

Bankruptcy Filing In Plans For Ethanex

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Ethanex Energy Inc., an ethanol production company set up two years ago with plans to construct a facility at the SEMO Port Authority, said it is planning to file for bankruptcy since it has been unable to gain interim financing.

At one time, Ethanex had formed a partnership with SEMO Milling, a corn milling plant at the port, to produce ethanol. While that partnership dissolved last year, Ethanex continued to pursue plans, winning a Missouri Department of Natural Resources construction permit for the proposed facility.

Another ethanol production company in the area, Bootheel Agri-Energy LLC of Sikeston, Mo., which also is in the process of pursuing a green light to begin construction on its ethanol plant, is not connected with Ethanex Energy.

Ethenex Energy said on March 24 in a Securities and Exchange Commission filing that it had ceased operations and dismissed all but three of its employees as it planned to file for bankruptcy "in the immediate future."

High corn prices and falling ethanol prices have pushed the profit margin on ethanol down about one-third the amount of a year ago.

In its SEC filing, Ethenex said it ended an agreement to buy a Nebraska ethanol plant owned by Midwest Renewable Energy LLC for \$50 million. It said it had been unable to raise the \$1.5 million in interim financing it needed while it tried to fund the entire deal, which also included two expansions at the existing plant. The deal was valued at \$220 million in cash and stock.

The company first mentioned bankruptcy in a detail of its financial problems in a March 12 filing. △