February 11, 2020

Stephanie Avakian, Co-Director
Steven Peikin, Co-Director
Division of Enforcement
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Sent via U.S. mail and email

RE: Potential securities violations by Northwest Innovation Works

Dear Mrs. Avakian and Mr. Peikin,

Columbia Riverkeeper (Riverkeeper), a non-profit conservation organization, has information suggesting that executives or agents of Northwest Innovation Works, LLC (hereinafter, “NWIW”) may have violated federal securities laws by misleading potential investors about the company and its financial prospects.

NWIW is proposing to build the nation’s largest gas-to-methanol manufacturing and export facility at the Port of Kalama, in southwest Washington state. NWIW’s proposal would use natural gas as feedstock to create methanol and then export that methanol to China. The proposal is similar to liquified natural gas (LNG) export.

Columbia Riverkeeper received a 26-page PowerPoint-style presentation that NWIW used to attempt to attract investment in the Kalama methanol proposal. As detailed below, that “Investment Overview” presentation touted Chinese demand for methanol as a fuel to support NWIW’s profitability. However, NWIW has repeatedly promised the public and regulators that its methanol would not be sold for fuel, but only as petrochemical feedstock. NWIW, therefore,

1 See Exhibit 1, NWIW, Investment Overview presentation (2018).
2 NWIW’s Chief Commercial Officer and general counsel Kent Caputo described the Investment Overview presentation as “accurate and authorized for use.” See Crosscut, A small Washington town may build the world’s largest methanol plant, but do locals want it? (November 13, 2019).
3 See Exhibit 2, First Amendment to Dock Usage Agreement between NWI and the Port of Kalama (2019); see also OPB, Controversial Kalama Methanol Plant May Be Misleading Public, Regulators (April 19, 2019) (interviewing NWIW’s Chief Commercial Officer and general counsel Kent Caputo and explaining that “NWIW maintains all methanol produced at the Kalama facility will only be used for plastics and materials”).

To protect and restore the water quality of the Columbia River and all life connected to it, from the headwaters to the Pacific Ocean.
appears to have mislead potential investors about the market and level of demand for NWIW’s product and, by extension, the value of investing in NWIW.

The Investment Overview asserts and implies that NWIW’s core business model is producing methanol for the Chinese fuel market—but never explains that NWIW does not intend to participate in that market. NWIW styles itself as “a next generation energy major” and claims its methanol would be used as “fuels for industries and transportation,” as well as petrochemical feedstock. The bulk of the presentation discusses burning methanol for fuel in China and focuses on how NWIW would capitalize on China’s expanding methanol-for-fuel markets. The presentation first describes methanol’s suitability as an energy source, largely in the context of transportation fuel, electrical generation, and heating. The presentation then highlights—in a series of slides titled “Sizing up the Market Opportunity”—the projected growth in Chinese demand for methanol as a fuel. Next, the presentation asserts that “Energy Applications will Drive Methanol Market Growth” and contains a graph (reproduced below) projecting that most growth in the Chinese methanol market over the next 15 years will be driven by fuel

![Methanol Market Growth Potential (MTPA)](image)

Source (2011, 2015): IHS Markit
2020-2035: Internal projections taking into account methanol for energy applications

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4 The Investment Overview presentation discusses a supposed corporation or entity called GTM. GTM apparently stands for “Gas to Methanol” and appears to be a pseudonym for NWIW. The presentation states that GTM is developing a methanol project at Kalama, Washington. Page 10 of the presentation shows that GTM’s management team is essentially identical to that of NWIW. Moreover, metadata for the Investment Overview document show that it was created by Edward J Sappin, former Chief Financial Officer of NWIW.
5 Exhibit 1, p. 22.
6 Id. at 4, 7.
7 Id. at 12–24.
8 Id. at 12–13.
9 Id. at 16–18.
consumption. At no point does the presentation mention that NWIW has represented to regulators that its methanol could not be used for fuel. Accordingly, NWIW’s presentation appears to give prospective investors the incorrect impression that NWIW could capitalize China’s growing demand for methanol as fuel.

This presentation by NWIW may have violated securities law. Federal laws prohibits deceit, misrepresentation, omission of material facts, and other fraud while offering or selling securities. These rules apply to private investments such as those contemplated on the last page of NWIW’s Investment Overview. By giving potential investors a document that emphasized strong Chinese demand for methanol as fuel, NWIW appears to have mislead potential investors about the demand for NWIW’s product and the profitability of NWIW’s business model. At the least, NWIW appears to have omitted a material fact—that NWIW promised not to participate in the Chinese methanol-for-fuel market—that was “necessary in order to make the statements made [in the Investment Overview], in the light of the circumstances under which they are made, not misleading.” Accordingly, NWIW may have violated federal securities law when attempting to induce private investment in the Kalama methanol refinery venture.

The following persons and entities may possess additional information about representations made by NWIW’s executives as they attempted to raise capital to fund the Kalama methanol refinery proposal:

- Simon Zhang, CEO of NWIW.
- Edward J Sappin, former Chief Financial Officer of NWIW and author of the Investment Overview presentation described in this letter, according to document metadata.
- Murray “Vee” Godley III, Chief Development Officer of NWIW.
- Edward Cui, Managing Director, Rx Investment Management Corporation.
- Satori Partners, a company that received investment offers from NWIW executives.
- CK Infrastructure Holdings Limited, a company that may have received investment offers from NWIW executives.

11 SEC, Investor Bulletin: Private Placements Under Regulation D (September 24, 2014) (explaining that private investments “are subject to the antifraud provisions of the federal securities laws. Any information provided must be true and may not omit any material facts necessary to prevent the statements made from being misleading.”).
12 See, e.g., Exhibit 1, p. 25.
- Michael Dorrell, CEO of Stonepeak Infrastructure Partners (Stonepeak). Stonepeak has an exclusive option to fund the construction of NWIW’s methanol refinery in exchange for equity in the project.

- Kurt Akers, Assistant Senior Investment Officer–Tangible Assets, Washington State Investment Board. Mr. Akers managed Washington state’s potential investment in NWIW via Stonepeak’s Infrastructure Fund II.

After becoming aware of the facts and law described above, Riverkeeper presents this information so that your agency can investigate the circumstances surrounding NWIW’s fundraising activities. Please do not hesitate to contact me if Riverkeeper can be of further assistance.

Sincerely,

Miles Johnson
Senior Attorney
(541) 490 – 0487
miles@columbiariverkeeper.org

Exhibits:
2. First Amendment to Dock Usage Agreement between NWIW and the Port of Kalama (2019).
Disclaimer and Contact Information

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Agenda

1. Opportunity Overview
2. Introduction to GTM (GTM)
3. Methanol Applications & Market Opportunities
4. GTM Strategy
   Leading the way to next generation energy
GTM is Well-positioned to be a Leader in the Next Generation of Clean Energy

Natural Gas and Renewables expected to increase share in Global Energy Mix

Source: BP Energy Outlook 2017

*Renewables includes wind, solar, geothermal, biomass, and biofuels

But storage and distribution are key challenges
GTM is developing a portfolio of methanol projects in North America and is well-positioned to be a preferred supplier to meet the growing demand in China for methanol:

- as feedstock for petrochemicals, and
- as clean fuels for industries and transportation
GTM’s experienced management underpins successful development of projects with compelling economics.

Best-in-class Management Team

- Strategic site selection
- Local Relationships
- Best-in-class contracting
- Technology
- Strategic Asian Market Access

Development

- site selection
- securing feedstock, logistics
- securing offtake customers
- design & engineering
- permitting

Infrastructure

- Investor

Construction

- development capital
- construction capital
- credit quality of EPC

Operational

- credit quality of offtake
- amortization and dividends

Down-sell Opportunities

Capital at Risk

Project Risk
Opportunity Overview

Introduction to GTM (GTM)

Methanol Applications & Market Opportunities

GTM Strategy
Leading the way to next generation energy
Introduction – GTM

GTM, through its North American subsidiaries is developing a portfolio of methanol projects in North America.
GTM is also positioning itself as a preferred supplier to meet the growing demand in China for methanol as feedstock for petrochemicals and as clean fuels for industries and transportation.
Introduction – CAS Holdings (CASH)

- Established in 2002 as an investment and asset management company engaged in the operation of assets of state-level public institutions.
- Business activities include: (1) direct investment, (2) investment management, (3) industrial integration, (4) supervision of companies and tech transfer.
- Holds ownership in 37 companies, 22 of which are listed with a total market capitalization of RMB 456.2 bn
Confidential

Introduction – Johnson Matthey

Johnson Matthey is a leading specialty chemicals company underpinned by science, technology and its people.

### Key Figures (Mar 2017)

- **Sales**
  - £3.6 billion
  - (USD 5.1 billion)

- **Operating Profit**
  - £513 million
  - (USD 734 million)

- **Number of Employees**
  - 12,200

### Market Capitalization (Jan 2018)

- £6.18 billion
  - (USD 8.83 billion)

### Industries

JM’s products and technologies are used in a wide range of industries around the world and have a positive impact on the environment, health and well being of millions of people every day.

- Environmental
- Automotive
- Chemical
- Pharmaceutical / Medical
- Recycling
- Oil, Gas and Refineries
Management Team

**Simon Zhang** - Chief Executive Officer
- **Experience:** 20+ years in energy & chemicals; BP and ExxonMobil, leadership in Solar, Petrochemicals, Asian fuel marketing, Group Strategy, Group Treasury, and Process Technology
- **Education:** BS, Tsinghua; MS, Purdue; PhD, UWisconsin; MBA, UChicago; CFA

**GTM**

- **Yanning Luo** - GM/GTM VP, Engineering
  - **Experience:** 15+ years tech development, engineering design and project management; BP, project engineering manager and plant operation
  - **Education:** BS, Tianjin University; NEBOSH UK, level 3

- **Yongsheng Gan** - VP, Technology
  - **Experience:** 15+ years petrochemical tech development, PDP, reactor design, scale-up, plant expansion, commissioning, startup, and project EPCM. Sinopec, BP
  - **Education:** BS, MS, Tianjin University

- **Dinah Dong** - Chief Financial Officer
  - **Experience:** 10+ years in auditing, IPO and early-stage financial advisory; Roboterra Inc., Starr Strategic Partners
  - **Education:** BS, Fudan University; MBA, University of Virginia – Darden School of Business

- **Hsien Xiong Wong** - Director, Strategic Projects
  - **Experience:** 10 years in investments and portfolio management, corporate finance, project finance; NUS Endowment, Aten Capital, ACME (Solar) India
  - **Education:** B.Eng (Mechanical Engineering) & MSc Real Estate, National University of Singapore; CFA

**GTM USA**

- **Murray “Vee” Godley III** – Chief Development Officer
  - **Experience:** 30+ years in project development and management; Sanders Bros; Industrial Piping
  - **Education:** Beaufort College, Electrical Engineering; North Carolina State, Physics

- **Edward Sappin** – Chief Financial Officer
  - **Experience:** 20+ years in energy, private equity and technology; BP; Intel; New Asia Partners; JP Morgan; Credit Agricole
  - **Education:** BS, Wharton; MA, SAIS

- **Kent Caputo** – Chief Commercial Officer & General Counsel
  - **Experience:** 25+ years of public and private sector legal, development and operational executive; Patton Boggs, Miller Nash, Kalispel Tribal Economic Authority
  - **Education:** BS, JD, University of Puget Sound; LLM, Emory University

- **Clay Riding** – VP, Resources
  - **Experience:** 30+ years in energy. Extensive knowledge of Pacific Northwest; Puget Sound Energy and Williams, including power & gas trading and business development
  - **Education:** BS, University of Utah

- **Phil Eastland** – VP, Technology
  - **Experience:** 20+ years methanol plant commissioning, design, technical and commercial management with JM Davy, Involved in over 20 Methanol Projects globally
  - **Education:** BSc (Eng) ACGI from Imperial College London in Chemical Engineering

- **Richard DeBolt** – Director of External Relations
  - **Experience:** 20+ years in energy, economic development, stakeholder management, community affairs and as an elected State Representative, including time as party leader and other key positions
  - **Education:** University of Wyoming, Bachelor of Arts, International Relations

**GTM CANADA**

- **Jeffry Myers** – President & CEO
  - **Experience:** 35+ years of experience in all aspects of the downstream energy sector; Westcoast Energy, co-founder Pristine Power
  - **Education:** Western University, University of Windsor

- **Harvie Campbell** – EVP, Commercial
  - **Experience:** 35+ years in the energy business with the last 25 focused on power project development, mergers and acquisitions; Westcoast Energy, co-founder Pristine Power
  - **Education:** University of Alberta, Simon Fraser University

- **Mary Hemmingsen** – EVP & CFO
  - **Experience:** CPA with 25+ years of leadership experience in energy asset/portfolio management & related business and project development; BC Hydro, Brookfield, KPMG Partner–Global Head, Gas & LNG
  - **Education:** Simon Fraser University, Harvard Business School, CPA

- **Fred Scott** – EVP, Engineering
  - **Experience:** 30+ years of experience working in power and gas markets; CanWest Gas Supply, Westcoast Energy, EPCOR, Timberwest, Pristine Power
  - **Education:** Queen’s University, University of Alberta
Top Tier Global Advisory Board

Kevin Rudd  
Co-Chair

*President, Asia Society Policy Institute*
Australia’s 26th Prime Minister (2007-2010, 2013) & Foreign Minister (2010-2012)
- Ratified Kyoto Protocol in 2007
- Legislated 20% mandatory renewable energy targeted in 2008
- Co-founder of G20 in 2009 to address the Global Financial Crisis

*Chair, Sanitation and Water for All (UNICEF)*

Gary Locke  
Co-Chair

*Governor, Washington State (1997-2005)*
- Strengthened economic ties between China and Washington State
- US Secretary of Commerce (2009-2011)
- Headed the President’s National Export Initiative, boosting exports of Made in America goods & services by 17%
- US Ambassador to China (2011-2014)
- Co-chaired US-China Joint commission on Commerce and Trade

Choon Fong Shih  
Member

*University Professor, National University of Singapore (NUS)*
*President, NUS (2000-2008)*
*Member, Economic Review Committee, Singapore (2001-2004)*

*Founding President, King Abdullah University of Science and Technology, KAUST (2008-2013)*
*Senior Advisor, University of Chinese Academy of Sciences (UCAS) and CAS Holdings, and Consultant to CAS*
*Foreign Member, US National Academy of Engineering and American Academy of Arts and Sciences*

David B. Sandalow  
Member

*Inaugural Fellow, Columbia University’s Center on Global Energy Policy*
- Directs US-China Energy & Climate program
- Under Secretary of Energy (acting) and Assistant Secretary for Policy & International Affairs, US Department of Energy (2009-2013)
- Chair, Energy & Climate Change Working Group at the Clinton Global Initiative
<table>
<thead>
<tr>
<th></th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Opportunity Overview</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Introduction to GTM (GTM)</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Methanol Applications &amp; Market Opportunities</td>
<td>13</td>
</tr>
</tbody>
</table>
| 4 | GTM Strategy
Leading the way to next generation energy                         | 22   |
Methanol is a Clean and Versatile Energy Carrier

Clean Crude

Clean burning liquid fuel and feedstock for petrochemicals

Convenient LNG

Shipping natural gas in liquid form at ambient conditions

Liquid Hydrogen

Methanol CH$_3$OH has, on a volume basis, 40% more H$_2$ than liquid hydrogen at -253°C, and 140% more H$_2$ than compressed hydrogen at 700 bars.

Liquid Electricity

H$_2$ reform
Methanol Applications - clean multipurpose resource

Large-scale energy reservoir

Methanol

Heat from combustion

Turbine-Generator

Fuel Cell

Power

Marine and Ground Transport

Heat

Petrochemicals

Fuel Cell

Methanol

Turbine-Generator

Heat from combustion

Large-scale energy reservoir

Methanol Applications - clean multipurpose resource

Heat from combustion

Turbine-Generator

Fuel Cell
Rapid rise of MTO production in China has been driven by Coal-to-Methanol-to-Olefins value chain.

MTO economics challenged considering historical spot price of methanol.

Spot price of methanol is driven by the marginal methanol producer, typically costly coal-to-methanol processes.

Integrating the value chain from low-cost gas-to-methanol and methanol-to-olefins unlocks economic value that can be distributed across the value chain via B2B agreements.

**Methanol Opportunity**

150-200 MTPA

20% global olefin market

**Note**

MTPA: Million Tonnes Per Annum

Estimated market size of $53-70 billion assuming $350/tonne
Sizing up the Market Opportunity – next 10 years

Marine Fuels

Marine sector currently consumes 370 million metric tonnes of bunker fuel per annum.

IMO standards on SO\textsubscript{X} & NO\textsubscript{X} emissions to be met by 2020 within Emissions Control Areas (ECA).

Methanol as marine fuel:
- Lower-emissions
- Cost-effective

Relative to emissions from heavy fuel oils:
- SO\textsubscript{X}: 99% reduction
- NO\textsubscript{X}: 60% reduction
- PM: 95% reduction

Methanol Opportunity
120-150 MTPA
20% of global market

Stena Germanica
Converted in early 2015 to run on a 24 MW methanol dual-fuel propulsion system

Source: IMO, Methanex, Methanol Institute

Note: Estimated market size of $42-53 billion assuming $350/tonne
Sizing up the Market Opportunity – next 10 years
Ground Transportation Fuel

China is leading the growing utilization of methanol as fuel for transportation.

**Methanol standards** have been implemented in at least 14 Chinese Provinces with methanol blends including M5, M10, M15, M30, M50, M85, M100.

Chinese consumption of Gasoline and Diesel Consumption total over **280 MTPA**.

**Methanol Opportunity**

**100 MTPA**

20% of Chinese Gasoline/Diesel Market

- ~24 MTPA methanol
- Substituting diesel as fuel for heavy-duty transportation
- Fuel for light-duty passenger vehicles

**Source**: EIA, Geely, Methanol Institute

**Note**: Estimated market size of $35 billion assuming $350/tonne
Sizing up the Market Opportunity – next 10 years
Small to medium size industrial boilers

The Chinese government has indicated that it plans for all coal-fired boilers with capacity of 35 tonnes/hour or less to be phased out in China by 2020.

- **Conversion to methanol**: Creates attractive opportunity for the conversion to methanol-fired boilers.

- Currently, 1,000 converted boiler units in China consume around 1 MTPA of methanol.

**Methanol Opportunity**

100-120 MTPA
20% of Chinese Small-Mid boiler Market

- Over 600,000 small to medium size industrial boilers consume approximately 700 million metric tons of coal per year (18% of China’s coal consumption).

- Most of these small boilers are not fitted with systems to treat emissions contributing disproportionately to pollution.

Source: Methanol Institute

**Note**: Estimated market size of $35-42 billion assuming $350/tonne
Sizing up the Market Opportunity
Energy Applications will Drive Methanol Market Growth

Methanol Market Growth Potential (MTPA)

Source (2011, 2015): IHS Markit
2020-2035: Internal projections taking into account methanol for energy applications
Growth of Methanol Market - underpinned by “Liquid Sunshine” strategy & roadmap

China is going Green! Its leadership calls for an “Energy Revolution” to build a more secure, sustainable, diverse and efficient green energy future.

Alcohols have been identified as stable liquid energy carriers that are easily stored, distributed using existing oil infrastructure, and can be eventually produced entirely from renewable energy.

Fossilized Sunshine
Fossil Methanol

Hybrid Systems
Clean Methanol

Liquid Sunshine
Green Methanol

Commercial Deployment
2020

2040
1. Opportunity Overview
2. Introduction to GTM (GTM)
3. Methanol Applications & Market Opportunities
4. GTM Strategy
   Leading the way to next generation energy
Strategy Overview – GTM, a next generation energy major
Revolutionizing Clean Energy Production

1930s
- Methanol 1.0
- Coal-based

1960s
- Methanol 2.0
- Gas-based

2020
- Methanol 3.0
- Ultra Low Emissions

2025
- Methanol 4.0
- Next Generation

Methanol 4.0
- Next Generation Methanol 4.0
## Today’s Bullet Points

**Issue:** Mon Mar 5 2018 BJ Time  
**Daily Spot:** Mar 2 2018 US Time

### Most Important Project Prices

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<tr>
<td><strong>Crude Oil</strong></td>
<td><strong>MeOH</strong></td>
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<td>Crude Oil BRENT (Future)</td>
<td>Crude Oil BRENT (Future)</td>
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<td>Natural Gas Henry Hub</td>
<td>MeOH (CFR China East)</td>
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<td>Naphtha (C&amp;F Japan)</td>
<td>MeOH (FOB Houston TX)</td>
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<td>Ethylene (CFR NE Asia)</td>
<td>Propylene -PG (CFR China)</td>
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<td>Original Unit</td>
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<tr>
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<td>$/MMBtu</td>
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<td>2.63</td>
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Source: Energy Intelligence, Reuters, CME, 315.com.cn, Platts Energy

### Reference Natural Gas Prices

<table>
<thead>
<tr>
<th>Daily Spot Prices on Mar 2 2018 (US Time)</th>
<th>Last Weekly Average Updated on Mar 5 (US)</th>
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<tbody>
<tr>
<td><strong>LNG</strong></td>
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<tr>
<td><strong>CFR China</strong></td>
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<td><strong>CFR Korea</strong></td>
<td><strong>CFR Heavy Hub</strong></td>
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<td>3.49</td>
<td>2.61</td>
</tr>
<tr>
<td>2.61</td>
<td>1.93</td>
</tr>
</tbody>
</table>

Source: Energy Intelligence, Reuters, Platts Energy, 315.com.cn, Bloomberg China

### China Market Coal, Methanol and Olefin Prices

<table>
<thead>
<tr>
<th>Daily (BJ Time)</th>
<th>Last Weekly Average Market Prices - Weekly Updated on Mar 5 2018 (BJ Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MeOH Mar 2 (CZCE Future)</strong></td>
<td><strong>MeOH Southern China</strong></td>
</tr>
<tr>
<td><strong>Shanxi Coal 5500 (QHD FOB)</strong></td>
<td><strong>MeOH Eastern China</strong></td>
</tr>
<tr>
<td><strong>Shanxi Coal 5000 (QHD FOB)</strong></td>
<td><strong>Propylene -Zhejiang &amp; Jiangsu</strong></td>
</tr>
<tr>
<td>Original Unit</td>
<td>RMB/MT</td>
</tr>
<tr>
<td>RMB/MT</td>
<td>RMB/MT</td>
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<tr>
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</tr>
<tr>
<td>2.670</td>
<td>2.866</td>
</tr>
<tr>
<td>2.580</td>
<td>2.859</td>
</tr>
<tr>
<td>342.95</td>
<td>368.13</td>
</tr>
<tr>
<td>88.41</td>
<td>1110.74</td>
</tr>
<tr>
<td>16.97</td>
<td>22.38</td>
</tr>
<tr>
<td>15.81</td>
<td>15.95</td>
</tr>
</tbody>
</table>

GTM (GTM): Building a Next Generation Energy Leader

GTM Business Model

- **Asset-light and highly scalable development model:**
  - GTM develops methanol projects – site identification, permitting, securing logistics and offtake
  - Projects are separately funded by equity investors and debt
- **Short development cycle:**
  - GTM invests development capital to develop each project over 2 to 4 years.
  - At financial closure of each project, GTM receives an upfront development fee

Great Upside Potential

- **Robust pipeline of projects:**
  - First two-line project at Kalama, Washington approaching Final Investment Decision (“FID”)
  - Additional sites identified and/or under site control
  - Currently the only player in U.S. West Coast and British Columbia with a portfolio of advantaged sites
- **Substantial interests in project economics**
  - At FID, GTM also receives substantial interests in the future cash flows of the project, with typical NPV worth several multiples of development cost
- **Methanol 4.0 GTM will be a Game Changer**
  - GTM is innovating the next generation methanol production model that will further reduce capital costs, costs of capital, and shorten development & construction cycles
  - Concept likely to be implemented initially in Gulf of Mexico

GTM Key Competitive Advantages

- **Lowest landed cost of methanol in Asia:**
  - **Low Capital Costs:** Modular, economies of scale
  - **Low Feedstock Costs:** West Coast natural gas (AECO)
  - **Low Logistics Cost:** Shortest shipping route, large ships
- **Proprietary Market Access:**
  - GTM’s founding shareholder (CAS Holdings) has opened relationships with high credit quality MTO and other large-volume users in high-growth, high-margin Chinese and Asian markets, with long-term take or pay contracts

Excellent Downside Protection

- **BC Winter pipeline contract**
  - GTM receives stable annual cash flow from a 45 year BC pipeline contract for winter capacity
  - NPV of the contract is U$300 million.

GTM Methanol Project Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalama, BC, Canada</td>
<td>Several additional locations under investigation or negotiation</td>
</tr>
<tr>
<td>Westward, BC, Canada</td>
<td></td>
</tr>
<tr>
<td>Seattle, BC, Canada</td>
<td></td>
</tr>
<tr>
<td>Portland, BC, Canada</td>
<td></td>
</tr>
<tr>
<td>BC, Canada</td>
<td></td>
</tr>
<tr>
<td>Gulf of Mexico</td>
<td></td>
</tr>
</tbody>
</table>
Investment Options & Exit Routes

Investment Options

I. High yield debts + Free warrants
II. Convertible Preferred equity

All tranches up to $200 million in aggregate

Exit Routes

Common equity
I. IPO offering and exit – IPO process will begin upon FID of Kalama with expected IPO in around 2020
II. Third Party Acquisition

Preferred equity
I. Conversion to common at discount to valuation of subsequent fund raising round
II. Roll-over into subsequent Preferred tranche
III. Third Party Acquisition

Financial Advisor

Rx Investment Management Corporation
Edward Cui
Cell: +86 13817811262
Email: Edward.cui@rxinvestment.net
FIRST AMENDMENT
TO
DOCK USAGE AGREEMENT

This FIRST AMENDMENT TO DOCK USAGE AGREEMENT ("First Amendment") is dated this ____ day of June, 2019, by and between the PORT OF KALAMA, a Washington municipal corporation and port district ("Port"), and NORTHWEST INNOVATION WORKS, KALAMA, LLC, a Washington limited liability company ("Dock User"). This First Amendment places in writing and sets forth the intentions of the parties hereto, as agreed upon as being in effect as of July 1, 2019.

RECITALS

A. On April 9, 2014, Port and Dock User entered into a Dock Usage Agreement (as amended, the "Dock Usage Agreement"), with respect to that certain Dock located in the Port of Kalama, County of Cowlitz, State of Washington, as more particularly described in the Agreement.

B. Contemporaneous with execution of the Dock Usage Agreement, Port, as lessor, and Dock User, as lessee, entered into that certain Lease Agreement (as now or hereafter amended, the "Agreement"), whereby the Port agreed, upon the satisfaction of the conditions set forth in the Agreement, to lease to Dock User certain premises within the Port of Kalama for the construction and operation of a facility for the production of methanol from natural gas, together with the related improvements (as more fully described in the Agreement, the "Facility").

C. Dock User has represented that no quantity of methanol produced at the Facility shall be sold for use as fuel products, and Port continues to rely on such representations in conjunction with the environmental permitting of the Facility.

D. Port seeks certain assurances from the Dock User concerning the end use of methanol produced at the Facility and clarification of the parties’ obligations, to which Dock User agrees to amend the Dock Usage Agreement as provided herein.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants herein and for other valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties hereby agree as follows:

1. Dock User Covenant. Dock User covenants to Port that no quantity of methanol produced at the Facility shall be sold for use as fuel products. Dock User acknowledges Port’s reliance on the foregoing covenant pursuant to Port’s environmental review and Permit applications.

2. Port’s Inspection and Audit Rights. Upon reasonable advance notice, Port and its agents may inspect, examine, and audit the records and data of Dock User, its carriers for all Vessels upon which the methanol produced at the Facility is loaded.
(“Carriers”), and buyers or end-users of the methanol at the shipping destination (“Buyers”), which audits shall be at Dock User’s sole cost and expense. In support of the foregoing right, Dock User shall maintain, and shall cause its Carriers and Buyers to maintain: (a) Carrier bills of laden and cargo manifests, (b) records substantiating Carrier’s invoices, (c) sales contracts and bills of sale to Buyers, and (d) such other operational records and agreements pertaining to the storage, shipment, sales, and use of methanol from the Facility that Dock User, Carriers and Buyers keep in the ordinary course of its business. Dock Users’ shipping and sales contracts with Carriers and Buyers shall contain a provision that provides the Port’s rights to inspect and audit the specified records under this Dock Usage Agreement. Dock User shall make such records available to Port and its auditors for examination and copying upon request. Dock User shall cooperate, and shall require its Carriers and Buyers to cooperate, with the Port’s audits and inspections. Dock User shall retain such records for the longer of two (2) years after the Term ends or as required by applicable Laws. Dock User shall reimburse Port within thirty (30) days of receipt of an invoice for Port’s costs and expenses related to the inspections, audits and compliance measures as provided herein.

3. Notice; Dock User Annual Certifications. Dock User shall notify Port of any breach of its covenant under Section 1 above along with any undertaken or anticipated corrective actions to cure said breach within five (5) business days of discovering such breach. Further, Dock User shall provide Port annually on each July 1 during the Term with a written certification (the “Annual Certification”) summarizing the following: (i) the quantity of methanol shipped, together with the identity of the Carrier, the name of the Vessel and the destination port for each shipment; (ii) the name of each Buyer and quantity purchased by such Buyer; (iii) any breach of or departures from Dock User’s covenant under Section 1 of this First Amendment; and (iv) corrective measures undertaken to cure such breach (if any). The Annual Certification shall include an attestation that all quantities of methanol produced at the Facility during the period certified have been sold for use exclusively for non-fuel purposes and shall be certified as being accurate and complete by a Northwest Innovation Works, Kalama, LLC, officer authorized by Dock User and knowledgeable on the subject matter contained in such certification.

4. Remedies. The following shall be incorporated into Section 17 of the Dock Usage Agreement:

Notwithstanding any contrary provision in the Dock Usage Agreement or Related Agreements, in the event Dock User breaches, without cure, its covenant in Section 1 above of this First Amendment for any shipment of methanol, Port will implement and Dock User shall be subject to the following escalating remedies as liquidated damages:

(a) First Breach: Upon a first breach of Dock User’s covenant within any ten-(10-) year period during the Term, Port shall collect from Dock User, in addition to the Wharfage Rate, a surcharge equal to One Hundred Percent
(100%) of the Wharfage Rate provided in Section 4.1.1 of the Dock Usage Agreement in effect at the time of such breach.

(b) **Second Breach:** Upon a second breach of Dock User’s covenant within any ten- (10-) year period during the Term, Port shall collect from Dock User, in addition to the Wharfage Rate, a surcharge equal to Two Hundred Percent (200%) of the Wharfage Rate provided in Section 4.1.1 of the Dock Usage Agreement in effect at the time of such breach.

(c) **Third Breach:** Upon a third breach of Dock User’s covenant within any ten- (10-) year period during the Term, Port shall impose the following remedies: (i) collect from Dock User, in addition to the Wharfage Rate, a surcharge equal to Three Hundred Percent (300%) of the Wharfage Rate provided in Section 4.1.1 of the Dock Usage Agreement in effect at the time of such breach; and (ii) without terminating the Dock Usage Agreement, revoke Dock User’s license to use or access the Dock for a period of not less than one (1) year from the date Port becomes aware of such breach, and Dock User’s Carriers and Vessels shall be denied any right to berth at the Dock. Dock User shall nevertheless remain fully liable for the Minimum Wharfage Amount as provided in Section 4.2 of the Dock Usage Agreement. Port may reinstate Dock User’s license, and Dock User may resume use of the Dock, only upon implementation of corrective measures to Port’s sole satisfaction ensuring that a breach does not recur.

All surcharges collected by Port under this Section 4 shall be remitted to an account established for the purpose of greenhouse gas emission mitigation as explained in the Facility’s Draft and Final Supplemental Environmental Impact Statement as mitigation of Dock User’s breach of the covenant.

As used in this First Amendment, the term “breach” refers to any quantity of a shipment of methanol produced at the Facility that has been sold, conveyed or otherwise transferred for use as a fuel product in violation of Dock User’s covenant under Section 1 above without cure. Port’s finding of a breach shall be presumptively determinative. Dock User agrees to and assumes the burden of showing, by a preponderance of the evidence, that such presumption is erroneous.

Port and Dock User expressly agree that the foregoing remedies are reasonable approximations of Port’s actual damages in the event of a Dock User breach, without cure, of its covenant in Section 1 of this First Amendment and are not penalties, that Dock User has induced Port to enter into the Dock Usage Agreement expressly through Dock User’s covenants and promises.

5. **Ratification.** Except as specifically amended in this First Amendment, each and every other term and condition of the Dock Usage Agreement is hereby ratified and shall remain in full force and effect.
6. **Amendment Controls.** To the extent any provisions of the Dock Usage Agreement are contrary or inconsistent with the terms of this First Amendment, this First Amendment shall control. Capitalized terms not otherwise defined in this First Amendment shall have the same meanings as set forth in the Dock Usage Agreement and Related Agreements.

{ Signatures and Acknowledgments on Following Pages}
IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first above written.

PORT: 

PORT OF KALAMA

By: _________________________________
Randy Sweet, Commissioner

DOCK USER: 

NORTHWEST INNOVATION WORKS, KALAMA, LLC

By: _________________________________
Murray V. Godley III, Its President

By: _________________________________
Troy Stariha, Commissioner

By: _________________________________
Alan Basso, Commissioner

Dock User Acknowledgement

STATE OF WASHINGTON )
) ss.
County of Cowlitz

I certify that I know or have satisfactory evidence that Murray V.Godley III signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of NORTHWEST INNOVATION WORKS, KALAMA, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this ___ day of __________, 2019.

_______________________________________
NOTARY PUBLIC for __________________________
Residing in __________________________
My Commission Expires: __________________________
Port Acknowledgements

STATE OF WASHINGTON )
 ) ss.
County of Cowlitz )

Before me personally appeared Randy Sweet, Troy Stariha and Alan Basso, known to me as the Commissioners of the Port Commission of the PORT OF KALAMA, a municipal corporation of the State of Washington, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of such party for the uses and purposes mentioned therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this ___ day of __________, 2019.

______________________________

NOTARY PUBLIC for Washington
Residing in _______________________
My Commission Expires:____________