



PRESS RELEASE

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For Immediate Release:

ETHANOL GRAIN PROCESSORS, LLC CLOSES ON DEBT FINANCING AND BREAKS ESCROW ON ITS INITIAL PUBLIC OFFERING

OBION, TENNESSEE, January 26, 2007 – Ethanol Grain Processors, LLC (EGP) announced today that it has broken escrow and closed on the \$62,350,000 initial public offering of its limited liability company equity units,.

The U.S. Securities and Exchange Commission had declared effectiveness in December 2006 for EGP's offering of 31,175,000 units at a price of \$2.00 per unit. The purpose of the offering was to raise the equity needed to construct and start-up a 100 million gallon per year, dry-mill ethanol plant near Obion, Tennessee. All of the equity units offered were sold by the company directly, without the use of an underwriter, and there were no selling unit holders. EGP sold the maximum of 31,175,000 units for the maximum of \$62,350,000 in the offering.

EGP also announced that it has closed on \$95,000,000 of senior secured debt financing as part of the financing plan for EGP. The closing of this debt financing was one of the conditions to breaking escrow on the initial public offering.

“We are pleased to have closed on the equity and debt financing for this \$160,000,000 project and are tremendously excited about moving into the construction phase of our 100 million gallon per year ethanol facility near Obion, Tennessee,” reported James K. Patterson, the Chief Executive Officer of EGP. “With a combined investment of almost \$70 million of institutional and local investment equity in the project since inception two plus years ago, we are ready to begin construction of our ethanol plant and move forward on our targeted operational date of late summer/early fall 2008.” During construction, EGP expects to have more than 200 workers on site at the high point under the supervision and direction of Fagen, Inc., the leading design build contractor in the United States for ethanol plants.

EGP broke ground in December 2006 at its 230-acre plant site near Obion, and expects to complete its initial site work and excavation in March 2007. EGP contracted with Harold Coffey Construction Company, Inc. based out of Hickman, Kentucky as its site and dirt work contractor, and work is progressing well at EGP's site. Hal Coffey, Vice President and Co-Owner of Coffey Construction commented: "The work is progressing well and we have given our commitment to EGP to work every possible day, weather permitting, to keep this project on schedule and make our contribution to delivering this great project for this area." Fagen is expected to mobilize on site and begin construction of the ethanol plant in late March.

EGP expects to employ approximately 40 people at its facility once operations begin. The ethanol plant is expected to process up to 36 million bushels of corn into 100 million gallons of denatured ethanol and 320,000 tons of dried distillers grains.

EGP also announced that it has completed the reorganization of its Board of Governors. As provided for in its initial public offering, four out of the eleven board seats making up the new Board of Governors were elected from among the 8 Governors on the Initial Board. These four seats will be up for election by the members of EGP, beginning at EGP's 2009 annual meeting, with the terms staggered such that one seat will be up for election in 2009, one seat in 2010, and two seats in 2011. VBV LLC, the Delaware limited liability company controlled and majority-owned jointly by Virgin Group Holdings Limited and Bioverda Limited or their affiliates, has appointed six seats on the EGP Board as a result of its majority investment in EGP. Obion Grain Co., a locally-owned and controlled grain elevator company, has appointed one board seat as a result of its investment in EGP.

The four local Governors elected from among the 8 Governors on the Initial Board are: James L. Byford, William H. Latimer III, Tom Wade, Jr. and James K. Patterson, Chief Executive Officer of EGP. The Governor appointed by Obion Grain Co. is Mike Miller.

"Obviously, a \$160,000,000 project is no small undertaking and is going to make an economic impact no matter the location," Mr. Patterson commented. "For Tennessee, in general, but for rural northwest Tennessee, in particular, the economic impact of this plant is going to be enormous. The events we announce today are the culmination of more than two years of hard work on the part of a great many people. It has been a personal privilege for me to have led the effort thus far and it is tremendously gratifying to now observe heavy equipment on site every day turning our dream into reality; a dream not just of economic development for our state but also that of a greener future and energy independence for our nation."

"The economic, environmental and energy benefits of ethanol production are being realized in communities all across the country, not just in the traditional 'Corn Belt'," said Bob Dinneen, president of the Renewable Fuels Association, the national trade association for the ethanol industry. "Ethanol production is a very real economic engine improving rural economies, creating new jobs and helping break our addiction to foreign oil. On behalf of the more than 260 member companies of the RFA, I am pleased to congratulate EGP on the beginning of their new facility in Obion.

A registration statement relating to these securities was filed with the Securities and Exchange Commission and became effective December 20, 2006. The initial public offering, as described in the prospectus, is now closed. This communication shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any state in which such offer, solicitation or sale would be unlawful. Questions regarding this press release and the information herein should be directed to EGP's Chief Executive Officer, James K. Patterson, at 731-536-1286 or by mail at P.O. box 95, Obion, TN 38240.