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NEWS RELEASE

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LAUTENSCHLAGER ANNOUNCES AIR POLLUTION SETTLEMENT WITH ACE ETHANOL OF STANLEY, WISCONSIN

Ace To Pay \$300,000 For Violations, Will Commence Pollution Control Measures

MADISON -- Attorney General Peg Lautenschlager announced today that the Department of Justice, acting in cooperation with the U.S. Environmental Protection Agency (EPA) and the Wisconsin Department of Natural Resources (DNR), has reached a settlement agreement in an environmental enforcement lawsuit against Ace Ethanol, LLC, of Stanley, Wisconsin.

According to the state's complaint, which was filed in the U.S. District Court for the Western District of Wisconsin, Ace submitted information to DNR prior to commencing construction of its ethanol plant in 2001 which indicated that emissions from the plant would not exceed 100 tons per year. DNR therefore issued a minor source permit to Ace, authorizing it to construct the plant without the air pollutant emission controls which would have been required for a major source, *i.e.*, one with the potential to emit more than 100 tons per year.

"In fact, the air pollutant emissions from the plant were much higher than promised, and emissions control equipment should have been installed when the plant was constructed -- something Ace and its consultant should have known from the experience at ethanol plants that had been built in Minnesota a year or two earlier," Lautenschlager said.

Under the terms of the settlement agreement, if it is approved by the Court, Ace is required to install and commence operation of pollution control equipment at its plant by February 23, 2004. Ace has recently indicated that it put the control equipment into operation just before

Christmas. Ace will pay penalties of approximately \$300,000 for the violations. The proposed consent decree has been lodged in federal court, and is subject to comment for 30 days.

Assistant Attorney General Shari Eggleston prosecuted the case for the state.

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