# Mississippi Biofuel Producer Eyes Expansion

(AP) — Texas-based KiOR, Inc. has announced that it double the production capacity at its biofuels production facility in Columbus, Mississippi. KiOR, based in Pasadena, Texas, announced that it will build a second cellulosic fuels facility in Columbus. KiOR estimates the project — called Columbus II — will cost about $225 million. Fred Cannon, KiOR's President and CEO, said the company plans to break ground within 90 days after it raises sufficient equity and debt capital to commence the project. Cannon says work and startup will take about 18 months to construct and start up.

Cannon said KiOR expects that the Columbus II project will allow each Columbus facility to achieve greater yields, production capacity and feedstock flexibility. Cannon said the second plant will help KiOR to make quicker progress toward its long-term goal of 92 gallons per-bone-dry ton of biomass. KiOR said it has received commitments from Khosla Ventures and Vinod Khosla for $50 million for the project, pending negotiation of a final agreement. Khosla Ventures is an investment company based in Menlo Park, California.

"This expansion of Columbus has been partially enabled by significant improvements to our technology that we expect will facilitate our use of a wider range of less expensive feedstocks such as railroad ties. We believe that the Columbus II project also enables KiOR to continue to execute on our long-term business plan consisting of larger, standard scale commercial production facilities," Cannon said. He said KiOR plans to accelerate efforts to refine the design, based on the newest technology improvements, of its next standard scale commercial production facility, currently planned for groundbreaking in the second half of 2014 in Natchez, Mississippi.

"We believe these improvements to both capital and operating costs will enable us to attain financing for the planned Natchez facility on terms more favorable to KiOR and less dilutive to its shareholders. We are pleased that Khosla Ventures, our founding investor, and Vinod Khosla continue to show their confidence in both our progress to date and our future business through these commitments," Cannon said.

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