



**For Immediate Release
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Memphis, Tennessee-----Milagro Biofuels of Memphis announces they have begun construction of a biodiesel refinery, which will open in August 2006. The plant will occupy the historic cotton oil mill at the corner of Front Street and Keel Avenue in the city's redevelopment zone. The first phase will produce 3 million gallons of high quality biodiesel with expansion potential exceeding 10 million gallons per year. They will use virgin soy oil as the primary feedstock. Milagro Biofuels' unique refining process has no air emissions or effluent discharge, which recently won their technology partner an EPA award for significant contributions to improve the environment.

Biodiesel is a clean, renewable, energy positive, alternative fuel produced by the transesterification of vegetable oils such as soybean. It can be used without engine modifications in any diesel vehicle including cars, buses, trucks, and off-road equipment. While Biodiesel contains no petroleum, it can be blended with diesel to create a blend known as B5, B10, or B20, named for the percentage of Biodiesel. Even in concentrations as low as 2%, biodiesel will dramatically decrease pollutant outputs and increase engine longevity. It is biodegradable, nontoxic, and free of sulfur and aromatics.

Milagro Biofuels is a female owned and managed business. Company President, Diane Miller Mulloy notes, "Our company mission is to *refine our future with biodiesel*. Our goal is to be an integral part of Tennessee's transition to alternative fuels, one community at a time. Biodiesel will not only reduce our dependency on imported petroleum oil, but will also protect Tennessee's environment, support our farm economy, and help the state comply with federal standards. Plus, investing in alternative fuels is the right thing to do for our children - for their future."

Several Tennessee counties currently have a non-attainment air quality status with the EPA due to high levels of ground level ozone or particulate mater, including Shelby County.

Milagro Biofuels Board Trustee Gary Meloni, Jr. of Memphis comments, "In addition to the positive environmental impact, Milagro Biofuels will also bring much needed manufacturing jobs back to Memphis. With the agricultural base of west Tennessee, northern Mississippi, and Arkansas, in conjunction with the availability of Mississippi River transportation, we believe that Milagro is in a perfect location to serve the Mid-South community."

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The owners of Milagro Biofuels are lifelong Tennessee residents who chose Tennessee for their first refinery because they want to make an impact on Tennessee communities, and because it is evident that the state is making a serious commitment to alternative fuels. Governor Bredesen recently signed an Executive Order creating an interagency task force for alternative fuels. In addition, the Tennessee Department of Economic and Community Development Energy Division is offering grants to county school systems to encourage and assist them in their migration to Biodiesel. For details on these grant opportunities, contact Brian Hensley, Energy Division Director, at 615 741-2994.

“The increased use of renewable fuels will have a significant impact in helping Tennessee reduce dependence on imported oil, benefit rural communities and our agricultural economy,” said Tennessee Economic and Community Development Commissioner Matthew Kisber. “The Governor has aggressively taken steps to involve the state in promoting this important segment of our economy. As we move toward greater alternative fuel use we applaud forward-thinking companies, like Milagro Biofuels, on building its first biodiesel refinery in our state as well as creating new jobs in the Memphis area.”

Milagro Biofuels is a member of the West Tennessee Clean Cities Coalition. The WTCCC is following a pattern established by the U.S. Dept. of Energy (DOE), and their first goal is to achieve “Clean Cities” designation from DOE.* The WTCCC Coordinator, Andrew Couch believes that West Tennessee is situated in one of the main arteries for our country’s distribution of goods. These goods are being distributed, in large part, by vehicles that could greatly benefit from the use of domestically produced, cleaner burning fuels like Biodiesel. Getting these fuels into our distribution infrastructure is one way that West Tennessee can begin leading our nation to a *safer, cleaner and more secure energy future*.

"The future of Renewable fuels is in good hands. Milagro Biofuels has the resources, knowledge and necessary level of commitment to public health and the American way of life to be a tremendous asset to this rapidly growing industry," states Couch.

For more information or to set up a trial program, please contact Diane Mulloy or Gary Meloni.

Other resources:

Andrew Couch, Coordinator West TN Clean Cities, 901.378.2497

National Biodiesel Board: www.NBB.org

Brian Hensley, Economic and Community Development Energy Division, 615 741-2994, or 1 800 342-1340.

*For more information on what this means please visit www.eere.energy.gov/cleancities/.