



Renewable Energy Group[®], Inc. to acquire U.S. Biodiesel Group

Leading biodiesel producer and marketer signs agreement with U.S. Biodiesel Group, a U.S. Renewables Group portfolio company

HOUSTON, Texas (June 3, 2008)—In a recently signed purchase agreement, Renewable Energy Group[®], Inc. (REG), a leading biodiesel producer and marketer, announced that U.S. Biodiesel Group (USBG) will invest cash and merge its largest assets into REG[®], including USBG’s biodiesel production facility near Houston and an existing liquid storage terminal in California.

The parties anticipate the deal to close in late June, subject to regulatory approval. This announcement comes less than a month after REG closed a deal which expanded its network through management and operations services agreements at a 45 MGY facility in Danville, Ill.

“USBG’s 35 MGY biodiesel production facility near Houston, Texas and a liquid storage terminal location in California will offer REG access to strategic locations with deepwater, pipeline and rail accessibility,” explained REG’s Chairman and CEO, Jeff Stroburg. “Integrating additional infrastructure into our production network will aid in REG’s continued growth as we distribute high quality biodiesel through petroleum infrastructure nationwide.”

USBG is a portfolio company of U.S. Renewables Group, LLC (USRG), a private equity fund that develops, acquires and manages renewable power and fuels projects. REG and USBG, together with their investors, Bunge, ED&F Man, Natural Gas Partners, NGP Energy Technology Partners, U.S. Renewables Group, and West Central, are building the most comprehensive biodiesel production, marketing, and service company in the United States.

“USRG believes that the acquisition of USBG by REG will lead to economies of scale and will provide REG a growing platform from which to continue investing in and processing alternative feedstocks, building the most advanced biodiesel plants in the U.S. and expanding its distribution footprint,” said Jonathan Koch, the Chairman of USBG, who will become a Board member of REG upon closing of the acquisition. He further added that “We look forward to strengthening our renewable energy portfolio as we continue to participate in America’s growing biodiesel industry.”

The 35 MGY biodiesel production facility, to be known as “REG Houston” upon closing of the deal, is located within a terminal site operated by LBC Houston LP, Tank Terminals. The terminal is located in Seabrook, TX, adjacent to the Houston Ship Channel, one of the most important petrochemical and pipeline complexes in the world. REG Houston, located about 350 miles west of REG’s planned facility in New Orleans, offers REG another strategic location for distribution of large volumes of biodiesel exceeding ASTM D 6751 quality specifications.

The California liquid storage terminal will considerably enhance REG’s current ability to distribute biodiesel along the West Coast. The site also has the potential to accommodate a commercial-scale biodiesel production facility. Although planning and permitting to expand the site into a biodiesel production facility continues, the final timing and construction plans remain to be determined.



Today, the REG network includes seven plants in production with combined capacity of more than 220 million gallons annually. Renewable Energy Group, Inc.'s trademarked biodiesel, *REG-9000*, will now be marketed through more than 20 terminal locations including East Coast and Midwest locations.

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About Renewable Energy Group, Inc.

Renewable Energy Group, Inc., (REG) is a biodiesel industry sales leader and is a full-service biodiesel company offering plant management, risk management, raw material procurement, plant construction management, and biodiesel production, sales and marketing services. REG's network of biodiesel production facilities includes a wholly owned biodiesel plant and management of third party-owned plants. Renewable Energy Group, Inc., markets biodiesel to fuel distributors and customers in many industries including on-highway fleets, municipal transit authorities, maritime, military, home heating and agriculture industries.

To learn more about Renewable Energy Group, Inc. please visit www.regfuel.com

About US Renewables Group:

US Renewables Group, LLC (USRG) was formed to manage a series of private equity funds (including USRG Power & Biofuels Fund I, LP and USRG Power & Biofuels Fund II, LP) that acquire, develop and operate renewable power and clean fuel assets. To date, the firm has made 18 investments in geothermal, biomass, solar thermal, landfill methane, ethanol, biodiesel and associated infrastructure, and has approximately \$575 million under management. USRG has offices in Los Angeles and New York. For more information, visit www.usregroup.com.