

For Immediate Release

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Floyd Valley Ethanol, LLC Granted Air Permit

Hinton Iowa – Floyd Valley Ethanol, LLC's proposed ethanol facility in Plymouth County, Iowa, took a big step forward Tuesday by securing its Iowa Department of Natural Resources air permit.

John Baardson, Floyd Valley Ethanol's president and CEO, applauded the news and said this is a big step towards construction.

"Our company has been received warmly by the state and local government and the people of northwest Iowa. We look forward to becoming a part of the community and making a positive economic impact," Baardson said. Floyd Valley Ethanol is a Baard Energy, L.L.C., company. Baard is a leading energy project development company located in Vancouver, Washington. Its team has successfully developed an 88 million gallon per year plant in Ravenna, Nebraska, and a 65 million gallon per year plant in Coshocton, Ohio. Its affiliates have successfully developed over 1,200 MW of electrical generation facilities in the last twenty years and are currently developing Coal to Liquids projects.

Floyd Valley Ethanol was also awarded tax benefits by the Economic Development Board and the Iowa Department of Economic Development (IDED) through the High Quality Job Creation (HQJC) program for creating skilled jobs in Plymouth County.

Hinton is in central Plymouth County, Iowa, about ten miles northeast of Sioux City, Iowa. Floyd Valley Ethanol is based in Vancouver, WA, with offices in Ohio, Utah and Washington DC.

Construction on the 115 million gallon-a-year ethanol plant is expected to begin in September with a completion date slated for third quarter 2008. At capacity, the plant will also yield 360,000 tons of high grade distiller's grain annually for animal feed.

Roger Price, General Manager of Farmers Coop Company which is partnering with Floyd Valley Ethanol in the development of the project, said demand for ethanol continues to increase.

"Aggregate demand for ethanol, is increasing as called for by President Bush and Congress. At the same time, we believe that corn prices relevant to ethanol will continue to exhibit major volatility. This is precisely the environment for which Floyd Valley Ethanol developed its business model" Price said.

"Corn availability will be a big advantage to Floyd Valley Ethanol with our strategic partnership with Floyd Valley Grain, LLC," Baardson said. Floyd Valley Grain will deliver 38.6 million bushels of corn to the plant annually through its facilities located immediate adjacent to the ethanol plant.

"Also unique to the 90-acre plant site, is our location directly next to the Burlington Northern, Canadian National, and Union Pacific (via trackage rights) railroads" Price added. With access to three first-class railroads, Floyd Valley Ethanol, will market ethanol into all major markets throughout the United States. The site currently has 110 car unit train capabilities for corn and DDG's, and a railroad switch with siding dedicated to 110 car unit train outbound ethanol will be installed.

Plant construction will create more than 400 skilled and non-skilled jobs. When completed, Floyd Valley Ethanol will employ 45 people full-time.