



News Release

Exergy Development Group of Idaho, LLC is excited to announce the formation of Farm 2 Market©, initiating the process to establish the first large-scale, biodiesel processing plant and refinery in Idaho. XRG has narrowed the location of this new venture in Idaho to the Magic Valley. Efforts to secure a final facility location shall soon begin with the specific Magic Valley counties.

The biodiesel facility shall consist of three operations:

- ϕ a seed crushing processing facility with the resultant end product being bio-oil and feed cake for livestock;
- ϕ a processing facility to allow the conversion of organic waste [primarily manure] to bio-oil with byproducts of hydrogen and a superior livestock bedding product; and,
- ϕ a modular 1,200,000 gallon per year biodiesel refinery producing both biodiesel and pharmaceutical grade glycerin.

F2M envisions the facility as a cooperative between farmers, dairy operations, fuel distributors, and XRG. Manure shall be the primary feedstock. F2M's hope is by moving manure through containerized transport from the dairy farms immediately after its production, which may require a modification to existing rules, will reduce both odor and groundwater quality concerns. F2M shall also contract with farmers for the production of various oilseed crops, relying heavily on camelina, a European oilseed requiring less intense farming methods and a greater return to the grower.

F2M's goal is to have the entire facility permitted, completed, and operational in the latter half of 2006 allowing for some oilseed crop to be planted earlier in the year. The end product, biodiesel, is an important contribution to a secure fuel supply and to wean the United States from dependence on foreign oil supply while mitigating rising fuel costs vital for the transport and farming industries. The hydrogen byproduct from a clean renewable resource may also be attractive to lure those institutions researching new technologies for hydrogen power to Idaho.

Exergy's affiliation with the farming community in Idaho is strong with the establishment of 73.5 MW of wind generation under contract with Idaho Power Company benefiting landowners in Idaho. XRG is also in collaboration with Boise State University in the design of XRG's *Zilo*© vertical axis wind turbine and energy storage system. Moving to other renewables resources is part of XRG's continuing strategy of adding value to the Idaho agricultural community while providing new employment and tax base through clean, renewable resources for the citizens of Idaho.

Exergy is soon announcing a similar operation in Montana.

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