



Mascoma and Lallemand Ethanol Technology Announce Commercial Agreement with Pacific Ethanol for Drop-In MGT™ Yeast Product and Commercial Roll-Out Progress

- MGT used in production of over 20 million gallons of ethanol in commercial trials –*
- Mascoma revenues expected beginning in the first quarter of 2012 –*
- Second-generation MGT product submitted by Mascoma to FDA for scientific review –*

Lebanon, New Hampshire and Milwaukee, Wisconsin – March 29, 2012 – Mascoma Corporation, a renewable fuels company, and Lallemand Ethanol Technology, a leading supplier of fermentation ingredients to fuel ethanol producers, announced today that they have entered into a commercial agreement with Pacific Ethanol Columbia, LLC, the owner of the ethanol production facility located in Boardman, Oregon and operated by Pacific Ethanol, Inc., (NASDAQ: PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States. The agreement provides terms and pricing for any purchases of the Mascoma Grain Technology, or MGT™, yeast product for use at Pacific Ethanol Columbia, a facility with annual production capacity of 40 million gallons, and also provides for the extension of these terms and pricing to three additional plants operated by Pacific Ethanol. The four Pacific Ethanol plants have a combined annual production capacity of approximately 200 million gallons.

The MGT product, which is the first commercial application of Mascoma's proprietary consolidated bioprocessing (CBP) technology platform, is a bioengineered drop-in substitute for conventional fermenting yeast that lowers costs for corn ethanol producers by alleviating the need to purchase most of the expensive enzymes currently used in corn ethanol production.

"MGT is an innovative new technology that we expect will lower our costs and increase efficiencies in our ethanol production," stated Neil Koehler, President and CEO of Pacific Ethanol. "We are pleased to be an early commercial adopter of the MGT product and look forward to working closely with Mascoma and Lallemand."

In November 2011, Mascoma entered into a multi-year commercial agreement with Valero Renewable Fuels Company LLC (VRF), a leading ethanol producer and subsidiary of Valero Energy Corporation, which provides VRF with terms and pricing for any purchases of the MGT yeast product at its dry mill corn ethanol plants. VRF and Pacific Ethanol together represent 9% of the total corn ethanol production in the United States in 2011.

"We are delighted with the progress of the commercial roll-out of MGT to date," stated Bill Brady, President and CEO of Mascoma. "In addition to the agreements with Pacific Ethanol Columbia and Valero, commercial-scale trials are underway with a number of other ethanol producers and we anticipate entering into additional agreements. Looking ahead, we look forward to introducing a next generation MGT product that we believe will improve ethanol yields, as well as decrease the amount of added enzymes currently used in corn ethanol production."

The MGT product is manufactured and distributed by Lallemand and jointly marketed and sold by Mascoma and Lallemand through a partnership to commercialize MGT in North America. The MGT product is sold to corn ethanol producers under commercial arrangements that provide Mascoma with a portion of the incremental margin generated by the product. Mascoma expects that it will begin recognizing revenues from its MGT product in the first quarter of 2012.

MGT Commercialization Highlights

Mascoma and Lallemand have made significant advances in the commercial roll-out of MGT:

- In addition to VRF and Pacific Ethanol Columbia, five corn ethanol producers have initiated commercial-scale trials of the MGT product, during which they conduct tests of MGT and/or use MGT for a limited percentage of their operations in order to confirm efficacy and performance. Following completion of these commercial-scale trials, Mascoma and Lallemand intend to enter into commercial arrangements with these corn ethanol producers.
- To date, the MGT product has been used in the production of over 20 million gallons of ethanol in commercial-scale trials by a total of seven corn ethanol producers.
- Mascoma has submitted its second-generation MGT product for scientific review by the U.S. Food and Drug Administration's (FDA) Center for Veterinary Medicine. Because MGT products are bioengineered and considered processing aids in the production of animal feed, they are subject to review and approval by the FDA unless their use has been determined to be "generally recognized as safe," or GRAS. In February 2012, Mascoma announced that the FDA's Center for Veterinary Medicine had completed its scientific review and supported the use of the initial MGT product as a processing aid in the production of animal feed.

About Mascoma

Mascoma Corporation is a renewable fuels company that has developed innovative technology for the low-cost conversion of abundant biomass. Using its proprietary consolidated bioprocessing, or CBP, technology platform, Mascoma has developed bioengineered yeasts and other microorganisms to reduce costs and improve yields in the production of renewable fuels and chemicals. Mascoma's first commercial application of its CBP technology is its Mascoma Grain Technology, or MGT™, yeast product, which is a drop-in substitute for existing yeasts designed to improve the economics of corn-based ethanol production. Mascoma is pursuing other commercial applications of its CBP technology and is working with collaborators to develop and construct commercial scale facilities to convert hardwood pulpwood to cellulosic ethanol.

About Lallemand Ethanol Technology

Lallemand Ethanol Technology is a business unit of the Canadian yeast and bacteria producer Lallemand Inc. Based in Milwaukee, WI, Lallemand Ethanol Technology is the leading supplier of fermentation ingredients and value creating services to the global fuel ethanol and distilled beverage alcohol markets. For more information on Lallemand Ethanol Technology, please visit www.ethanoltech.com.

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