

ABENGOA BIOENERGY



Abengoa Bioenergy and Mid-Kansas Electric Reach Agreement Concerning First Commercial-Scale Hybrid Cellulosic Ethanol and Power Plant in U.S. *Partnership to Diversify Kansas' Electric Generation and Promote Energy Independence*

Hugoton, Kan. – Jan. 19, 2010 –Abengoa Bioenergy and Mid-Kansas Electric Company LLC (Mid-Kansas) announced plans today concerning the development of the nation's first commercial-scale hybrid cellulosic ethanol and power plant, Abengoa Bioenergy Hybrid of Kansas, LLC (ABHK). ABHK is a sustainable solution that will diversify electric generation in Kansas and help power the state's growing demand for energy using Abengoa Bioenergy's state-of-the-art, integrated bio-refinery technology and Mid-Kansas' service capabilities.

An agreement between Abengoa Bioenergy and Mid-Kansas has been signed identifying the terms of a power purchase agreement for 75 megawatts of base load electricity. The electricity will be generated at the electric generation and cellulosic ethanol plant to be constructed in Stevens County, Kan., and will use biomass from crop residue as a fuel source.

"As an international energy company, we believe this project is an important part of our continual growth in bioenergy," said Javier Salgado Leirado, president and CEO of Abengoa Bioenergy. "Advancing this project required the perfect match of agricultural resources, technology, and a utility partner—all present in our partnership with Mid-Kansas. The agreement terms allow us to move forward with the project and bring significant investment to Kansas."

The facility will be constructed at a cost of \$550 million and have the capability to generate electricity and produce cellulosic ethanol. The cellulosic ethanol facility will produce 15 million gallons of ethanol per year and use corn stover, wheat straw and switchgrass as fuel inputs. The plant will use 2,500 tons of biomass daily to produce ethanol and electricity. Start-up operations are expected in 2012.

The construction project will require nearly 100 full-time jobs during the 24-month construction period, generating \$17 million in construction wages.

Once constructed, the plant will require approximately 90 full-time employees and will purchase \$13 million of biomass annually from area farmers and purchase more than \$3 million of other goods and services locally. The plant will pay \$4.5 million in wages annually when operational, and it is expected that more than 50 additional jobs will be needed for biomass procurement. The plant will consume 10 percent to 12 percent of biomass within a 50 mile radius of the plant.

"The Mid-Kansas board is continually looking for opportunities to develop base load resources to add to the Mid-Kansas generation portfolio," said L. Earl Watkins, Jr., president and chief executive officer of Mid-Kansas. "This power purchase agreement will generate base load while benefitting area farmers. We are pleased to support this effort and look forward to a successful relationship with Abengoa Bioenergy."

The contract calls for Mid-Kansas to purchase all electricity from the facility for a 20-year contract period with rights to extend for additional years. Pioneer Electric Cooperative Inc. will provide retail electric service to the facility.

Abengoa Bioenergy

Abengoa Bioenergy (www.abengoabioenergy.com) is the largest European ethanol producer and one of the largest producers in the U.S.A. With two recently acquired production facilities in Brazil, Abengoa Bioenergy is the only worldwide bioethanol manufacturer with production and access to markets on three continents. Abengoa Bioenergy has recently completed construction and is in the process of starting up two new facilities in the U.S., one in Indiana and another in Illinois. When combined with the five operating facilities in Europe and a sixth facility in Rotterdam, which will be completed this year, our total production capacity will exceed 800 million gallons/year. Abengoa Bioenergy is one of five divisions of the Spanish public company Abengoa S.A., a technology company applying innovative solutions for sustainable development in the infrastructure, environment and energy sectors. Abengoa S.A. is present in more than seventy countries where it operates multiple companies within its five business units: solar, bioenergy, environmental services, information technologies, and industrial engineering and construction (www.abengoa.com).

Mid-Kansas Electric Company LLC

Mid-Kansas Electric Company LLC (www.midkansaselectric.net) is a coalition of six rural electric cooperatives serving in 34 western Kansas counties that organized for the purpose of acquiring the assets of Aquila’s Kansas Electric Network. The owners of Mid-Kansas are Lane-Scott Electric Cooperative, Inc., Dighton; Prairie Land Electric Cooperative, Inc., Norton; Southern Pioneer Electric Company, Ulysses (a wholly-owned subsidiary of Pioneer Electric Cooperative, Inc.); The Victory Electric Cooperative Association, Inc., Dodge City; Western Cooperative Electric Association, Inc., WaKeeney; and Wheatland Electric Cooperative, Inc., Scott City. The cooperatives also own Sunflower Electric Power Corporation, a generation and transmission service provider, along with other businesses that provide a wide range of services including water supplies, satellite TV and Internet access, wireless broadband Internet access, cellular telephone service, commercial electrical services and propane delivery services.

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