



## **Mascoma Corporation Announces \$49.5 Million in DOE and State of Michigan Funding for Cellulosic Fuel Facility**

*Funds will accelerate path to commercialization*

**BOSTON, MA – October 7, 2008:** Mascoma Corporation, with the U.S. Department of Energy (DOE), Michigan Governor Jennifer M. Granholm, members of the Michigan Congressional delegation and the Michigan Economic Development Corporation, today announced that Mascoma has received a total of \$26.0 million in funding from the DOE and an overall contribution of \$23.5 million from the State of Michigan.

The funds will be applied toward the development of a cellulosic fuel production facility that uses non-food biomass to convert woodchips into fuel. The facility will be located in Chippewa County in the Upper Peninsula of Michigan, in the town of Kinross. The funding provided by DOE and the State of Michigan will accelerate Mascoma's construction of the facility and the scale-up of its technology process while also paving the pathway to commercial low-carbon and sustainable fuel production in Michigan.

"Michigan is proud to partner with Mascoma as a part of our commitment to lead the nation in alternative energy production," said Governor Jennifer Granholm. "This company, and their partners, will create jobs in Michigan as they develop the next generation of cellulosic ethanol that will reduce our dependence on foreign oil and make fuel more affordable for our families."

Mascoma chose to locate the facility in the Upper Peninsula of Michigan after an extensive review process of other location options. The decision was based largely on the support provided by the State of Michigan, the availability of extensive sustainable feedstock in forests and other agricultural biomass resources in the region, and the expertise available through the Michigan-based project partners and workforce. The Michigan Economic Development Corporation, the State's economic development arm, has become a national leader by attracting renewable energy businesses to Michigan.

“We’ve targeted industries like alternative energy to diversify Michigan’s economy and create new jobs,” MEDC President and CEO James C. Epolito said. “Innovative tools combined with effective partnerships are enabling us to attract high-tech companies like Mascoma and accelerate Michigan’s transformation.”

“Mascoma is pleased and honored to receive this important funding from the DOE and the State of Michigan,” said Bruce A. Jamerson, Chairman and CEO of Mascoma Corporation.

“This funding will allow us to accelerate commercial production of low cost, low carbon fuel that will reduce greenhouse gas emissions and promote energy independence,” Jamerson continued.

Drawing on Michigan’s substantial natural resources, the facility will use sustainably harvested mixed hardwood chips and other non-food biomass materials as the raw material for the production of cellulosic fuel. The first phase of the project will develop preliminary engineering designs and permitting required to initiate construction at the Kinross site.

"I applaud the decision by the Department of Energy and the state of Michigan to provide the incentives Mascoma needed to scale up the technology and accelerate construction of this facility here in Michigan," said Senator Carl Levin. "This investment in cutting-edge biofuel technology will create jobs in Michigan, and the incredible natural resources of the Upper Peninsula will help Mascoma to efficiently produce the next generation of fuels."

“Mascoma Corporation’s cellulosic fuel facility is a prime example of how Michigan continues to lead the way in solving our nation’s energy crisis while creating new jobs in a green economy,” said Senator Debbie Stabenow. “I am pleased to work with the rest of the delegation and the State of Michigan to support Mascoma in their mission to develop low-carbon biofuels and reduce our dependence on foreign oil.”

Mascoma’s production facility is expected to produce 40 million gallons of ethanol and other valuable fuel products per year. General Motors Corporation and Marathon Oil Corporation, which are both investors in Mascoma, are providing support for this project.

"Mascoma and the Department of Energy recognize the potential northern Michigan and our workforce hold for developing alternative energy sources," Congressman Bart Stupak said. "Mascoma's proposed cellulosic fuels facility will be the first of its kind in the nation to produce ethanol from timber. This important federal-state-private partnership will put northern Michigan on the forefront of this developing technology, create hundreds of jobs in our community and the potential for many more. I am pleased to have played a role in helping to bring this significant investment to Chippewa County."

Mascoma is partnering on this project with a well-established natural-resources company, JM Longyear, based in Marquette, Michigan. Longyear was founded 120 years ago and is experienced in timber, mining and project management.

The collaboration will involve the formation of a new company, Frontier Renewable Resources, which will own the project. In addition, Mascoma will team up with Michigan State and Michigan Tech Universities to tailor Mascoma's technology and supply chain options for the specific Michigan feedstocks used in production.

### ***About Mascoma***

Mascoma Corporation is a leader in advanced low-carbon biofuels technology and is based in Boston, Massachusetts. Using proprietary microorganisms and enzymes developed at the company's laboratories in Lebanon, New Hampshire, Mascoma is deploying advanced technologies that enable the creation of fuel from a range of non-food biomass feedstocks. Mascoma is developing demonstration and commercial scale production facilities globally. For more information, visit [www.mascoma.com](http://www.mascoma.com).

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