

Abengoa starts construction of the commercial scale biomass plant located in Hugoton, Kansas

Hugoton, September 20th, 2011.- Abengoa, an international company that applies innovative technology solutions for the development of sustainability in the energy and environmental sectors, today announced that its subsidiary Abengoa Bioenergy, has received its PSD Air Quality Construction Permit from the State of allowing the commencement of construction on its commercial scale biorefinery facility to be located in Hugoton, Kansas.

The permit was issued on September 16, and the company has already started construction at the site. The construction period is expected to take approximately 24 months, during which time the facility will bring an estimated 300 new direct jobs to the area. After completion the plant will produce over 23 million gallons per year of clean, sustainable, cellulosic ethanol fuel, and will support an annual payroll approaching \$5 million for 65 full time jobs at the facility.

"The construction of this "first of a kind" commercial scale biorefinery facility will allow us to utilize our proprietary technology that has been developed and proven over the last 10 years to produce renewable liquid fuel from earth's most abundant organic feedstock source- plant fiber, or cellulosic biomass," said Manuel Sánchez, CEO of Abengoa. "Our company is excited to begin the commercial implementation of this technology, and ultimately to expand this technology and incorporate it into many of our other production facilities around the world," Sánchez continued.

Kansas Governor Sam Brownback welcomed the construction of Abengoa's new facility, stating, "This is another great example of the private sector and the state's workforce leading the way to do what's best for both the Kansas economy and the environment. This one of a kind project will showcase Kansas as a leader in the development of new technologies for alternative energy production and create well-paying jobs for our state."

The President of the Kansas Senate, Steve Morris, echoed this welcome and added, "I congratulate Abengoa for its willingness to invest in new technologies to move our nation toward cleaner and more energy efficient fuel from renewable local resources. The economic benefit of hundreds of construction jobs, a \$5 million annual permanent payroll at the plant, and additional outlets for Kansas agriculture products is a tremendous benefit for our region and the entire state." State Representative Steve Alford, whose district includes the Hugoton plant site was also pleased to see construction start on the facility, saying, "production of ethanol fuels from biomass agricultural wastes and grasses that are abundant within our state is an exciting opportunity to turn low value products into products that reduce our need to import foreign oil. This is positive news for southwest Kansas and the entire State".

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Innovative technology solutions for sustainability

About Abengoa

Abengoa (MCE: ABG) is an international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, generating electricity from the sun, producing biofuels, desalinating sea water and recycling industrial waste. (www.abengoa.com).

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