitted under the terms of this Agreement and the Security Documents.

Section 11.02 Applicable Law; Jurisdiction; Etc. (a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REFERENCE TO CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) SUBMISSION TO JURISDICTION. BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER FINANCING DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY SENIOR SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT AGAINST BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT IN ANY COURT REFERRED TO IN SECTION 11.02(b). BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) Appointment of Process Agent and Service of Process. The Borrower hereby irrevocably appoints CT Corporation, with an office on the date hereof at 111 Eighth Avenue, New York, New York 10011, as its agent to receive on behalf of itself services of copies of the summons and complaint and any other process that may be served in any such action or proceeding in the State of New York. If for any reason the Process Agent shall cease to act as such for any Person, such Person hereby agrees to designate a new agent in New York City on the terms and for the purposes of this Section 11.02 reasonably satisfactory to the Administrative Agent. Such service may be made by mailing or delivering a copy of such process to such Person in care of the Process Agent at the Process Agent's above address, and the Borrower hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. As an alternative method of service, the Borrower also irrevocably consents to the service of any and all process in any such action or proceeding by the air mailing of copies of such process to such Person at its then effective notice addresses pursuant to Section 11.11 (*Notices and Other Communications*). Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Financing Document in the courts of any jurisdiction.

(e) Immunity. To the extent that the Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Borrower hereby irrevocably and unconditionally waives such immunity in respect of its obligations under the Financing Documents and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 11.02(e) shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

(f) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.02.

Section 11.03 Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Agent and Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with Section 11.03(b), (ii) by way of participation in accordance with Section 11.03(d), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.03(f), or (iv) to an SPV in accordance with the provisions of Section 11.03(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, express or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in this Section 11.03 and, to the extent expressly contemplated hereby, the Related Parties of each Agent and Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time after the date hereof assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the Commitment (which for this purpose includes the Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Lender Assignment Agreement with respect to such assignment is delivered to the Administrative Agent or, if "*Trade Date*" is specified in the Lender Assignment Agreement, as of the Trade Date, shall not be less than three million Dollars ($3,000,000) and in integral multiples of one million Dollars ($1,000,000) in excess thereof, unless the Administrative Agent otherwise consents in writing; (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned; (iii) the parties to each assignment (other than Borrower) shall execute and deliver to the Administrative Agent a Lender Assignment Agreement, together with a processing and recordation fee of two thousand five hundred Dollars ($2,500); provided that (A) no such fee shall be payable in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender and (B) in the case of contemporaneous assignments by a Lender to one or more Approved Funds managed by the same investment advisor (which Approved Funds are not then Lenders hereunder), only a single such two thousand five hundred Dollar ($2,500) fee shall be payable for all such contemporaneous assignments and (iv) the Eligible Assignee, if it is not a Lender prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire. Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 11.03(c), on and after the effective date specified in each Lender Assignment Agreement, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Lender Assignment Agreement, have the rights and obligations of a Lender under this

Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Lender Assignment Agreement, be released from its obligations under this Agreement (and, in the case of a Lender Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 4.01 (*Eurodollar Rate Lending Unlawful*), Section 4.03 (*Increased Eurodollar Loan Costs*), Section 4.05 (*Funding Losses*), Section 11.06 (*Costs and Expenses*) and Section 11.08 (*Indemnification by the Borrower*) with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.03(b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.03(d).

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's office a copy of each Lender Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agents and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or other substantive change to the Financing Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower or any Agent, sell participations to any Person (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 *(Amendments, Etc.)* that directly affects such Participant. Subject to Section 11.03(e), the Borrower agrees that each Participant shall be entitled to the benefits of Section 4.01 *(Eurodollar Rate Lending Unlawful)*, Section 4.03 *(Increased Eurodollar Loan Costs*) and Section 4.05 *(Funding*

Losses), to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.03(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.14 (*Right of Setoff*) as though it were a Lender; provided such Participant agrees to be subject to Section 3.13 (*Sharing of Payments*) as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 4.01 (*Eurodollar Rate Lending Unlawful*) or Section 4.03 (*Increased Eurodollar Loan Costs*) than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such participant is made with the prior written consent of the Borrower.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) The words "*execution*," "*signed*," "*signature*," and words of like import in any Lender Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an "SPV") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to fund any Loan, and (ii) if an SPV elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under Section 3.13 (*Sharing of Payments*). Each party hereto hereby agrees that (A) neither the grant to any SPV nor the exercise by any SPV of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including their obligations under Section 4.03 (*Increased Eurodollar Loan Costs*), (B) no SPV shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (C) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Financing Document, remain the lender of record hereunder. The

making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one (1) year and one (1) day after the payment in full of all outstanding commercial paper or other senior debt of any SPV, it will not institute against, or join any other Person in instituting against, such SPV in any Insolvency or Liquidation Proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPV may (1) with notice to, but without prior consent of the Administrative Agent and without paying any processing fee therefor, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (2) disclose on a confidential basis any non public information relating to its funding of any Loan to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPV.

Section 11.04 Benefits of Agreement. Nothing in this Agreement or any other Financing Document, express or implied, shall give to any Person, other than the parties hereto and thereto, and each of their successors and permitted assigns under this Agreement or any other Financing Document, any benefit or any legal or equitable right or remedy under this Agreement.

Section 11.05 Consultants. (a) The Required Lenders acting jointly or the Administrative Agent may, in consultation with the Borrower (provided that no Default or Event of Default has occurred and is continuing), appoint any Consultant for the purposes specified herein. If any of the Consultants is removed or resigns and thereby ceases to act for purposes of this Agreement and the other Financing Documents, the Required Lenders acting jointly or the Administrative Agent, as the case may be, shall, in consultation with the Borrower (provided that no Default or Event of Default has occurred and is continuing), designate a Consultant in replacement. If no Default or Event of Default has occurred and is continuing, (i) the annual fees and expenses of any Financial Advisor appointed pursuant to this Section 11.05 after the Closing Date shall not exceed one hundred and fifty thousand Dollars ($150,000) and (ii) the fees and expenses of any such Financial Advisor in any month shall not exceed twelve thousand five hundred Dollars ($12,500) (the "Monthly Cap") plus any un-used portion of the Monthly Cap in respect of any prior month.

(b) The Borrower shall reimburse each Consultant appointed hereunder for the reasonable fees and documented expenses of such Consultant retained on behalf of the Lenders pursuant to this Section 11.05.

(c) In all cases in which this Agreement provides for any Consultant to "*agree*," "*approve*," "*certify*" or "*confirm*" any report or other document or any fact or circumstance, such Consultant may make the determinations and evaluations required in connection therewith based upon information provided by the Borrower or other sources reasonably believed by such Consultant to be knowledgeable and responsible, without independently verifying such information; provided that, notwithstanding the foregoing, such Consultant shall engage in such independent investigations or findings as it may from time to time deem necessary in its reasonable discretion to support the determinations and evaluations required of it.

Section 11.06 Costs and Expenses. The Borrower shall pay (a) all Closing Costs pursuant to Section 6.01(l); (b) all reasonable out-of-pocket expenses incurred by the Lenders and the Agents (including all reasonable fees, costs and expenses of counsel for any Agent), in connection with any amendments, modifications or waivers of the provisions of this Agreement and the other Financing Documents; (c) all reasonable out-of-pocket expenses incurred by the Agents (including all reasonable fees, costs and expenses of counsel for any Agent), in connection with the administration of this Agreement and the other Financing Documents; and (d) all out-of-pocket expenses incurred by the Agents or any Lender (including all fees, costs and expenses of counsel for any Senior Secured Party), in connection with the enforcement or protection of its rights in connection with this Agreement and the other Financing Documents, including its rights under this Section 11.06, including in connection with any workout, restructuring or negotiations in respect of the Obligations; provided that payments made pursuant to subsection (a) above and, to the extent incurred prior to the Closing Date, pursuant to subsection (b) above, shall be subject to an aggregate maximum amount of three hundred thousand Dollars $300,000 in respect of costs paid pursuant to this Agreement together with the costs paid pursuant to the ABL Agreement and the transactions contemplated hereby and thereby.

Section 11.07 Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or portable document format ("pdf") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.08 Indemnification by the Borrower. (a) In addition to the indemnity by the Borrower set forth in Section 11.11(f) (*Notices and Other Communications*) and except for Taxes (which are addressed in Section 4.07 (*Taxes*)), the Borrower hereby agrees to indemnify each Agent (and any sub agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including all reasonable fees, costs and expenses of counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of:

(i) the execution or delivery of this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby;

(ii) any Loan or the use or proposed use of the proceeds therefrom;

(iii) any actual or alleged presence, release or threatened release of Materials of Environmental Concern on or from the Project or any property owned,

leased or operated by the Borrower, or any liability pursuant to an Environmental Law related in any way to the Project, the Site or the Borrower;

(iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of the Borrower's members, managers, or creditors, and regardless of whether any Indemnitee is a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Financing Documents is consummated, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; and/or

(v) any claim, demand or liability for broker's or finder's or placement fees or similar commissions, whether or not payable by the Borrower, alleged to have been incurred in connection with such transactions, other than any broker's or finder's fees payable to Persons engaged by the Lenders or the Agents without the Knowledge of the Borrower;

provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and Non-Appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(b) To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 11.08(a) to be paid by it to any Agent (or any sub agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Agent (or any such sub agent), or such Related Party, as the case may be, such Lender's ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any sub agent thereof) in its capacity as such, or against any Related Party of any of the foregoing acting for such Agent (or any sub agent thereof) in connection with such capacity. The obligations of the Lenders to make payments pursuant to this Section 11.08(b) are several and not joint and shall survive the payment in full of the Obligations and the termination of this Agreement. The failure of any Lender to make payments on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to do so.

(c) To the extent that the Borrower or the Lessee for any reason fails to indefeasibly pay any amount required under Section 5.06(a) of the Accounts Agreement and the Collateral Agent pays such amount, each Lender severally agrees to pay to the Collateral Agent such Lender's ratable share (determined as of the time that the applicable payment is sought) of such amount. The obligations of the Lenders

to make payments pursuant to this Section 11.08(c) are several and not joint and shall survive the payment in full of the Obligations and the termination of this Agreement. The failure of any Lender to make payments on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to do so.

(d) Except as otherwise provided in ARTICLE VI (*Conditions Precedent*), all amounts due under this Section 11.08 shall be payable not later than ten (10) Business Days after demand therefor.

Section 11.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Financing Document, the interest paid or agreed to be paid under the Financing Documents shall not exceed the maximum rate of non usurious interest permitted by applicable Law (the "Maximum Rate"). If any Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by any Agent or any Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 11.10 No Waiver; Cumulative Remedies. No failure by any Senior Secured Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Financing Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Financing Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 11.11 Notices and Other Communications. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 11.11(b)), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any party hereto other than a Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.11(a); and

(ii) if to any Lender, to the address, telecopier number, electronic mail address or telephone number specified in its administrative questionnaire.

(b) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in Section 11.11(d) shall be effective as provided in Section 11.11(d).

(c) Notices and other communications to the Lenders or any Agent hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent, and in the case of notices to the Collateral Agent, by the Collateral Agent as well; provided that the foregoing shall not apply to notices to any Lender pursuant to ARTICLE II (*Commitments; Other Credit Agreements*) if such Lender has so notified the Administrative Agent. Each of the Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(d) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "*return receipt requested*" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not received during the normal business hours of the recipient, such notice or communication shall be deemed to have been received at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in Section 11.11(d)(i) of notification that such notice or communication is available and identifying the website address therefor.

(e) The Borrower and the Agents may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower and each Agent.

(f) The Agents and the Lenders shall be entitled to rely and act upon any written notices purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices

to and other telephonic communications with any Agent may be recorded by such Agent, and each of the parties hereto hereby consents to such recording.

(g) So long as WestLB is the Administrative Agent, the Borrower and hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Financing Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to the Funding, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default or Event of Default or (iv) is required to be delivered to satisfy any condition precedent to Funding (all such non excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to ny_agencyservices@westlb.com. In addition, the Borrower agrees to continue to provide the Communications to the Administrative Agent in the manner specified in the Financing Documents but only to the extent requested by the Administrative Agent.

(h) So long as WestLB is the Administrative Agent, the Borrower and further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on http://www.intralinks.com (or any replacement or successor thereto) or a substantially similar electronic transmission systems (the "Platform").

(i) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENTS DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENTS IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, "AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO

HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(j) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth in Schedule 11.11(a) shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Financing Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Financing Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

(k) Notwithstanding clauses (g) to (j) above, nothing herein shall prejudice the right of any Agent or Lender to give any notice or other communication pursuant to any Financing Document in any other manner specified in such Financing Document.

Section 11.12 Patriot Act Notice. Each Senior Secured Party (for itself and not on behalf of any other) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Senior Secured Party, to identify the Borrower in accordance with the Patriot Act.

Section 11.13 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or Lender, or any Agent or Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency or Liquidation Proceeding or otherwise, then (a) to the extent of such recovery, the Obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to each Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by such Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under Section 11.13(b) shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 11.14 Right of Setoff. Each Lender and each of its respective Affiliates is hereby authorized at any time and from time to time during the continuance of an Event of Default, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other

Financing Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Financing Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section 11.14 are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 11.15 Severability. If any provision of this Agreement or any other Financing Document is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Financing Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 11.16 Survival. Notwithstanding anything in this Agreement to the contrary, Section 11.06 (*Costs and Expenses*) and Section 11.08 (*Indemnification by the Borrower*) shall survive any termination of this Agreement. In addition, each representation and warranty made hereunder and in any other Financing Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by each Agent and each Lender, regardless of any investigation made by any Agent or any Lender or on their behalf, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder or under any other Financing Document shall remain unpaid or unsatisfied.

Section 11.17 Treatment of Certain Information; Confidentiality. Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and to its Affiliates' respective partners, directors, officers, employees, agents, advisors (including legal counsel and financial advisors) and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested or required by any regulatory authority purporting to have jurisdiction over it; (c) to the extent required by applicable Law or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder (including any actual or prospective purchaser of Collateral); (f) subject to an agreement containing provisions substantially the same as those of this Section 11.17, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower or (iii) any Person (and any of its officers, directors, employees, agents or advisors) that may enter into or support, directly or indirectly, or

that may be considering entering into or supporting, directly or indirectly, either (A) contractual arrangements with such Agent or Lender, or any Affiliates thereof, pursuant to which all or any portion of the risks, rights, benefits or obligations under or with respect to any Loan or Financing Document is transferred to such Person or (B) an actual or proposed securitization or collateralization of, or similar transaction relating to, all or a part of any amounts payable to or for the benefit of any Lender under any Financing Document (including any rating agency); (g) with the consent of the Borrower: (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 11.17 or (ii) becomes available to any Agent, any Lender or any of their respective Affiliates on a non confidential basis from a source other than the Borrower; (i) to any state, federal or foreign authority or examiner (including the National Association of Insurance Commissioners or any other similar organization) regulating any Lender; or (j) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Borrower received by it from such Lender). In addition, any Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this Agreement, the other Financing Documents, the Commitments, and the Funding. For the purposes of this Section 11.17, "Information" means written information that the Borrower furnishes to any Agent or Lender after the date hereof (and designated at the time of delivery thereof in writing as confidential) pursuant to or in connection with any Financing Document, relating to the assets and business of the Borrower, but does not include any such information that (i) is or becomes generally available to the public other than as a result of a breach by such Agent or Lender of its obligations hereunder, (ii) is or becomes available to such Agent or Lender from a source other than the Borrower that is not, to the knowledge of such Agent or Lender, acting in violation of a confidentiality obligation with the Borrower or (iii) is independently compiled by any Agent or Lender, as evidenced by their records, without the use of the Information. Any Person required to maintain the confidentiality of Information as provided in this Section 11.17 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 11.18 Waiver of Consequential Damages, Etc. Except as otherwise provided in Section 11.08 (*Indemnification by the Borrower*) for the benefit of any Indemnitee, to the fullest extent permitted by applicable Law, the Borrower shall not assert, and the Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Financing Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Financing Documents or the transactions contemplated hereby or thereby.

[Remainder of page intentionally blank. Next page is signature page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Credit Agreement to be executed by their respective officers as of the day and year first above written.

SENECA LANDLORD, LLC
as Borrower

By: /s/ Eric Hakmiller
Name: Eric Hakmiller
Title: Co-President

WESTLB AG, NEW YORK BRANCH,
as Lead Arranger and Sole Bookrunner

By: /s/ Keith Min
Name: Keith Min
Title: Managing Director

By: /s/ Christopher Nunn
Name: Christopher Nunn
Title: Director

WESTLB AG, NEW YORK BRANCH,
as Administrative Agent

By: /s/ Keith Min
Name: Keith Min
Title: Managing Director

By: /s/ Christopher Nunn
Name: Christopher Nunn
Title: Director

WESTLB AG, NEW YORK BRANCH,
as Collateral Agent

By: /s/ Keith Min
Name: Keith Min
Title: Managing Director

By: /s/ Christopher Nunn
Name: Christopher Nunn
Title: Director

WESTLB AG, NEW YORK BRANCH,
as Lender

By: /s/ Keith Min
Name: Keith Min
Title: Managing Director

By: /s/ Christopher Nunn
Name: Christopher Nunn
Title: Director

WESTLB AG, NEW YORK BRANCH,
as DIP Lender

By: /s/ Keith Min
Name: Keith Min
Title: Managing Director

By: /s/ Christopher Nunn
Name: Christopher Nunn
Title: Director

Exhibit 10.22

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of February 26, 2010, by and among REG Newco, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Biofuels Company of America, LLC, an Illinois limited liability company ("BCA").

1. Background. Pursuant to that certain Asset Purchase Agreement dated, March 14, 2008, by and among the Renewable Energy Group, Inc. ("REG"), Blackhawk Biofuels, LLC, BCA, Biodiesel Investment Group, LLC and Bunge North America, Inc. (the "Purchase Agreement"), REG entered into a Registration Rights Agreement dated May 9, 2008 with BCA to provide BCA with certain registration rights regarding REG's equity securities (the "Prior BCA Agreement"). Pursuant to that certain Second and Amended Agreement and Plan of Merger executed November 20, 2009, by and among REG, REG Merger Sub, Inc. and the Company (the "Merger Agreement"), REG Merger Sub, Inc. will merge with and into REG in exchange for equity securities of the Company distributed to REG stockholders, including BCA. Pursuant to the Merger Agreement, the Company is obligated to enter into this Agreement in order to carry over and provide BCA with certain registration rights regarding the Company's equity securities. Certain terms used herein are defined in Section 2 of this Agreement.

2. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

2007 Registration Rights Agreement: The Amended and Restated Registration Rights Agreement dated as of July 18, 2007 by and among REG and the other parties thereto and amended by that First Amendment to the Amended and Restated Registration Rights Agreement dated June 25, 2008 by and among REG and the other parties thereto, which agreement terminated the prior Registration Rights Agreement dated as of August 1, 2006 by and among REG and the other parties thereto, and which agreement shall be terminated upon closing of the Merger Agreement and execution of the REG Newco Registration Rights Agreement.

Commission: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

Common Stock: The common stock of the Company.

Exchange Act: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Exchange Act of 1934 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Form S-3: Such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the Commission

that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the Commission.

Holder: BCA or any assignee thereof in accordance with Section 8 hereof.

Initial Offering: The Company's first firm commitment underwritten public offering of its Common Stock under the Securities Act.

Person: A corporation, an association, a partnership, a limited liability company, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

REG Newco Registration Rights Agreement: The Registration Rights Agreement dated as of February 26, 2010 by and among the Company and the other parties thereto, as such agreement may be amended from time to time.

Registrable Securities: (i) The shares of Common Stock issued to BCA pursuant to the Purchase Agreement

Registration Expenses: All expenses incident to the Company's performance of or compliance with Section 3.1 below, including, without limitation, all registration, filing and National Association of Securities Dealers fees, all fees and expenses of complying with applicable laws (including securities or blue sky laws), all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including, without limitation, the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, the fees and disbursements of one special counsel for the selling Holders selected by the selling Holders with the approval of the Company, which approval shall not be unreasonably withheld, which fees and disbursements shall not exceed $50,000, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered, the fees and expenses of any special experts retained by the Company in connection with such offering, the fees and expenses of any qualified independent underwriter or other independent appraiser participating in any offering pursuant to the Conduct Rules of the National Association of Securities Dealers, Inc., all printing, mailing, courier and overnight delivery charges (except to the extent borne by underwriters), all travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the offered securities, and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding Selling Expenses, if any, provided, that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of Company personnel or general overhead expenses of the Company, auditing fees, premiums or other expenses relating to liability insurance required by underwriters of the Company or other expenses for the preparation of financial statements or other data normally prepared by

the Company in the ordinary course of its business or which the Company would have incurred in any event.

Securities Act: The Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as of the same shall be in effect at the time. References to a particular section of the Securities Act of 1933 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Selling Expenses: Underwriting discounts and commissions and stock transfer taxes relating to Registrable Securities covered by such registration.

3. Registration under Securities Act, etc.

3.1 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register under the Securities Act (whether for its own account or otherwise) any of its Common Stock and solely for cash in connection with a public offering of such Common Stock (other than (i) a registration relating solely to the sale of securities to participants in a Company stock plan, (ii) a registration relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act, (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 7, the Company shall, subject to the provisions of Section 3.1(c), use its commercially reasonable efforts to cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration under this Section 3.1 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 3.6 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 3.1 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with an underwriter or underwriters selected by the Company, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the

offering by the Company. If the total amount of securities, including Registrable Securities, requested by holders to be included in such offering pursuant to this Agreement or the REG Newco Registration Rights Agreement exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned on a pro rata basis first among the selling holders of registrable securities subject to and in accordance with the REG Newco Registration Rights Agreement, and then, if any additional shares may be included in the underwriting, pro rata among the Holders of Registrable Securities subject to this Agreement according to the total amount of Registrable Securities owned by each such selling Holder) unless such offering is the Initial Offering in which case the selling Holders may be excluded if the underwriters make the determination described above.

3.2 Registration Procedures. If and whenever the Company is required to use its commercially reasonable efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 3.1 above, the Company shall as expeditiously as possible:

(a) prepare and as soon thereafter as possible (but with respect to a public offering other than the Initial Offering, in any event no later than ninety (90) days after the last request for inclusion in the applicable registration is timely given to the Company) file with the Commission the requisite registration statement to effect such registration and thereafter use commercially reasonable efforts to cause such registration statement to become effective and remain effective for a period of one hundred twenty (120) days or, if earlier, until the distribution contemplated by the registration statement has been completed (the "Effectiveness Period"); provided, however, in the case of any registrations on Form S-3 that are intended to be offered on a continuous or delayed basis, the Effectiveness Period shall be extended until all applicable Registrable Securities thereunder are sold. Notwithstanding the foregoing, the Company may discontinue any registration of its securities which are not Registrable Securities at any time prior to the effective date of the registration statement relating thereto; and provided further, in the event that, in the good faith judgment of the Company, it is advisable to suspend use of the prospectus relating to such registration statement for a discrete period of time (a "Deferral Period") due to pending or proposed material corporate developments or similar material events that have not yet been publicly disclosed and as to which the Company believes public disclosure will be prejudicial to the Company, the Company shall deliver a certified resolution of the Board, signed by a duly authorized officer of the Company, to each Holder of Registrable Securities covered by the Registration Statement to the effect of the foregoing and such Holders, upon receipt of such certificate, and the Company agree not to dispose of any Registrable Securities covered by any registration or prospectus (other than in transactions exempt from the registration requirements under the Securities Act); provided, however, that the Company shall not utilize more than four (4) Deferral Periods in any twelve (12) month period and in no event shall the aggregate length of all such Deferral Periods in any such

twelve (12) month period be greater than ninety (90) days. The Effectiveness Period shall be extended for a period of time equal to any Deferral Period.

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the Holder or Holders thereof set forth in such registration statement;

(c) furnish to each Holder of Registrable Securities covered by such registration statement such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including without limitation all exhibits), such number of copies of the prospectus contained in such registration statement (including without limitation each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such Holder may reasonably request;

(d) use commercially reasonable efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each Holder thereof shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in such jurisdictions of the securities owned by such Holder, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this clause (d) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary to enable the Holder or Holders thereof to consummate the disposition of such Registrable Securities;

(f) notify each Holder of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or, if for any reason it shall be necessary during such time period to amend or supplement the registration statement or

the prospectus in order to comply with the Securities Act, at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall (i) not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made or (ii) effect such compliance;

(g) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, and shall furnish to each such Holder of Registrable Securities covered by such registration statement at least five (5) business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any such Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(h) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(i) use its commercially reasonable efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the equity securities of the Company of the same class as the Registrable Securities are then listed;

(j) cooperate with the underwriters with respect to all roadshows and other marketing activities as may be reasonably requested by the underwriters; and

(k) enter into such agreements and take such other actions as the Holders of Registrable Securities covered by a registration statement shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company such information regarding such Holder and the distribution of such securities as the Company may from time to time reasonably request in writing.

Each Holder of Registrable Securities agrees by acquisition of such Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in clause (f) of this Section 3.2, such Holder will forthwith discontinue such Holder's disposition of Registrable Securities pursuant to the registration statement relating to

such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by clause (f) of this Section 3.2 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

3.3 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Agreement, the Company will give one representative designated by the Holders of a majority of the Registrable Securities included in such registration statement, and one special counsel and accounting firm similarly designated by the Holders of a majority of the Registrable Securities included in such registration statement, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such Holders' counsel, to conduct a reasonable investigation within the meaning of the Securities Act; unless the holders of registrable securities under the REG Newco Registration Rights Agreement shall have appointed a representative, special counsel or accounting firm with respect to such filing, in which event the Company shall have no obligation to provide the opportunity to participate to an additional representative, special counsel or accounting firm, as the case may be, designated by the Holders of Registrable Securities as provided in this Section 3.3.

3.4 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 3 with respect to the Registrable Securities of any selling Holder that at the request of the Company such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

3.5 Additional Rights of Holders. If any registration statement prepared under this Agreement refers to any Holder by name or otherwise as the Holder of any securities of the Company, then such Holder shall have the right to require (a) the insertion therein of language, in form and substance satisfactory to such Holder to the effect that the holding by such Holder of such securities does not necessarily make such Holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by such Holder of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to such Holder.

3.6 Expenses of Registration. The Company shall pay all Registration Expenses in connection with any registration requested pursuant to Section 3.1. Any Selling Expenses in connection with any registration requested pursuant to Section 3.1 shall be allocated among all

Holders on whose behalf Registrable Securities of the Company are included in such registration and the holders on whose behalf registrable securities of the Company are included in such registration pursuant to the REG Newco Registration Rights Agreement, on the basis of the respective amounts of the registrable securities of the Company then being registered on their behalf.

3.7 Indemnification.

(a) Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby does, indemnify and hold harmless the Holder of any Registrable Securities covered by such registration statement, its directors and officers, legal counsel and accountants for such Holder, and each other Person, if any, who controls such Holder, within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which any of the foregoing persons may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such Holder and each such director, officer, and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder specifically stating that it is for use in the preparation thereof; provided further, that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus; and provided still further, that the indemnity agreement contained in this Section 3.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld). Such indemnity shall remain in full force and effect regardless of any

investigation made by or on behalf of such Holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such Holder.

(b) Indemnification by the Holders. Each Holder, severally and not jointly, shall indemnify and hold harmless the Company, each director of the Company, each officer of the Company and each other Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement and any officer, director, legal counsel or accountant or controlling person of any such Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state securities law insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement; provided, however, that the indemnity agreement contained in this Section 3.7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld. The maximum liability of each Holder for any such indemnification shall not exceed the amount of aggregate gross proceeds received by such Holder from the sale of his/its Registrable Securities, except in the case of willful fraud. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling Person and shall survive the transfer of such securities by such Holder.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 3.7(a) or (b) above, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 3.7(a) or (b) above, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against any indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party

for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release reasonably acceptable to such indemnified party from all liability in respect to such claim or litigation.

(d) Other Indemnification. Indemnification similar to that specified in Sections 3.7(a), (b) and (c) above (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority other than the Securities Act.

(e) Indemnification Payments. The indemnification required by this Section 3.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) Contribution. If the indemnification provided for in this Section 3.7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided, that in no event shall any contribution by a Holder under this Section 3.7(f) exceed the aggregate gross proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

3.8 Adjustments Affecting Registrable Securities. The Company will not effect or permit to occur any combination or subdivision which would adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in any registration of its securities contemplated by this Section 3 or the marketability of such Registrable Securities under any such registration.

3.9 Subordinate Rights. All rights of Holders of Registrable Securities under this Agreement shall be subordinate and subject to the rights granted under the REG Newco Registration Rights Agreement.

4. Rule 144 and Rule 144A. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, if the Company is not required to file such reports, will, upon the request of any Holder of Registrable Securities, make publicly available other information) and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company). After any sale of Registrable Securities pursuant to this Section 4, the Company will, to the extent allowed by law, cause any restrictive legends to be removed and any transfer restrictions relating to the absence of registration under the Securities Act to be rescinded with respect to such Registrable Securities. In order to permit the Holders of Registrable Securities to sell the same, if they so desire, pursuant to Rule 144A promulgated by the Commission (or any successor to such rule) ("Rule 144A"), the Company will comply with all rules and regulations of the Commission applicable in connection with use of Rule 144A. Prospective transferees of Registrable Securities that are Qualified Institutional Buyers (as defined in Rule 144A) which would be purchasing such Registrable Securities in reliance upon Rule 144A may request from the Company information regarding the business, operations and assets of the Company. Within five (5) business days after receipt by the Company of any such request, the Company shall deliver to any such prospective transferee copies of annual audited and quarterly unaudited financial statements of the Company and such other information as may be required to be supplied by the Company for it to comply with Rule 144A.

5. Amendments and Waivers. This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) and the Company may take any action herein prohibited or omit to perform any act herein required to be performed by it, only if the Company agrees and it shall have obtained written consents to such amendment, action or omission to act from the Holders of at least a majority of the Registrable Securities; provided, however, that any such amendment or consent that would have a material adverse effect on a particular Holder but would not have a similar material adverse effect on all Holders generally or would otherwise remove a Holder as a party to this Agreement shall require the consent of such Holder. Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 5, whether or not such Registrable Securities shall have been marked to indicate such consent.

6. Nominees for Beneficial Owners. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election, be treated as the Holder of such Registrable Securities for purposes of any request or other action by any Holder or Holders of Registrable Securities pursuant to this Agreement or

any determination of any number of percentage of Registrable Securities held by any Holder or Holders of Registrable Securities contemplated by this Agreement. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

7. Notices. Except as set forth in Section 8, all communications provided for hereunder shall be sent (a) by first-class mail and (i) if addressed to a party other than the Company, to such party at the address furnished to the Company by such party, or (ii) if addressed to the Company, at the address of its principal place of business, Attention: President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each Holder of Registrable Securities at the time outstanding or (b) by electronic transmission in the manner permitted by the General Corporation Law of the State of Delaware.

8. Assignment.

(a) The rights to cause the Company to register Registrable Securities pursuant to Section 3 may be assigned (but only with all related obligations) by (i) a Holder to a transferee or assignee of such securities who, after such assignment or transfer, holds at least 250,000 shares of such Holder's Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations and other recapitalizations and including for purposes of such calculation the shares of Common Stock then issuable upon conversion of the Preferred Stock of the Company), or (ii) any Holder who transfers all of its Registrable Securities to a single transferee or assignee, or (iii) a Holder to its partners, members, stockholders, subsidiaries or affiliates (the "Distributees"); provided, however, prior to an assignment pursuant to subclause (iii), the Distributees shall appoint a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under this Agreement; and provided, further, in each case: (1) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (2) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of a partnership or limited liability company who are partners or retired partners of such partnership or members of such limited liability company (including spouses and ancestors, lineal descendants and siblings of such partners or members or spouses who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership or limited liability company, as the case may be. For purposes of this Agreement, the terms "affiliates" or "affiliated" shall mean, with respect to any person or entity, any person or entity that, directly or indirectly, controls or is controlled by or is under common control with such person or entity. For the purposes of the preceding sentence, the term "control" shall mean the possession, directly or indirectly, through one or more intermediaries in the case of any person or entity, of the power or authority, through ownership of voting securities, by contract or otherwise, to direct the management, activities or policies of the person or entity.

(b) Notwithstanding anything to the contrary contained in this Agreement, any Registrable Securities transferred or assigned by BCA to Bunge North America, Inc. shall become “Senior Registrable Securities” under, and entitled to such rights under, the REG Newco Registration Rights Agreement.

9. Termination. The right of any Holder to request registration or inclusion in any registration pursuant to Section 3.1 shall terminate at such time as both (A) all shares of Registrable Securities held or entitled to be held upon conversion by such Holder may immediately be sold under Rule 144 during any ninety (90) day period and (B) such Holder holds less than three percent (3%) of the issued and outstanding shares of Common Stock of the Company.

10. Descriptive Headings. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof. References herein to Sections are references to Sections of this Agreement, except as otherwise indicated.

11. Specific Performance. The parties hereto recognize and agree that money damages may be insufficient to compensate the Holders of any Registrable Securities for breaches by the Company of the terms hereof and, consequently, that the equitable remedy of specific performance of the terms hereof will be available in the event of any such breach.

12. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the internal laws of the State of Delaware, without regard to rules or principles of conflicts of law requiring the application of the law of another state.

13. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

14. Prior BCA Agreement. Upon closing of the Merger Agreement, the Prior BCA Agreement is hereby terminated and of no further force or effect, and neither REG nor BCA shall have any rights, obligations or liabilities under or by reason of the Prior BCA Agreement.

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IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

COMPANY:

REG NEWCO, INC.

By: /s/ Jeffrey Stroburg
Name: Jeffrey Stroburg
Title: Chief Executive Officer

BCA:

BIOFUELS COMPANY OF AMERICA

By: /s/ Mark A. Burke
Name: Mark A. Burke
Title: President

REG for purposes of Section 14 only:

RENEWABLE ENERGY GROUP, INC.

By: /s/ Jeffrey Stroburg
Name: Jeffrey Stroburg
Title: Chief Executive Officer

REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE

Exhibit 21

RENEWABLE ENERGY GROUP, INC. SUBSIDIARIES

REG Biofuels, Inc.	Delaware
REG Marketing & Logistics Group, LLC	Iowa
REG Services Group, LLC	Iowa
REG Construction & Technology Group, LLC	Iowa
REG Ventures, LLC	Iowa
REG Ralston, LLC	Iowa
REG Houston, LLC	Texas
REG Danville, LLC	Delaware
REG Newton, LLC	Iowa
REG Seneca, LLC	Iowa
REG New Orleans, LLC	Iowa
REG Emporia, LLC	Iowa
REG Clovis, LLC	Iowa
REG Processing Systems, LLC	Iowa
416 S. Bell, LLC 50% owned	Iowa

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-161187 on Form S-8 of our report dated March 31, 2011, relating to the financial statements and financial statement schedule of Renewable Energy Group, Inc. and subsidiaries, appearing in the Annual Report on Form 10-K of Renewable Energy Group, Inc. and subsidiaries for the year ended December 31, 2010.

/S/ DELOITTE & TOUCHE LLP

Des Moines, Iowa

March 31, 2011

Exhibit 31

I, Jeffrey Stroburg, certify that:

1. I have reviewed this annual report on Form 10-K of Renewable Energy Group, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2011

/s/ Jeffrey Stroburg

Jeffrey Stroburg
Chief Executive Officer

I, Chad Stone, certify that:

1. I have reviewed this annual report on Form 10-K of Renewable Energy Group, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: March 31, 2011

/s/ Chad Stone
Chad Stone
Chief Financial Officer

Exhibit 32

SECTION 1350 CERTIFICATIONS

I, Jeffrey Stroburg, Chief Executive Officer of Renewable Energy Group, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Annual Report on Form 10-K of the Company (the "Report"), which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2011

/s/ Jeffrey Stroburg
Jeffrey Stroburg
Chief Executive Officer

SECTION 1350 CERTIFICATIONS

I, Chad Stone, Chief Financial Officer of Renewable Energy Group, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Annual Report on Form 10-K of the Company (the "Report"), which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2011

/s/ Chad Stone
Chad Stone
Chief Financial Officer