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Hart Energy Publishing LP, 1616 S. Voss, Suite 1000, Houston, Texas 77057 USA • (1) 713.993.9320 • Fax (1) 713.840.8585

Press Contact: Jeff Miller
Corporate Director of Marketing
Hart Energy Publishing, LP
(1) 713.260.6467
jmillier@hartenergy.com

IFQC's Global Biofuels Center Announces Ethanol Capacity Reaches 5 Billion Gallon Mark Biodiesel Capacity Exploding in U.S. with 1 Billion Gallons Online by 2009

HOUSTON, TEXAS (October 10, 2006) - - - A new analysis on ethanol and biodiesel production capacity in the U.S. by the *International Fuel Quality Center's (IFQC) Global Biofuels Center* produced exclusively for its members reports that over the next year, the amount of ethanol in the gasoline pool will increase as will the amount biodiesel in the diesel pool.

The *Global Biofuels Center* estimates that by the end of 2006, total ethanol production capacity will total 5.77 billion gallons, exceeding the 2008 Renewable Fuels Standard (RFS) target of 5.4 billion gallons, and that by the beginning of 2008, ethanol production capacity will reach about 8 billion gallons. Biodiesel capacity is continuing to grow as well, and will reach one billion gallons next year, though actual production and consumption will be lower.

Global Biofuels Center Executive Director Tammy Klein said, "Ethanol production capacity is growing at such a fast rate, we are estimating the RFS 2012 target of 7.5 billion gallons/year will actually be exceeded by 2008, with approximately 7.8 billion gallons of capacity coming online.

"With the new ADM and Aventine projects, which are under development and we expect will be constructed, we project 10 billion gallons of ethanol capacity online and operating in 2009 – just incredible growth for the industry," she said.

There are currently 108 ethanol production facilities with a total capacity of 5.02 billion gallons/year, with the opening of the U.S. BioEnergy plant in Woodbury, Michigan crossing the 5 billion gallon threshold. There are an additional 52 facilities under construction representing an additional 3.15 billion gallons in capacity, by *Global Biofuels Center* estimates.

“What’s remarkable,” Klein noted, “is that it took 28 years to get to the first five billion gallons in capacity, but the next five billion will be accomplished in less than three.” Klein said several other plants are slated to begin operation in the last quarter of 2006, including E3 BioFuels in Mead, Nebraska and Red Trail Energy in Richardton, North Dakota, among others.

By *Global Biofuels Center* estimates, another 255 plants are under consideration representing another 17.39 billion gallons/year in capacity. “If only 10 percent of these plants were to be constructed, we would effectively have about 12 billion gallons of capacity operating in the 2010-2012 timeframe.”

Tremendous Growth in Biodiesel Capacity

The *Global Biofuels Center* estimates there are 110 biodiesel production facilities currently operating with another 166 that are planned and in various stages of development. Total existing annual capacity is approximately 807 million gallons; planned capacity is approximately 2.78 billion gallons and includes those plants currently under construction. “It’s entirely likely we will have 1 billion gallons of biodiesel capacity operating sometime in 2007,” Klein said.

Second-Generation Biofuels Will See Capacity Growth

“Second-generation” biofuels such as cellulosic ethanol and renewable diesel offer great promise, utilizing a wide array of feedstocks, while expanding fuel supplies and complementing ethanol and biodiesel,” Klein said. Approximately 15 cellulosic ethanol plants are planned around the country and are in differing stages of development utilizing various sorts of biomass, according to the *Global Biofuels Center*. No plants are yet announced for renewable diesel, which use soy, animal fats, cooking oil and other feedstocks. However, Klein said that new legislation recently enacted in Louisiana and being considered in California could pave the way soon for the first of such plants.

These issues and others will be the focus of the *IFQC’s* 9th Annual Policy Briefing that will be held Monday, October 16 in Washington, DC at the Capital Hilton. More information is available on the web at <http://www.ifqcbiofuels.org/pdfs/BiofuelsAgenda-Washington.pdf>.

Launched in December 2004, the *Global Biofuels Center* covers exclusively for its members all aspects of the global biofuels market including production and consumption; production capacity and

facility developments; technology developments, including second-generation biofuels; fiscal policy and incentives; fuel quality and specifications; and legislative and regulatory policy. Its more than 50 members come from the world's biofuel, refining, and automotive industries, as well as governments. The *Global Biofuels Center* does not advocate any position, but instead provides a neutral forum for members to share and exchange information on the global biofuels market.

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For more information on Hart's IFQC Global Biofuels Center, please visit the website at www.ifqcbiofuels.org or contact Tammy Klein, Executive Director, Global Biofuels & Americas, at +1.703.323.0417 or tklein@ifqc.org.

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