



Press Release
For Immediate Release

Successful \$100 million private equity financing and new strategic partnerships continue Iowa-based Renewable Energy Group,® Inc.'s leading position in the biodiesel industry

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(Ralston, Iowa) – Renewable Energy Group, Inc. (REG) is pleased to announce the successful completion of \$100 million financing and two new strategic partnerships. NGP Energy Technology Partners, L.P., an affiliate of NGP Energy Capital Management, led the Series A preferred stock financing. Strategic partners, Bunge North America and E D & F Man Holdings Ltd., also invested in the Series A financing. In addition, Natural Gas Partners VIII, L.P., the Sargents, West Central Cooperative, and other Iowa investors participated in the REG financing. The \$100 million financing is one of the largest investments in biodiesel in North America.

REG will use the new capital and strategic partnerships to expand its network of wholly-owned and third-party managed biodiesel plants. REG expects to increase its biodiesel production to approximately 640 million gallons by 2009, including third-party plants.

Viant Group, a San Francisco-based boutique investment bank, advised REG in the transaction.

Renewable Energy Group, Inc. Continues Leadership in Biodiesel Industry

REG was formed through the combination of West Central's biodiesel business and REG, LLC's biodiesel plant construction business, and has produced and sold biodiesel for more than ten years through its predecessor companies. REG is the biodiesel industry leader of B100 sales and is the only full-service biodiesel company offering plant management, risk management, raw material procurement, plant construction, biodiesel production, and biodiesel sales and marketing services. All planned facilities will utilize patented continuous-flow biodiesel production technology featuring water recycling and methanol recovery and be BQ-9000 Accredited. REG serves hundreds of customers including on-highway fleets, original equipment manufacturers, maritime, military, home heating and agriculture industries.

"With the completion of this financing, REG becomes the first independent, biodiesel platform company offering a comprehensive set of management, procurement, marketing and construction services, and the expertise to present outstanding leadership in the biodiesel industry," explained REG Chairman and CEO Jeff Stroburg. "Renewable Energy Group is proud to partner with such outstanding investors who, together, will help us create a nation less dependent on foreign petroleum."





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Increased Raw Material Supply and Distribution to Meet Growing Demand for Biodiesel

Bunge North America and E D & F Man Holdings Ltd. selected REG as a strategic partner in the biodiesel industry and elected to invest in the company. These partnerships provide a dedicated supply of various raw materials, site locations, and risk management and logistics expertise and enable growth in biodiesel production capacity to volumes necessary to meet the consumption demands of large customers nationwide.

More than 80 percent of the production cost of biodiesel occurs in the procurement and transportation of feedstock to the biodiesel production plant itself. With Bunge, the largest oilseed processor in the world, and with E D & F Man Holdings Ltd., a major trader of fats and oils such as palm oil and tallow/yellow grease, REG expands its transportation and distribution network both domestically and globally.

"As Renewable Energy Group grows, these agreements provide us an opportunity to meet the needs of current and future customers on a larger scale than ever before with greater economies of scale," explained Stroburg. "Producing high quality biodiesel is only the first step; getting biodiesel to our customers when and where they need it is a key factor in creating a successful distribution channel." Facilitating further production and transportation efficiencies, REG intends to co-locate several biodiesel production facilities with Bunge North America oilseed processing facilities.

Far-reaching Impact of the Agreement

This agreement continues REG's leading position in the biodiesel industry. The investment and partnerships will allow REG, Inc. to create 496 jobs by 2010 in its network of plants nationwide. In the state of Iowa, REG will increase its current staff of 52 employees to 82 by 2009.

"We are very excited to continue as a leader in the biodiesel industry through these strategic partnerships and investments," adds Stroburg. "As we continue to invest in our supply and distribution network, we anticipate not only job creation, but the ability to affect positive environmental change through greater adoption of biodiesel."