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Aventine Forms Ethanol Marketing Agreement with Panda Hereford Ethanol, LP

Pekin, Illinois. — Aventine Renewable Energy, Inc. announced today that it has entered into an agreement to market all fuel grade ethanol produced by Panda Hereford Ethanol, LP, an affiliate of Panda Energy International, Inc.. The 100 million-gallon-a-year ethanol plant located in Hereford, Texas, will begin production in January 2007.

The Panda Hereford Ethanol, LP relationship marks Aventine's fourteenth ethanol marketing agreement, and will bring the amount of ethanol Aventine markets to 925 million gallons a year. As one of the largest producers and marketers of ethanol in the United States, Aventine currently supplies ethanol through the company's ethanol plant production, business relationships and marketing agreements. Financial terms of the Panda Hereford Ethanol, LP agreement, which recently went into effect, were not disclosed.

Todd Carter, President of Panda Development Group said, "We are pleased to team up with Aventine Renewable Energy on our first fuel grade ethanol project. Both parties should benefit from adding production capabilities to Aventine's marketing and distribution system "

Ron Miller, President & CEO of Aventine Renewable Energy, Inc., said the company's plans to extend its ethanol distribution because of the growing demand for ethanol. Large market opportunities for fuel ethanol are developing in the Texas and the Northeastern United States as methyl tertiary butyl ether (MTBE) is being phased out in many parts of the country. Additionally, the recently passed Energy Bill contains a Renewable Fuels Standard that will double ethanol use within 7 years.

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"Aventine meets this demand growth through expanding relationships to purchase and re-sell ethanol produced by third parties through the company's extensive distribution system," Miller said. "Our agreements with Panda Hereford Ethanol, LP and other producers help us meet market needs." Additional producers include Ace Ethanol LLC [Stanley, WI], Adkins Energy LLC [Lena, IL], Glacial Lakes Energy [Watertown, SD], VeraSun Energy [Aurora, SD and Fort Dodge, IA], Quad County Corn Processors Cooperative [Galva, IA], Heartland Grain Fuels [Aberdeen and Huron, SD], Granite Falls Energy [Granite Falls, MN], Agri-Energy [Luverne, MN], Reeve Agri-Energy [Garden City, KS], Nebraska Energy, LLC [Aurora, NE], Midwest Ethanol Producers, Inc. [O'Neill, NE] and Aventine Renewable Energy, Inc [Pekin, IL]

Ethanol is a domestic, renewable fuel that is used as a high-quality octane enhancer. As an oxygenate ethanol is capable of reducing air pollution and improving automobile performance. Ethanol-blended fuels account for more 30 percent of all automotive fuels sold in the United States.

Headquartered in Dallas, Texas, Panda Energy is a privately held company that has built over 9,000 MW of electric generation capacity at a cost of \$5 billion. Panda is currently developing fuel ethanol plants, biomass electric generating facilities, bio-diesel plants and is also actively working on next generation clean coal projects throughout the United States. Additional information on Panda Energy can be found at www.thepandagroup.com.

For more information, please contact Roger Bushue, Aventine Renewable Energy, at (309) 347-9382. Information about Aventine Renewable Energy can be found at www.aventinerei.com.

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