



KAAPA COOPERATIVE

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For Immediate Release: March 6, 2009

KAAPA COOPERATIVE PART OF BIOMASS TEAM

KEARNEY, Neb. (March 6, 2009) – In tandem with last week’s announcement regarding a proposed cellulosic ethanol plant, KAAPA Cooperative, Nebraska’s producer-owned ag development group, announced today their support and relationship with Energy Grains Biomass, LLC (EGB), which will be collecting and delivering biomass to NextStep Biofuels, Inc, the project’s cellulosic ethanol development company.

“This project is a great fit with the mission and objective of KAAPA Cooperative”, stated Marge Lauer, Executive Director of the cooperative. “It provides our members and producers throughout the area the opportunity to generate additional revenue from their farming operations. And, that the project provides the opportunity for crop residue to produce more domestic fuel is an added bonus.

“We are excited to have KAAPA Coop as part of the team,” stated Paul Kenney, President of Energy Grains Biomass, LLC. “It brings this project right to the farmer. The contracts being made available to the farmer today will provide them the opportunity to benefit from the biomass industry being created for the future.”

KAAPA Coop, through its relationship with EGB, has successfully negotiated an arrangement that provides its members a multitude of revenue opportunities in regard to the proposed cellulosic ethanol plant in central Nebraska. As well as directly contracting their corn stover or soybean stubble, KAAPA Coop has secured an ownership position in EGB and in NextStep Biofuels. The cooperative will allocate the earnings according to the tons of stover each farmer commits to the project. Thus, those who contract stover through this exclusive opportunity for current and new KAAPA Coop members will be able to participate in future earnings without any financial input.

“Especially during these uncertain economic times, the ability to provide our members with the benefits similar to an ownership share without financial contributions is huge”, says Ms. Lauer.

KAAPA Cooperative will begin its work of securing contracts for corn stover and soybean stubble immediately. With spring work approaching, in addition to area meetings, KAAPA Coop will be launching a website with all of the information, as well as publishing “Producer-to-Producer Hotline” phone numbers so interested farmers can contact board members and talk with them about the project and get their questions answered. The website, www.contractyourstover.com will be available within the

next few days and the hotline numbers will be published on the site. Craig Wietjes, President of KAAPA Coop, stated "We know we are approaching a very busy time for producers, but this opportunity knocked and we have to get it to area farmers now. So, we're using the benefits of technology to get the information to them in a way that it is convenient. They can search and read the website any time of the day and call the hotline while they're in the field. And, of course we encourage them to attend the meetings because there they can discuss it with others, get a grasp of the entire project, and sign up." All of the meeting dates and locations will be published on the website as well, with the first two meetings in Kearney on March 18 and 19.

About KAAPA Cooperative

KAAPA Cooperative, with offices in Kearney, is a thirteen year old value-added ag development group. It has pursued and developed several projects over the years with the most notable being KAAPA Ethanol. Other KAAPA entities include, KAAPA Country-Adventures, KAAPA Investments, LLC, KAAPA-Mex, and owned by KAAPA Ethanol is KAAPA Grains. The Cooperative is governed by a board of twenty rural Nebraskans.

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