

# ABENGOA

Innovative technology solutions for **sustainability**

## Abengoa completes \$132.4 million loan guarantee financing for its first biomass ethanol plant in Hugoton, Kansas

Hugoton, September 30, 2011- Abengoa (MCE: ABG), the 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 finalized a \$132.4 million federal loan guarantee from the US Department of Energy's Loan Programs Office (DOE). Proceeds of the loan will be used for the construction of the company's "first of a kind" commercial scale biorefinery facility to produce renewable ethanol fuel from cellulosic plant fiber.

The conditional commitment for this loan guarantee was announced by DOE on August 19, 2011, and Abengoa successfully satisfied the conditions and closed the financing transaction with DOE on September 28.

The facility will be built near Hugoton, Kansas, and will utilize Abengoa's proprietary enzymatic hydrolysis technology to produce approximately 23 million gallons per year of ethanol fuel from plant fiber, instead of from the starch of course grains which are typically used in other ethanol facilities. The feedstocks for the facility will be primarily agricultural waste products such as the stalks of corn or grain sorghum, but it is also expected to use wheat straw and potentially prairie grasses and even wood wastes.

The plant will also utilize the same biomass feedstocks to produce 20 megawatts of electricity, adequate to power the ethanol production operations, and helping to make the entire facility even more energy efficient and environmentally friendly.

The project is expected to convert approximately 300,000 tons per year of agricultural crop residues, including corn stover (stalks and leaves), into approximately 23 million gallons of ethanol per year using an innovative enzymatic hydrolysis process. The project maximizes the use of agricultural crop residues that would otherwise not be utilized and uses feedstock that does not compete with feed grains. Annually, the project is expected to displace over 15.5 million gallons of gasoline, which will avoid over 139,000 tons of carbon dioxide emissions. Abengoa has entered into an ethanol offtake agreement to sell ethanol produced by the facility and expects more than 90 percent of the project's sourced components to be produced in the U.S.

In addition to producing fuel and energy, the facility will bring a tremendous economic benefit to the region and the entire state of Kansas: an estimated 300 jobs during the two year construction period, followed by a permanent plant employment of 65 full time jobs with a payroll exceeding \$4.5 million annually.

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Abengoa recently announced that construction on the site of the new facility has already begun, and that the total investment in the project will exceed \$350 million.

## 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](http://www.abengoa.com)).

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