



CHALLENGER
Capital Group Ltd.

For Immediate Release

**CHALLENGER CAPITAL GROUP RAISES \$148 MILLION FOR
ASALLIANCES BIOFUELS**

***Leading Agribusiness Company to Build Three Ethanol Plants
in Midwest America with Acquired Funding***

Dallas – Feb. 8, 2006 – Challenger Capital Group, Ltd., a Dallas-based full-service investment bank, has secured \$148 million in equity and subordinate debt for Dallas-based ASAlliances Biofuels LLC to help fund the company’s construction of three, large-scale ethanol production plants in Nebraska, Indiana and Ohio.

ASAlliances Biofuels, an ethanol production company, was developed by Americas Strategic Alliances LLC, a merchant banking firm in Dallas. ASAlliances Biofuels has attracted strong project participants with extensive experience in the ethanol industry, including Cargill, which will provide corn and natural gas procurement as well as marketing and transportation services for each plant; Fagen Inc., which will provide design, engineering and construction expertise; and United Bio Energy Inc., which will manage the plant operations.

This funding represents one of the largest ethanol transactions to date. Specifically, Challenger raised \$94 million of equity and \$54 million of mezzanine subordinate debt.

“We are honored to be involved with an energy transaction of this magnitude and to work with such a well-respected Dallas-based company,” said Chuck Davis, executive director of Challenger. “This is a win-win deal for all involved, from farmers to consumers, as the significant ethanol production from these facilities will help to reduce the United States’ dependency on foreign oil.”

The ethanol-facility construction is estimated to cost \$423 million. Each of the facilities is expected to produce 100 million gallons of fuel-grade ethanol a year, in addition to 321,000 tons of dry distiller grains (DDG) and 223,000 tons of CO₂ annually. Upon completion, this project will make ASAlliances Biofuels one the largest ethanol producers in the United States, contributing to almost eight percent of ethanol production in the country.

The private equity participants in the deal are American Capital Strategies, Laminar Direct Capital, US Renewables Group and Midwest First Financial.

“We chose to work with Challenger based on the firm’s energy expertise and the trusted-advisor relationship that the firm is known for,” said Steve Durham, chairman of ASAlliances Biofuels. “Challenger’s assistance was instrumental in making this project a reality, which in turn, greatly contributes to the development of renewable energy for our country.”

Construction began in November 2005 on the Nebraska and Indiana plants and is expected to begin in Ohio in early 2006. ASAlliances Biofuels expects all three plants to be online by late 2007.

ASAlliances Biofuels’ banking team at Challenger is led by Davis who has more than 22 years of extensive experience in energy investment banking.

About Americas Strategic Alliances LLC

Americas Strategic Alliances LLC is a unique merchant banking and investment firm focused primarily on facilitating cross-border strategic and investment opportunities for leading companies in the United States, Mexico and Canada. The Dallas-based firm invests both time and capital in support of our partners to facilitate the achievement of key strategic and operating objectives. For additional information, please visit www.asalliances.com.

About ASAlliances Biofuels LLC

ASAlliances Biofuels LLC is a Dallas-based, ethanol-production company that is owned by AS Alliances Holdings LLC, Cargill Biofuels, Inc., FDC Ethanol. and private equity partners. ASA provides project development, finance, capital markets, executive management and corporate development expertise. Fagen provides design, engineering and construction expertise. Cargill provides corn origination, energy and corn risk-management services, transportation logistics expertise, and the marketing of the ethanol and DDG products. For additional information, please visit www.asalliances.com/ethanol.htm.

About Challenger Capital Group

Challenger, with offices in Dallas and Chicago, has filled the void created by sweeping consolidation in the investment banking sector by assembling an exceptional staff of professionals with a transaction resume that spans more than 400 transactions and represents over \$246 billion in aggregate transaction value. Challenger’s industry expertise includes transactions in the consumer products, energy, entertainment, food service, healthcare, industrial products, media, natural gas, oilfield service, publishing, retail and telecom sectors. For additional information regarding Challenger, please visit www.challengercapitalgroup.com.

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