November 7, 2013

Clean Energy Reports Gallons Delivered Rose 17% During The Third Quarter of 2013

NEWPORT BEACH, Calif.--(BUSINESS WIRE)-- Clean Energy Fuels Corp. (NASDAQ: CLNE) (Clean Energy or the Company) today announced operating results for the third quarter and nine months ended September 30, 2013.

Gallons delivered (defined below) for the third quarter of 2013 totaled 56.4 million gallons, compared to 50.9 million gallons delivered in the same period a year ago. Gallons delivered were up 17% for the third quarter of 2013 when excluding 2.5 million gallons delivered in the third quarter of 2012 by the Company's Peruvian joint venture, which was sold in March of 2013. For the nine months ended September 30, 2013, gallons delivered totaled 158.9 million gallons, up from 143.2 million gallons for the nine months ended September 30, 2012.

Revenue for the third quarter ended September 30, 2013 was $86.3 million. Revenue for the third quarter ended September 30, 2012 was $91.5 million, which included $17.6 million in construction revenue related to the sale of two large CNG stations to one transit customer. For the nine months ended September 30, 2013, revenue totaled $267.5 million, which is up from $234.9 million a year ago. Additionally, when comparing periods, note that the Company recognized revenue attributable to the volumetric excise tax credit (VETC) of $6.0 million and $38.1 million in the third quarter and first nine months of 2013, but did not recognize any revenue attributable to VETC in the third quarter and first nine months of 2012. The American Taxpayer Relief Act, signed into law on January 2, 2013, reinstated VETC through December 31, 2013 and made it retroactive to January 1, 2012. The Company recognized $20.8 million of VETC revenue in the first quarter of 2013 attributable to 2012 sales of CNG and LNG. Also during the second quarter, the Company sold its subsidiary, BAF Technologies, Inc., and recognized a gain of $15.5 million on the transaction.

Andrew J. Littlefair, Clean Energy's President and Chief Executive Officer, stated: "The natural gas fuel market is on the cusp of unprecedented levels of growth, and I am proud of Clean Energy's role in leading the way with our expanding network of both CNG & LNG stations to meet the growing needs of our fleet customers. With the recent introduction of the 12-liter engine and our strategic alliance with GE Capital to help offset the incremental cost of natural gas trucks, the final barriers to adoption are being removed for America's trucking fleets to take advantage of both the economic and environmental benefits of natural gas fueling."

Adjusted EBITDA for the third quarter of 2013 was $4.2 million. This compares with adjusted EBITDA of $(3.1) million in the third quarter of 2012. For the nine months ended September 30, 2013, adjusted EBITDA was $35.4 million, compared with $(6.7) million for the same period in 2012. Adjusted EBITDA is described below and reconciled to the GAAP measure net loss attributable to Clean Energy Fuels Corp.

Non-GAAP loss per share for the third quarter of 2013 was $0.16, compared with a non-GAAP loss per share for the third quarter of 2012 of $0.19. For the nine months ended September 30, 2013, non-GAAP loss per share was $0.19, compared with $0.52 per share for the first nine months in 2012. Non-GAAP loss per share is described below and reconciled to the GAAP measure net loss attributable to Clean Energy Fuels Corp.

On a GAAP basis, net loss for the third quarter of 2013 was $18.8 million, or $0.20 per share, and included a non-cash gain of $1.4 million related to the accounting treatment that requires Clean Energy to value its Series I warrants and mark them to market, a non-cash charge of $5.7 million related to stock-based compensation, and foreign currency gains of $0.2 million on the Company's IMW purchase notes. This compares with a net loss for the third quarter of 2012 of $16.3 million, or $0.19 per share, which included a non-cash gain of $5.7 million related to marking to market the Series I warrants, $6.0 million of non-cash stock-based compensation charges, and foreign currency gains of $0.7 million on the IMW purchase notes.

Net loss for the nine month period ended September 30, 2013, which included a non-cash gain of $0.9 million related to the valuation of the Series I warrants, non-cash stock-based compensation charges of $17.3 million, and foreign currency losses of $0.3 million on its IMW purchase notes, was $34.7 million, or $0.37 per share. This compares with a net loss in the nine months ended September 30, 2012 of $59.5 million, or $0.69 per share, which included a non-cash gain for the Series I warrants of $1.1 million, non-cash stock-based compensation charges of $16.5 million, and foreign currency gains of $0.7 million on its IMW purchase notes.

Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements, which statements are prepared and presented in accordance with generally accepted accounting principles (GAAP), the Company uses non-GAAP financial measures called non-GAAP earnings per share (non-GAAP EPS or non-GAAP earnings/loss per share) and Adjusted EBITDA. Management has presented non-GAAP EPS and Adjusted EBITDA because it uses these non-GAAP financial measures to assess its operational performance, for financial and operational decision-making, and as a means to evaluate period-to-period comparisons on a consistent basis. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company's performance by excluding certain non-cash or non-recurring expenses that are not directly attributable to its core operating results. In addition, management believes these non-GAAP financial measures are useful to investors because: (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making; (2) they exclude the impact of non-cash or, when specified, non-recurring items that are not directly attributable to the Company's core operating performance and that may obscure trends in the core operating performance of the business; and (3) they are used by institutional investors and the analyst community to help them analyze the results of Clean Energy's business. In future quarters, the Company may make adjustments for other non-recurring significant expenditures or significant non-cash charges in order to present non-GAAP financial measures that are indicative of the Company's core operating performance.

Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, the Company's GAAP results. The Company expects to continue reporting non-GAAP financial measures, adjusting for the items described below, and the Company expects to continue to incur expenses similar to the non-cash, non-GAAP adjustments described below. Accordingly, unless otherwise stated, the exclusion of these and other similar items in the presentation of non-cash, non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent or non-recurring. Non-GAAP EPS and Adjusted EBITDA are not recognized terms under GAAP and do not purport to be an alternative to GAAP earnings/loss per share or operating income (loss) as an indicator of operating performance or any other GAAP measure. Moreover, because not all companies use identical measures and calculations, the presentation of non-GAAP EPS or Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. These limitations are compensated for by management by using non-GAAP EPS and Adjusted EBITDA in conjunction with traditional GAAP operating performance and cash flow measures.

Non-GAAP EPS

Non-GAAP EPS is defined as net income (loss) attributed to Clean Energy, plus stock-based compensation charges, net of related tax benefits, plus or minus any mark-to-market losses or gains on the Company's Series I warrants, and plus or minus the foreign currency losses or gains on the Company's purchase notes issued as part of the acquisition of IMW, the total of which is divided by the Company's weighted average shares outstanding on a diluted basis. The Company's management believes that excluding non-cash charges related to stock-based compensation provides useful information to investors because of varying available valuation methodologies, the volatility of the expense (which depends on market forces outside of management's control), and the subjectivity of the assumptions and the variety of award types that a company can use under the relevant accounting guidance may obscure trends in the Company's core operating performance. Similarly, the Company's management believes that excluding the non-cash, mark-to-market losses or gains on the Company's Series I warrants is useful to investors because the valuation of the Series I warrants is based on a number of subjective assumptions, the amount of the loss or gain is derived from market forces outside management's control, and it enables investors to compare the Company's performance with other companies that have different capital structures. The Company's management believes that excluding the foreign currency gains and losses on the notes it issued to purchase IMW provides useful information to investors as the amounts are based on market conditions outside of management's control and the amounts relate to financing the acquisition of the business as opposed to the core operations of the Company.

The table below shows non-GAAP EPS and also reconciles these figures to the GAAP measure net loss attributable to Clean Energy Fuels Corp.:

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
(in 000s, except per-share amounts)	**2012**	**2013**	**2012**	**2013**
Net Loss Attributable to Clean Energy Fuels Corp.	$ (16,321)	$ (18,836)	$ (59,520)	$ (34,650)
Stock Based Compensation, Net of Tax Benefits	6,044	5,684	16,492	17,347
Mark-to-Market Gain on Series I Warrants	(5,692)	(1,366)	(1,085)	(861)
Foreign Currency (Gain) Loss on IMW Purchase Notes	(741)	(150)	(691)	291
Adjusted Net Loss	$ (16,710)	$ (14,668)	$ (44,804)	$ (17,873)
Diluted Weighted Average Common Shares Outstanding	87,006,024	94,338,525	86,441,196	93,823,223
Non-GAAP Loss Per Share	$ (0.19)	$ (0.16)	$ (0.52)	$ (0.19)

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss) attributable to Clean Energy, plus or minus income tax expense or benefit, plus or minus interest expense or income, net, plus depreciation and amortization expense, plus or minus the foreign currency losses or gains on the Company's notes issued as part of its acquisition of IMW, plus stock-based compensation charges, net of related tax benefits, and plus or minus any mark-to-market losses or gains on the Company's Series I warrants. The Company's management believes that Adjusted EBITDA provides useful information to investors for the same reasons discussed above for Non-GAAP EPS. In addition, management internally uses Adjusted EBITDA to determine elements of executive and employee compensation.

The table below shows Adjusted EBITDA and also reconciles these figures to the GAAP measure net loss attributable to Clean Energy Fuels Corp.:

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
(in 000s)	**2012**	**2013**	**2012**	**2013**
Net Loss Attributable to Clean Energy Fuels Corp.	$ (16,321)	$ (18,836)	$ (59,520)	$ (34,650)
Income Tax Expense	277	558	695	2,656
Interest Expense, Net	4,314	7,418	11,337	18,771
Depreciation and Amortization	9,047	10,924	26,098	31,859
Foreign Currency (Gain) Loss on IMW Purchase Notes	(741)	(150)	(691)	291
Stock Based Compensation, Net of Tax Benefits	6,044	5,684	16,492	17,347
Mark-to-Market Gain on Series I Warrants	(5,692)	(1,366)	(1,085)	(861)
Adjusted EBITDA	$ (3,072)	$ 4,232	$ (6,674)	$ 35,413

Gallons Delivered

The Company defines "gallons delivered" as its compressed natural gas (CNG), liquefied natural gas (LNG), renewable natural gas (RNG) and the gallons associated with providing operations and maintenance services delivered to its customers during the period.

Today's Conference Call

The Company will host an investor conference call today at 4:30 p.m. Eastern time (1:30 p.m. Pacific). Investors interested in participating in the live call can dial 1-877-407-4018 from the U.S. and international callers can dial 1-201-689-8471. A telephone replay will be available approximately two hours after the call concludes, through Saturday, December 7, 2013, which can be reached by dialing 1-877-870-5176 from the U.S., or 1-858-384-5517 from international locations, and entering Replay Pin Number 13572489. There also will be a simultaneous, live webcast available on the Investor Relations section of the Company's web site at www.cleanenergyfuels.com, which will be available for replay for 30 days.

About Clean Energy Fuels

Clean Energy Fuels Corp. (Nasdaq: CLNE) is the largest provider of natural gas fuel for transportation in North America. We build and operate compressed natural gas (CNG) and liquefied natural gas (LNG) fueling stations; manufacture CNG and LNG equipment and technologies for ourselves and other companies; and develop renewable natural gas (RNG) production facilities. For more information, visit www.cleanenergyfuels.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks, uncertainties and assumptions, such as statements regarding growth in the natural gas fuels market, the benefits of the Company's strategic alliance with GE Capital to help offset the incremental cost of natural gas trucks, America's Natural Gas Highway, the transition of the heavy-duty trucking industry to natural gas, market acceptance of natural gas as a vehicle fuel, future growth and sales opportunities in all of the Company's markets, which include trucking, refuse, airport, taxi and transit, the availability of natural gas engines and natural gas heavy-duty trucks, the benefits of natural gas relative to diesel and gasoline, and the recognition of revenue attributable to the VETC. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors including, but not limited to, changes in the prices of natural gas relative to gasoline and diesel, the Company's failure to recognize the anticipated benefits of building America's Natural Gas Highway, the availability and deployment of, as well as the demand for, natural gas engines that are well-suited for the U.S. long-haul, heavy-duty truck market, future availability of equity or debt financing needed to fund the growth of the Company's business, the Company's ability to source and supply sufficient LNG to meet the needs of its business, the Company's ability to effectively manage its current LNG plants and the construction of new LNG plants, the Company's ability to efficiently manage its growth and retain and hire key personnel, the acceptance of natural gas vehicles in the Company's markets, the availability of natural gas vehicles, relaxation or waiver of fuel emission standards, the Company's ability to capture a substantial share of the anticipated growth in the market for natural gas fuel and otherwise compete successfully, the Company's failure to manage risks and uncertainties related to its international operations, construction and permitting delays at station construction projects, the Company's ability to integrate acquisitions, the availability of tax and related government incentives for natural gas fueling and vehicles, compliance with governmental regulations and the Company's ability to manage and grow its RNG business. The forward-looking statements made herein speak only as of the date of this press release and the Company undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law. Additionally, the Company's Form 10-Q filed on November 7, 2013 with the SEC (www.sec.gov), contains risk factors that may cause actual results to differ materially from the forward-looking statements contained in this press release.

Clean Energy Fuels Corp. and Subsidiaries
Condensed Consolidated Balance Sheets
December 31, 2012 and September 30, 2013
(Unaudited)
(In thousands, except share data)

	December 31, 2012	September 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 108,522	$ 352,136
Restricted cash	8,445	10,632
Short-term investments	38,175	54,307
Accounts receivable, net of allowance for doubtful accounts of $905 and $768 as of December 31, 2012 and September 30, 2013, respectively	57,594	56,259
Other receivables	17,808	27,685
Inventory, net	38,152	39,720
Prepaid expenses and other current assets	16,002	17,402
Total current assets	284,698	558,141
Land, property and equipment, net	428,177	468,224
Restricted cash	13,208	564
Notes receivable and other long-term assets	71,389	75,918
Investments in other entities	2,581	—
Goodwill	75,865	90,031
Intangible assets, net	99,282	83,706
Total assets	$ 975,200	$ 1,276,584
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	$ 30,389	$ 25,797
Accounts payable	39,216	30,861
Accrued liabilities	30,794	49,957
Deferred revenue	13,521	13,501
Total current liabilities	113,920	120,116
Long-term debt and capital lease obligations, less current portion	300,636	529,424
Long-term debt, related party	—	65,000
Other long-term liabilities	14,014	14,061
Total liabilities	428,570	728,601
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value. Authorized 1,000,000 shares; issued and outstanding no shares	—	—
Common stock, $0.0001 par value. Authorized 149,000,000 shares; issued and outstanding 87,634,478 shares and 89,355,397 shares at December 31, 2012 and September 30, 2013, respectively	9	9
Additional paid-in capital	837,367	877,351
Accumulated deficit	(300,814)	(335,464)
Accumulated other comprehensive income	6,151	2,158

Total Clean Energy Fuels Corp. stockholders' equity	542,713	544,054
Noncontrolling interest in subsidiary	3,917	3,929
Total stockholders' equity	546,630	547,983
Total liabilities and stockholders' equity	$ 975,200	$ 1,276,584

Clean Energy Fuels Corp. and Subsidiaries
Condensed Consolidated Statements of Operations
For the Three Months and Nine Months Ended September 30, 2012 and 2013
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2013**	**2012**	**2013**
Revenue:				
Product revenues	$ 82,720	$ 75,389	$ 206,201	$ 237,247
Service revenues	8,739	10,932	28,734	30,233
Total revenues	91,459	86,321	234,935	267,480
Operating expenses:				
Cost of sales:				
Product cost of sales	67,392	51,941	162,985	157,680
Service cost of sales	3,839	2,866	12,662	9,809
Derivative gains:				
Series I warrant valuation	(5,692)	(1,366)	(1,085)	(861)
Selling, general and administrative	30,557	33,511	83,323	101,574
Depreciation and amortization	9,047	10,924	26,098	31,859
Total operating expenses	105,143	97,876	283,983	300,061
Operating loss	(13,684)	(11,555)	(49,048)	(32,581)
Interest expense, net	(4,314)	(7,418)	(11,337)	(18,771)
Other income (expense), net	1,914	736	1,578	(757)
Income (loss) from equity method investment	152	—	315	(76)
Gain from sale of equity method investment	—	—	—	4,705
Gain from sale of subsidiary	—	—	—	15,498
Loss before income taxes	(15,932)	(18,237)	(58,492)	(31,982)
Income tax expense	(277)	(558)	(695)	(2,656)
Net loss	(16,209)	(18,795)	(59,187)	(34,638)
Income of noncontrolling interest	(112)	(41)	(333)	(12)
Net loss attributable to Clean Energy Fuels Corp.	$ (16,321)	$ (18,836)	$ (59,520)	$ (34,650)
Loss per share attributable to Clean Energy Fuels Corp.:				
Basic	$ (0.19)	$ (0.20)	$ (0.69)	$ (0.37)
Diluted	$ (0.19)	$ (0.20)	$ (0.69)	$ (0.37)
Weighted-average common shares outstanding:				
Basic	87,006,024	94,338,525	86,441,196	93,823,223
Diluted	87,006,024	94,338,525	86,441,196	93,823,223

Included in net loss are the following amounts (in millions):

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2012	**2013**	**2012**	**2013**
Construction Revenues	$ 31.0	$ 5.2	$ 53.6	$ 20.2
Construction Cost of Sales	(28.4)	(3.9)	(49.5)	(16.6)
Fuel Tax Credits	—	6.0	—	38.1

Stock-based Compensation Expense, Net of Tax Benefits	(6.0)	(5.7)	(16.5)	(17.3)

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Source: Clean Energy Fuels Corp.

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