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Small scale electric power plant being built at N.E. Wood Pellet by Texas-based Zilkha Biomass Energy

Another advancement the company is entertaining is onsite generation of electricity, as a means of reducing dependence on costly natural gas and grid electricity.

Zilkha Biomass Energy LLC, of Houston, Texas, is in the process of installing a high efficiency, direct-fired, wood-fueled gas turbine power generation facility at the Jaffrey plant. The 1.5-megawatt renewable energy cogeneration unit will be fueled with wood chips supplied by N.E. Wood Pellet. The electrical and thermal output will be delivered to the pellet plant under a multi-year contract. The project represents the first in the United States.

"We are excited that New England Wood Pellet will be Zilkha's first commercial installation of its state-of-the-art cogeneration technology that uses wood as its fuel source," Steve Walker, president and CEO said in a written statement.

"Our company is dedicated to advancing high-efficiency small-scale electric power and thermal energy generation using renewable energy resources," Walker said. The 1.5-megawatt unit will provide all of the pellet plant's electric power needs and a substantial percentage of the heat it uses to dry wood for the manufacture of 100,000 tons per year of clean-burning wood pellet fuel.

Founded in 1992, N.E. Wood Pellet is the largest manufacturer of wood pellet fuel in the Northeast. The company's growth plan includes construction of a new manufacturing plant in New York State.