



Mascoma Awarded \$80 Million from the DOE for Construction of Commercial-Scale Hardwood Cellulosic Ethanol Facility in Kinross, Michigan

– Fully-funded commercial-scale facility –

Lebanon, New Hampshire – December 14, 2011 – Mascoma Corporation, a renewable fuels company, announced today that it has signed a cooperative agreement with the U.S. Department of Energy (DOE) to assist in the design, construction and operation of a commercial-scale hardwood cellulosic ethanol facility in Kinross, Michigan. The cooperative agreement provides for up to \$80 million in DOE funding, in addition to \$20 million in funding previously awarded by the DOE related to research and development for this project. This agreement includes a cost-sharing arrangement under which the DOE will contribute to the costs for construction of the Kinross facility, and the balance of the construction costs will be funded by Valero Energy Corporation and a grant from the State of Michigan.

“This DOE award is a significant milestone for Mascoma, and the biofuels industry, as it completes the financing for the development and construction of a first-of-its-kind 20 million gallon per year cellulosic ethanol facility in Kinross,” stated Bill Brady, President and CEO of Mascoma. “We are excited to apply our proprietary consolidated bioprocessing (CBP) technology platform to produce cellulosic ethanol on a commercial scale and thereby provide a low-cost, sustainable alternative to petroleum-based products.”

The Kinross facility will use Mascoma’s proprietary CBP technology platform, which has been developed by Mascoma over the past five years, to convert hardwood pulpwood into ethanol. Hardwood pulpwood is a selectively harvested, naturally regenerated feedstock and is an underutilized, abundant resource in the surrounding area. Construction of the Kinross facility is anticipated to start in the next three to six months and is expected to be completed by year-end 2013. Kinross Cellulosic Ethanol LLC, a joint venture formed by Mascoma and Valero, will develop and operate the Kinross facility.

“Biofuels hold great potential, not only for reducing our dependence on foreign oil, but also for creating new jobs and economic opportunities for America’s rural communities,” said Valerie Reed, Ph.D., Acting Biomass Program Manager, Office of Energy Efficiency & Renewable Energy, of the DOE. “The cooperative agreement between Mascoma and the DOE will enable the construction of a new commercial-scale advanced biofuels facility, and the only one using CBP technology. It is indeed a significant step towards meeting America’s energy challenges with cost-effective and sustainable bioprocesses.”

“Mascoma is honored to receive this award and we are fortunate to have such a strong partnership with the DOE for the Kinross project. We look forward to the continued support from and collaboration with the DOE,” added Michael Ladisch, Ph.D., Chief Technology Officer

of Mascoma, Principal Investigator for the DOE award, and Distinguished Professor at Purdue University.

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 genetically-modified 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.

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