



NEWS RELEASE

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USDA AWARDS GRANT HELPS MAKE ETHANOL PRODUCTION MORE PROFITABLE

Champaign, Ill., January 31, 2006—The US Department of Agriculture Rural Development announced a \$288,975 grant to Prairie Gold, Inc. to help the company commercialize a process that could make ethanol production more lucrative for corn growers and investors. The new for-profit company will commercialize a process called Corn Oil and Protein Extraction or COPE. The process will allow dry-grind ethanol plants to extract high value oil and zein from corn used during the manufacturing of ethanol.

Currently the main by-product of ethanol production is distillers dried grain with solubles (DDGS) that is sold for livestock feed. Corn oil and zein have much higher market value than DDGS, and would certainly boost the bottom line for ethanol plants.

Zein is clear, odorless, tasteless, edible and water soluble, making it very valuable in food and pharmaceutical processing. It is a natural protein that can be processed into resins and bioplastics, and used for thousands of applications without adversely affecting the environment.

“This technology adds real value to the ethanol process without the need for any additional inputs and reduces the amount of DDGS being produced,” said Philip Shane, president of the company. Using the COPE system, an ethanol plant could generate several million dollars of additional revenue from the same feedstock used to produce the ethanol.

On his visit to Illinois, USDA Under Secretary for Rural Development Tom Dorr presented the grant check to Shane in Prairie Gold’s new office in Bloomington.

“Moving from being ‘just an ethanol facility’ to being a corn processing plant is the next step toward sustained profitability,” said Illinois Director for Rural Development Doug Wilson. “Advances being made by companies like Prairie Gold are going to have a substantial impact on corn producers, investors and the economy of rural Illinois, and we’re happy to be a part of it.”

Prairie Gold, Inc. was created by the Illinois Corn Growers Association with assistance of the Illinois Corn Marketing Board. They worked with scientists at the University of Illinois to develop the COPE process.

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