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**Coskata Supported Biorefinery Selected To Receive \$250 Million Loan Guarantee From
USDA**

Guarantee will support a commercial-scale cellulosic ethanol facility in Alabama

Warrenville, IL (January 20, 2011) – Coskata Inc., a developer of technology for the production of renewable fuels and chemicals, was notified by the USDA of their intent to provide a \$250 million loan guarantee in support of a commercial biorefinery that will utilize Coskata’s technology. This is a project financing mechanism defined by the U.S. Department of Agriculture’s 9003 Biorefinery Loan Guarantee Program. The guarantee will be the largest ever awarded for a biofuel facility, and will allow the Coskata supported facility to move forward with financing the construction of a 55 million gallon per year cellulosic ethanol facility in Greene County, Alabama.

“Today’s announcement by the USDA sends a clear message about the Administration’s commitment to advanced biofuels, and provides further validation that Coskata’s technology is ready for commercial scale,” said William Roe, CEO of Coskata, Inc. “This is a critical first step that will facilitate Coskata working with the USDA, and proceeding to raise the balance of the capital needed for the project.”

The facility is currently the largest planned cellulosic ethanol facility in the country and is expected to bring approximately 300 construction jobs and 700 direct and indirect jobs to Boligee, Greene County, Alabama. The Crossroads of America Industrial Park was chosen based on its proximity to an abundant supply of sustainably produced wood biomass, and because of the resolute support for the project by state and local officials, including the Greene County Commission and Industrial Development Authority, Governor Bob Riley, Senator Jeff Sessions, Senator Richard Shelby, and former Congressman Artur Davis. The company will be working with Governor Robert Bentley to bring this project into reality in the state of Alabama. The facility will create cellulosic ethanol, a high octane renewable fuel, with a superior environmental footprint compared to gasoline.

“We look forward to working with the USDA and investment partners throughout 2011 to get the financing closed, so that this facility can proceed to construction, and help reduce the country’s dependence on foreign oil, and create significant economic growth for the people of Alabama,” said Roe.

Coskata has been demonstrating the commercial viability of its process for over a year at the company’s integrated biorefinery, located in Madison, Pennsylvania. The process leverages proprietary microorganisms and efficient bioreactor designs in a unique three-step conversion process that can produce fuel-grade ethanol from virtually any carbon-based feedstock, including wood and wood waste, agricultural waste, energy crops, and municipal solid waste. The process produces approximately 100 gallons of fuel from each dry ton of biomass.

Coskata is privately held, and to date has been funded entirely by its equity investors, including Khosla Ventures, Blackstone Cleantech Ventures and the Blackstone Group, Advanced Technology Ventures, GreatPoint Ventures,

Total Energy Ventures International (part of Total, one of the world's major Oil and Gas groups, and a top tier player in chemicals), Coghill Capital Management, General Motors, and Globespan Capital Partners.

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About Coskata

[Coscata Inc.](#) is a biology-based renewable energy company with a platform technology that enables the low-cost production of biofuels and chemicals, from virtually any carbonaceous material. Using anaerobic microorganisms and innovative bioreactor designs, we create and enable additional energy resources worldwide.

The process combines the flexibility of gasification with the efficiency of biological conversion of syngas into fuels or chemicals. Founded in 2006 by leading renewable energy investors and entrepreneurs including Khosla Ventures, Advanced Technology Ventures, and GreatPoint Ventures, Coskata has assembled an experienced management team to lead the development and commercialization of its compelling technology. For more information, please visit www.coscata.com.