



NEWS RELEASE

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Canadian Bioenergy announces partnership agreement with Renewable Energy Group Inc.

Deal with U.S. biodiesel leader will drive cross-border industry growth

Edmonton, Alberta. October 16, 2007 – Canadian Bioenergy Corporation, a leading supplier of premium biodiesel in Canada, has announced an agreement with Renewable Energy Group, Inc. (REG) to partner in the construction of a biodiesel production facility near Edmonton, Alberta. The company broke ground yesterday on the construction of the facility with an expected future nameplate production capacity of 225 million litres (60 million gallons) per year of biodiesel. Together, the companies also intend to forge a strategic marketing alliance to better serve the North American marketplace by supplying premium biodiesel and biodiesel blends and industrial methyl esters across the continent.

The planned biodiesel production facility will utilize REG technology, and is under construction adjacent to Bunge Canada's oilseed crushing plant in Sturgeon County, Alberta near Edmonton. The plant will be owned and operated by Canadian Bioenergy, and is expected to be in production by June 2009.

"Together with REG, we are building a state-of-the-art facility capable of producing a large quantity of clean, sustainable canola-based biodiesel to help meet the Canadian renewable fuel standard and U.S demand for a superior cold weather, high quality fuel," says Doug Hooper, CEO of Canadian Bioenergy. "REG's fully integrated approach to the biodiesel industry will play an important role in the development of our new facility and help us further our position as a leader in the Canadian biodiesel space."

Canadian Bioenergy is an expanding supplier of biodiesel, with terminal locations in Vancouver and Calgary, supplying custom biodiesel blends to customers throughout Western Canada. REG has more than 10 years of experience in biodiesel production, technology and marketing. REG's current network of biodiesel facilities includes six plants, bringing the company's U.S network capacity to 600 million litres (162 million gallons) per year.

REG and Canadian Bioenergy intend to work together to market premium biodiesel across North America. Both companies are BQ-9000 Certified Marketers – a voluntary fuel quality program, modeled after the ISO-9001 standard, adopted by the National Biodiesel Board and the Canadian Renewable Fuels Association.

"When two BQ-9000 Certified Marketers come together to build a biodiesel facility, manage a project, and market biodiesel it creates an amazing synergy," says REG chairman and CEO, Jeff Stroburg. "REG has been marketing biodiesel and utilizing its state-of-the-art technology for more than a decade. This partnership with Canadian Bioenergy leverages REG's currently successful supply and distribution channels in the U.S. where customers demand high quality fuel. It also allows us to offer Canadian Bioenergy first-rate technology and operational expertise as they move towards this exciting production goal."

For more information on Canadian Bioenergy or REG, visit www.canadianbioenergy.com or www.regfuel.com

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