

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



Texas biofuel maker's stock falls after warning of possible bankruptcy

By Christopher Martin
Bloomberg News

KiOR's facility in Columbus, Miss. (KiOR)
Kior Inc., the Vinod Khosla-backed operator of [the first U.S. commercial-scale cellulosic biofuel plant](#), fell the most on record after management told regulators they have serious doubts about staying in business.

Kior declined 39 percent to 65 cents at the close in New York, the most since its June 2011 initial public offering at \$15.

The company needs additional capital by April 1 and its only potential source of near-term financing is a March 16 commitment letter from billionaire investor Khosla, according to a filing with the Securities and Exchange Commission Monday.

The commitment for as much as \$25 million is contingent upon meeting certain milestones. The company [shut down its Columbus, Mississippi, biofuel plant in January](#) to upgrade the manufacturing process, and “until we restart the Columbus facility, we expect to have no production or revenue from that facility,” according to the filing. If the company doesn’t receive additional financing, it will “likely” default on its debts and may file for bankruptcy. “We have substantial doubts about our ability to continue as a going concern,” the Pasadena, Texas-based company said in the filing.

[Kior in October received \\$100 million from Khosla Ventures LLC and Gates Ventures LLC to expand](#) production at the Columbus plant. The company makes transportation fuels from wood waste and non-food crops.

Richard P. Vlosky, Ph.D.
Director Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University
Baton Rouge, LA 70803
Phone (office): (225) 578-4527
Fax: (225) 578-4251
Mobile Phone: (225) 223-1931