



FOR IMMEDIATE RELEASE:

**CALIFORNIA ETHANOL & POWER, LLC
RETAINS LEAD CONTRACTOR, ACHIEVES OTHER MAJOR MILESTONES**

BRAWLEY, CA - August 13, 2008 - California Ethanol & Power, LLC (CE&P) today announced that on August 1 it signed a letter agreement pursuant to which Fagen, Inc. (Fagen) will act as the lead contractor for CE&P's prospective sugarcane-to-ethanol and electricity plants in the Imperial Valley of California.

"Fagen, Inc. has extensive experience in both fuel ethanol and power plants, and we are excited to have them leading the engineering, design and construction efforts for our projects," said O. Wayne Mitchell, CE&P Executive Vice President Technologies and Operations.

Fagen is currently performing initial engineering and permitting services while CE&P and Fagen are finalizing the terms of a pre-financial close technical services agreement and the post-financial close credit support engineering, procurement and construction contract. CE&P and Fagen expect to commence construction of the initial CE&P plant in approximately one year.

"Fagen is very pleased to have been selected to play such a key role in California Ethanol & Power's strategic plan to produce the advanced biofuels favored by the federal Energy Independence and Security Act of 2007 and California's AB 32 statute," stated Roland (Ron) Fagen, Fagen CEO and President. "With a long commitment to renewable energy, Fagen looks forward to adding another source of green energy to the US market and supporting CE&P's worldwide vision."

CE&P, which is currently growing over 650 acres of more than ten varieties of sugarcane with the assistance of four internationally acclaimed sugarcane experts, has also recently achieved a number of other major milestones. For example, CE&P is in the queue to transmit its electricity through the Imperial Irrigation District's transmissions system, and on August 6 accepted an invitation from a major California investor-owned utility to negotiate a twenty-year power sales agreement. Also, CE&P's all-important permitting process is currently projected to be complete by the third quarter of next year. Finally, CE&P is completing arrangements with a group of five major Imperial Valley agri-businesses to grow the acres of sugarcane necessary to supply each CE&P plant.

"Our plan to 'grow energy' from sugarcane, the right renewable resource, in California for use in California clearly places CE&P at the right place at the right time," explains CE&P Chief Operating Officer David R. Rubenstein. "We will have substantially lower all-in production costs than conventional corn-to-ethanol plants, whether in the Midwest or in California, and sugarcane as the feedstock has been proven to produce much more energy per unit consumed, and to have a much better carbon footprint, than corn. We expect to establish our model in the Imperial Valley, and then implement it worldwide with the assistance of our strategic partners and counterparties."

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- California Ethanol & Power, LLC (www.CaliforniaEthanolPower.com) expects to develop, project finance, install, own and operate five facilities in California's Imperial Valley that will convert sugarcane into fuel-grade ethanol, electricity, industrial grade carbon dioxide, and other products. For more information, contact VP Marketing and Public/Investor Relations Camille Soriano at csoriano@CaliforniaEthanolPower.com.
- Fagen, Inc. (www.Fageninc.com) is the largest, most respected green energy design-builder in the United States. Utilizing over 3000 direct-hire employees, Fagen, Inc. has successfully constructed 60% of the ethanol production capacity in the United States. Fagen, Inc. has also logged thousands of man hours on power projects. Currently, Fagen, Inc. is performing work at the 425 MW power plant in Gillette, WY and constructing over thirty GE wind turbines at the 50MW Woodstock, MN site. Fagen, Inc. stands ready to meet industrial demand growth, from the largest fuel ethanol facility to any power project. The unmatched standard for quality and service has led Fagen, Inc. to be the 30th largest contractor in the United States. For more information, contact Marketing and Project Development Chad Core at ccore@fageninc.com.

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This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are identified by the use of forward-looking terminology such as may, will, could, should, expect, anticipate, intend, plan, estimate, or continue or the negative thereof, or other variations thereof. Each forward-looking statement, including, without limitation, any financial projections, speaks only as of the date on which it is made, and neither CE&P nor Fagen, Inc. undertakes an obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made, or to reflect the occurrence of anticipated or unanticipated events or circumstances. The forward-looking statements are necessarily based on assumptions and estimates, and are inherently subject to various risks and uncertainties. Actual results may vary materially as a result of changes or developments in social, economic, business, market, legal, and regulatory circumstances or conditions, both domestically and globally, as well as due to actions by customers, clients, suppliers, business partners, or government bodies. Performance is subject to numerous factors, including demand for renewable fuels and the availability of, private and public sector funding. Results may also vary as a result of difficulties or delays experienced in the execution of contracts or implementation of strategic initiatives.

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