



NEWS RELEASE

Jeff McMahon, 713-979-9961,
jcmahon@zilkhabiomass.com.

**For Immediate Release
Monday December 18, 2006**

Zilkha Biomass Energy Announces Issuance of Air Permit on Wood-Fired Energy Cogeneration Unit

Houston, TX -- Zilkha Biomass Energy LLC (Zilkha) announced today the Department of Environmental Services of The State of New Hampshire has issued a Temporary Permit to operate its planned 1.5 megawatt (MW) renewable energy cogeneration facility at the Jaffrey, New Hampshire location of New England Wood Pellet (NEWP). The cogeneration unit will be fueled with wood chips supplied by NEWP and the electrical and thermal output will be delivered to NEWP under a multi-year contract.

The project represents the first installation of a high efficiency, direct-fired, wood-fueled gas turbine power generation facility in the United States.

#

Zilkha Biomass Energy LLC, a Houston, Texas company, owns a proprietary cogeneration technology that uses solid renewable fuel to power a gas combustion turbine. Zilkha is focused on the wood products industry to deploy its build-own-operate business model to reduce energy costs for its customers while promoting the use of renewable energy technology. For more information, visit the Zilkha website at www.zilkhabiomass.com.