



OFFICE OF ENERGY INDEPENDENCE

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Iowa Power Fund Awards \$3.9 Million for Nation's First Biorefinery Demonstration Facility *High value specialty chemicals, jet fuel to be produced from natural fats, oils at Newton facility*

(DES MOINES, Iowa) Dec. 15—The Iowa Power Fund Board recently approved a \$3.9 million grant and final contract terms that will help transform the REG managed biodiesel facility in Newton, Iowa into an integrated bio-refinery that will produce high value specialty chemicals and jet fuel from renewable oils and fats.

“The collaborative effort between Elevance, the Renewable Energy Group, and Technochem will demonstrate the ability to convert existing biodiesel facilities with bolt-on technology to produce diversified bio-chemical product streams with feedstocks largely sourced in Iowa, said Office of Energy Independence Director Roya Stanley. “From feedstock delivery, to production, and future integration potential, the project being demonstrated first in Iowa, is a strong continuation of the State’s commitment to remaining on the cutting edge in the development and continued improvement of biofuel and other bio-product production.”

The Power Fund grant provides incentive to secure this shovel-ready demonstration project being built in Newton, where it will create 40-50 skilled positions in 2010.

The biorefinery will be based on Elevance’s novel technology, olefin metathesis, which won the Nobel Prize in chemistry in 2005, to convert soybean oil, inedible corn oil, animal fats and other raw materials into jet fuel, high value specialty chemicals and biodiesel. The plant will be used to evaluate a variety of renewable feedstocks, produce products for market development and develop data which can be applied in the design of a commercial scale unit.

“The Iowa Power Fund has played a key role in bringing together the parties involved with this biorefinery. Their support is expediting commercialization of industry-leading biorefining technology in Iowa, building new specialty chemicals demand for Iowa’s products and creating new jobs in a growing industry,” explained Elevance Renewable Sciences, Inc.’s Chief Executive Officer, K'Lynne Johnson. “This investment enables use of existing biodiesel plant infrastructure which allows for expedited commercialization versus building brand new facilities. We look forward to completing the contracts, beginning construction of the plant in Newton and bringing these products to market as quickly as possible. The Power Fund Board approval is a key step forward in that process.”

“With the Iowa Power Fund’s support, REG looks forward to moving quickly to complete the demonstration facility in order to begin production of renewable specialty chemicals and jet fuel alongside high quality biodiesel production in Newton, “said REG’s chief executive officer, Jeff Stroburg. “With almost fifteen years of renewable fuels industry experience, this grant helps our

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Iowans creating an economically viable and environmentally sound energy future.

Iowa business continue to build on our foundation of supporting Iowa agriculture and green collar jobs.”

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Reaction from the industry:

“In the short run, this Iowa Power Fund grant leverages existing investments in the biodiesel industry and federal funding to ensure that this first-of-its-kind biorefinery is right here in Iowa. In the long run, this project cements Iowa's reputation as the place for next-generation renewable technology investment.”
-Monte Shaw, Executive Director, Iowa Renewable Fuels Association

“Today, biodiesel has grown to be an important market for Iowa’s soybean producers. By enabling the production of high value specialty chemicals this novel biorefinery technology opens a significant portion of the over \$500 billion specialty chemical industry previously not accessible to soybeans and encourages further growth of the biofuels market. Thank you to the Iowa Power Fund for making an important investment in Iowa agriculture, renewable fuels and new markets for soybeans.”
-Delbert Christensen, President, Iowa Soybean Association

“Animal fats have become an integral part of today’s biodiesel feedstock complex. For continued growth and energy security, the development of new technologies that can utilize feedstocks such as beef tallow is critical. On behalf of Iowa’s beef producers, we appreciate the continued support of the Iowa Power Fund in supporting projects like this biorefinery that continue to add value to the livestock industry.”
-Bill Couser, Board Member, Iowa Cattlemen’s Association

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