



GP Strategies
ALTERNATIVE FUELS DIVISION MANAGEMENT PRESENTATION

December 2012



Recent Market Commentary

“The economics favoring natural gas are overwhelming.”

-Scott Perry - Vice President, Ryder Systems Inc.

“This is not a subsidy-driven market. It’s developing on its own because the economics are compelling.”

-Eric Tech - President, Navistar

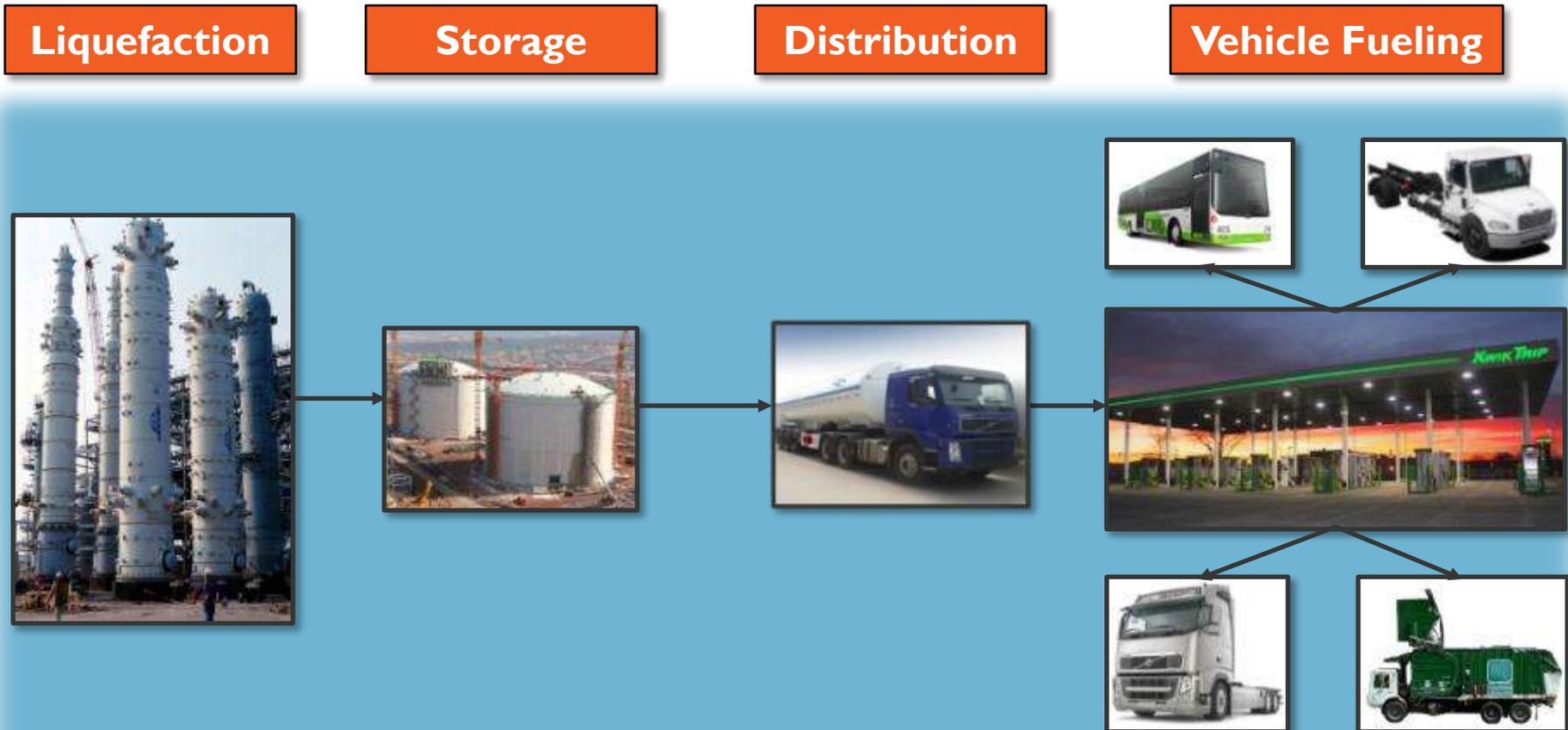
“We, it turns out, are the Saudi Arabia of natural gas...We’ve got to take advantage of this incredible natural resource and think about what could happen if we do. Think about an America where more cars and trucks are running on domestic natural gas than on foreign oil...We can do this. And by the way natural gas burns cleaner than oil does, so it’s also potentially good for our environment as we make this shift....The federal fleet of cars is leading by example....”

-President Barack Obama

Section I

Industry Overview

LNG Value Chain



Market Size and Growth Potential

Key End Markets

Transportation Sector

- Applications include airports, transit agencies and refuse haulers to seaports, regional trucking, taxis and government fleets
- Nearly 200,000 refuse trucks in the US consuming approximately 2 billion gallons of fuel per year (only 2,700 run on CNG or LNG)

Industrial Sector

- Converting diesel powered drill rigs to natural gas
- Propane/bunker fuel replacement
- Off-road vehicles

US Serviceable Market for LNG (2011)

Sector	2011 DGE Gallons	Percentage
Trucking	25,548,316,076	62.1%
Rigs	811,120,781	2.0%
Marine	5,215,267,673	12.7%
Locomotives	3,353,781,493	8.2%
Off-Grid	5,221,866,404	12.7%
Propane	976,037,708	2.4%
Total	41,126,390,135	100.0%

Source: AGL Resources NGV Infrastructure Presentation



LNG Fueling Station and NGV Expansion

LNG Fueling Stations in the US (2012)

State	CNG Stations	LNG Stations	Total
California	228	35	263
New York	107	-	107
Utah	82	1	83
Oklahoma	69	-	69
Texas	35	5	40
Arizona	30	1	31
Wisconsin ⁽¹⁾	20	1	21
Ohio	15	1	16
Connecticut	14	1	15
Louisiana	14	1	15
Alabama	11	1	12
Nevada	9	1	10
All Other States	358	-	358
Total	992	48	1,040

1.) Includes Kwik Trip LNG Fueling Station built by AFD in LaCrosse, Wisconsin which became operational in April 2012
Source: NGV Journal May 2012 edition

Global Natural Gas Vehicles by Region

Country	NGVs Current ⁽¹⁾	Total Vehicles Current ⁽²⁾	NGVs as a % of total vehicle population
Pakistan	3,100,000	6,217,069	49.86%
Iran	2,859,386	6,966,131	41.05%
Argentina	2,067,548	7,608,744	27.17%
Brazil	1,702,790	14,277,600	11.93%
India	1,100,376	14,554,000	7.56%
Italy	779,090	39,089,755	1.99%
China	611,900	35,860,638	1.71%
Colombia	365,168	1,238,216	29.49%
Thailand	305,290	24,931,615	1.22%
Armenia	244,000	327,477	74.51%
Ukraine	200,019	4,949,346	4.04%
Bangladesh	200,000	293,472	68.15%
Egypt	165,392	2,373,723	6.97%
Bolivia	140,400	475,632	29.52%
USA	112,000	234,646,314	0.05%
Rest of the World	1,093,947	434,387,292	0.25%
Total	15,047,306	828,197,024	1.82%

1.) Source: NGV Journal May 2012 edition

2.) Source: AGL Resources NGV Infrastructure Presentation

Enormous room for growth

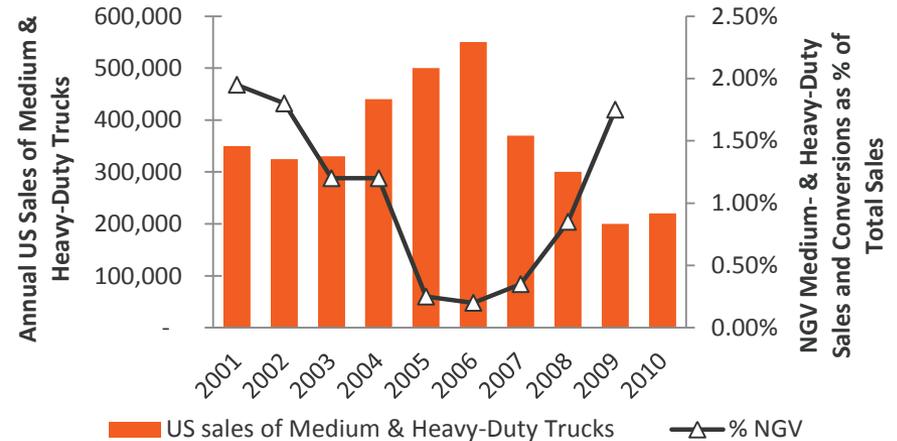
- Currently there are 100M trucks and buses in the US, and approximately 1,000 LNG and CNG stations
- There are only approximately 100,000 NGVs in the US presently
- The price differential between diesel and natural gas will compel more fleet operators to convert their fleets to CNG/LNG
- If 10% (10M trucks) were to convert to run on CNG/LNG, over 5,000 additional stations will be required to be built to meet demand

Natural Gas Vehicles Market Growth

NGVs Gaining Momentum

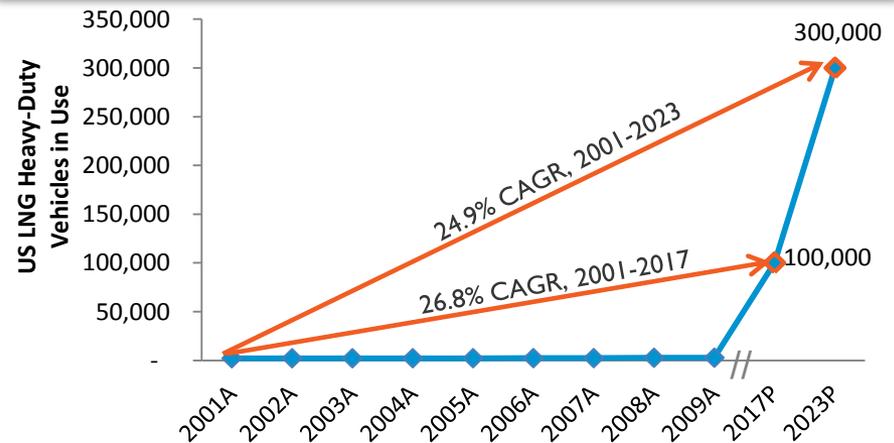
- ❄️ **LA Metro Bus fleet runs entirely on natural gas**
 - One of many domestic transit agencies to run its fleets on natural gas
 - In total, 125 transit agencies operate more than 10,000 natural gas powered buses
- ❄️ **Thirty-Five airports now have natural gas-powered vehicles**
- ❄️ **Waste Management has more than 1,000 natural gas trucks**
 - North America's largest trash hauler
 - 80% of its new trucks are NGVs
- ❄️ **Almost any make or model of passenger car, truck, bus or other vehicle can be manufactured or modified to run on natural gas**
- ❄️ **With more natural gas fueling facilities opening across the U.S., natural gas is expected to become a more readily accessible fuel**

NGV Medium & Heavy-Duty Sales and Conversions as % of Total Sales



Source: DOE

US LNG Heavy-Duty Vehicles



Source: DOE, NGV America

Tremendous Industry Tailwinds

 **Public and commercial awareness of the benefits of abundant natural gas**

 **Growth of Natural Gas Vehicles**

- A total of 125 transit agencies operate more than 10,000 natural gas buses
- 35 airports have natural gas-powered vehicles
- Waste Management Inc. utilizes more than 1,000 natural gas trucks
- NGV America projects 750,000 CNG Vehicles and 100,000 LNG vehicles by 2017 climbing to 1.9M and 300,000 respectively by 2023

 **Infrastructure Growth**

- Currently ~1,040 stations in operation and projected growth to 1,700+ by 2017

 **Enhanced Levels of Investment Capital**

- Clean Energy Fuels has raised \$450 million of investment capital within the past year for industry infrastructure build-out

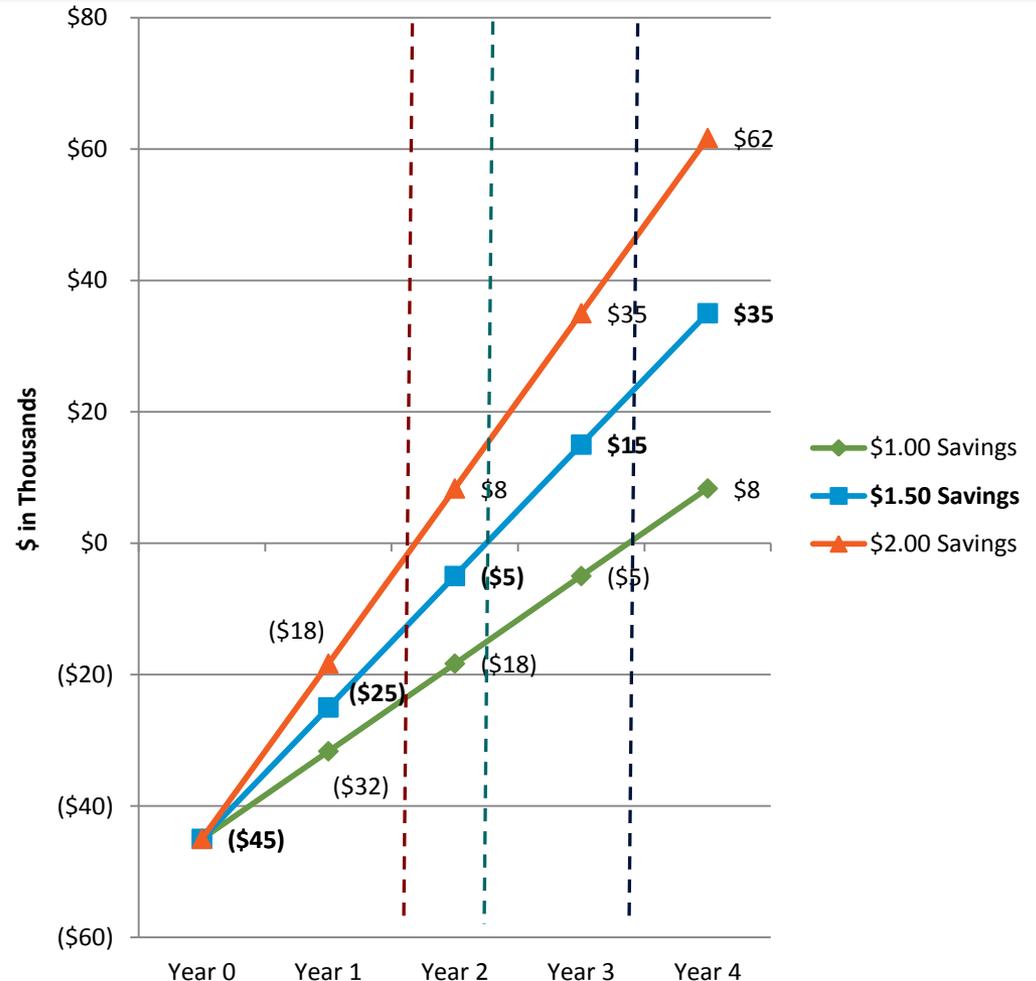
Benefits of Natural Gas	
Benefit	Description
Economic	<ul style="list-style-type: none"> • Currently price up to \$1.50 or more per gallon lower than diesel or gasoline, potentially reducing costs significantly for vehicle and fleet owners. • According to a HIS Global Insight Report: <ul style="list-style-type: none"> – The natural gas industry represents more than 2.8 million jobs. – In 2010, the shale gas industry supported more than 600,000 jobs, with projections of 900,000 by 2015 and 1.6 million by 2013.
Environmental	<ul style="list-style-type: none"> • Transportation is responsible for approximately 29% of total U.S. greenhouse gas emissions. • Natural gas lowers greenhouse gas emissions up to 30% in light-duty vehicles.
Security & Safety	<ul style="list-style-type: none"> • The Energy Information Administration (“EIA”) estimates that 98% of the natural gas consumed in the U.S. in 2010 was supplied from the U.S. and Canada, while only 42% of the crude oil consumed in the U.S. was supplied from the U.S. and Canada. • Utilizing the abundant domestic natural gas supply can significantly reduce U.S. dependence on foreign oil. It is estimated that by converting 25% of vehicles to natural gas, crude oil import costs would be reduced by \$650 million per day.

LNG Truck Investment Pay-Back Period

Decision Parameters

- Whether purchasing a new LNG truck or converting a diesel engine to LNG, the upfront cost associated is approximately \$45,000
- The average LNG truck achieves approximately 6 miles per diesel gallon equivalent (DGE) in fuel economy
- The average savings between LNG and diesel per DGE to the fleet operator is approximately \$1.50
- The average heavy-duty truck driver has 2,000 available hours per year to drive
- At 50 miles per hour, utilizing 80% of available hours, the average driver will travel 80,000 miles per year
- This will result in \$20,000 of fuel cost savings per year
- The \$45,000 upfront cost will be recouped in approximately 27 months
- After 27 months, the savings impact turns positive

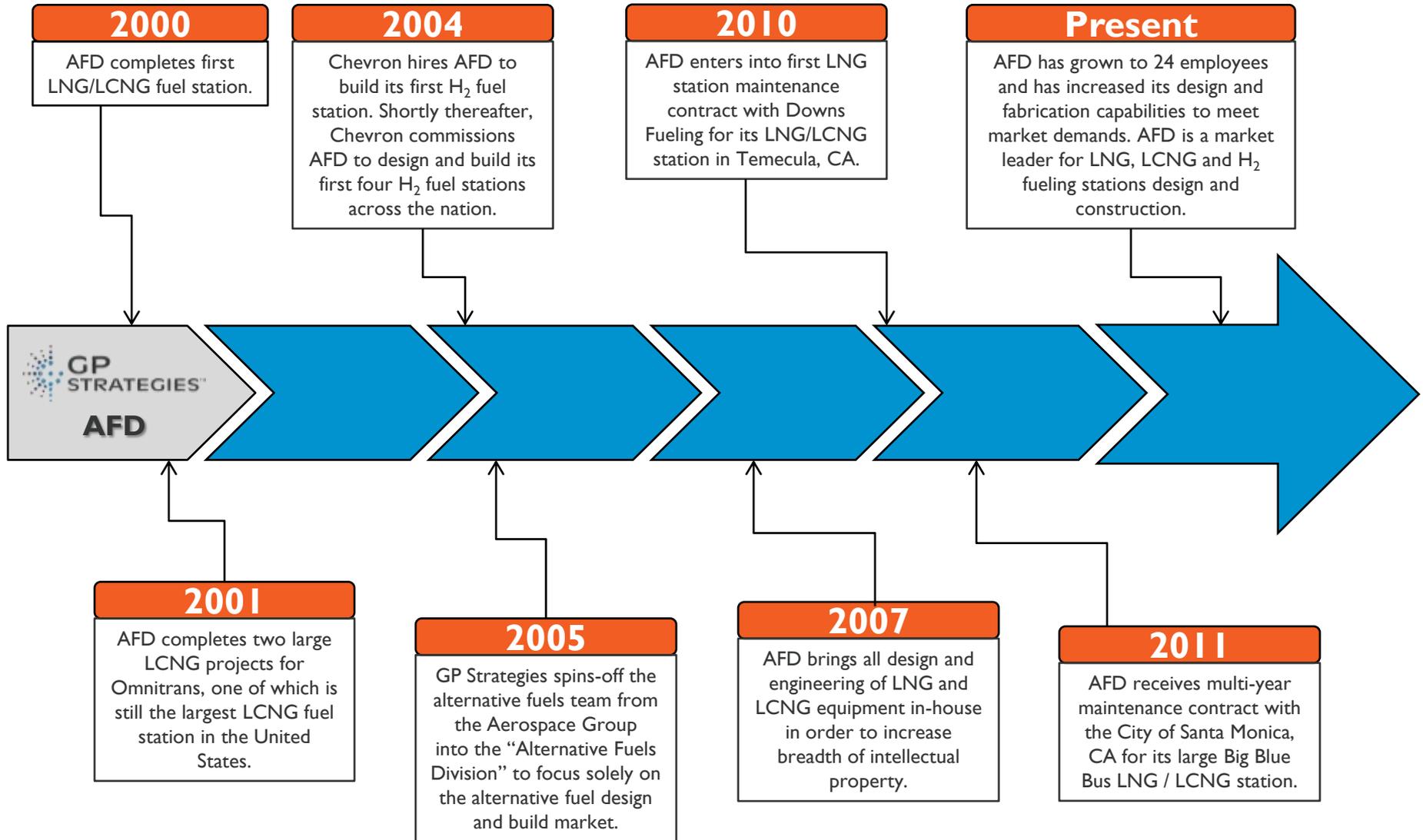
LNG Truck Pay-Back Schedule Sensitivity



Section IV

Company Overview

Company History



Current Product & Services Offerings



Design Services

- Database of design work from previous engagements represent over 90% of LNG / LCNG fuel station configurations
- Leverage previously implemented designs to minimize costs
- LNG / LCNG industry trending towards standardized designs
- Ability to control design decisions provides material advantage over competitors

Construction Services

- Offers complete array of construction services
- For typical projects, perform all construction involved (e.g. installation of concrete foundations, electrical components, etc.)
- Can perform site improvement projects utilizing internal staff or local contractors

Station Maintenance

- 2010 entered into first LNG station maintenance contract with Downs Fueling
- Transformation of AFD into full-service design / build / maintenance business
- Economically attractive due to recurring revenue stream
- Basic monthly & quarterly maintenance on fixed price basis (repairs / after-hour services priced on time and materials basis)

Equipment Leasing

- Equipment leasing has experienced significantly increased demand and attractive returns
- Currently leasing TVAC-based LNG station to Boarder Valley Trading
- In discussion to lease LNG Vaporizer System and 8-12 month LNG supply contract worth \$25,000 in revenue / week
- In development stages of the Pumpless LNG Station

Introduction to GP Strategies' AFD

❄️ **GP Strategies Corporation (NYSE: GPX), is a leading performance improvement and training company**

❄️ **GP's Alternative Fuels Division (AFD) is a market leader in the design, engineering, construction and maintenance of fueling stations**

- Headquartered in Escondido, California
- Completed its first LNG/LCNG fueling station in 2000

❄️ **Diversified offerings include design / build services for a variety of fueling stations:**

- Liquefied Natural Gas (LNG)
- Liquid to Compressed Natural Gas (LCNG)
- Hydrogen (H₂)

❄️ **AFD has designed and/or built over 60 LNG, LCNG and H₂ stations in North America**

- Includes 2 largest LNG and LCNG fuel stations in the United States
- Proposing on CNG Stations



Strong Momentum in Core Offerings

Blue-Chip Clients Demanding AFD's Services

