



NEWS RELEASE

BIOFUEL ANNOUNCES SECOND QUARTER RESULTS

DENVER, COLORADO – AUGUST 13, 2007 – BIOFUEL ENERGY CORP. (NASDAQ:BIOF), a development stage ethanol company, today announced its quarterly results. During the three months ending June 30, 2007, the Company recorded a loss of \$287,400 or a loss to common shareholders of \$1,614,800 or \$0.24 a share. The Company expects its first two ethanol production facilities to become operational late in the first quarter of 2008. The Wood River, Nebraska and Fairmont, Minnesota plants will each have a nameplate capacity of 115 million gallons a year of fuel grade ethanol. Except for interest income, the Company does not expect to report revenues until these plants come on line. All of the corn required for the initial plants will be supplied by Cargill Incorporated under twenty year contracts and the plants' output of ethanol and distillers grain will be marketed by Cargill.

The quarterly loss was due to \$2,024,700 of administrative costs. Of this amount, \$1,320,600 was compensation expense, including a non-cash charge of \$267,100 related to certain minor equity interests awarded to several of the Company's founders under pre-existing agreements. The Company's other costs are generally being capitalized until its facilities become operational. During the quarter, \$200,000 of interest income was earned on the cash balances. Finally, a non-cash charge of \$1,327,400 related to the prior issuance of equity to the Company's initial investors was recorded.

During the second quarter, the Company expended \$41.6 million on the construction of its Wood River and Fairmont facilities. Through June 30th, a total of \$147.8 million had been spent on their construction. Based on the remaining amounts due under the plants' turnkey construction contracts and an estimate of the costs the Company has yet to incur on certain aspects of construction which lie outside the turnkey contracts' scope, an additional \$162.6 million is expected to be spent by the time the facilities are complete. Mr. Scott H. Pearce, the Company's President and Chief Executive Officer added, "Despite a continuing series of challenges in constructing our initial plants and significant competitive pressures in engineering, personnel and procurement, we are pleased with the steady progress being made at both our initial sites. As we approach the final six months of the construction schedule, we remain optimistic that operations will commence on or close to the scheduled dates."

The Company was originally funded with \$104.2 million of equity, \$50.0 million of subordinated debt provided by two of the initial shareholders and a \$6.1 million tax abatement note. In addition, the Company put in place a \$230.0 million bank facility to provide up to \$210.0 million of construction financing for the Wood River and Fairmont plants and \$20.0 million of working capital. At June 30, 2007, the initial equity as well as the proceeds from the tax abatement note and the subordinated debt along with \$5.0 million of bank borrowings had been invested in the plants and various corporate expenses.

On June 14th, the Company completed an initial public offering. A total of 9,500,000 common shares were sold at a price of \$10.50 a share to a combination of public investors and the Company's three largest pre-existing shareholders for net proceeds of \$93.2 million. On July 12th, the underwriters exercised their over-allotment option, purchasing 787,500 additional shares for a further \$7.7 million of net proceeds. Consequently, a total of \$100.9 million was raised. Subsequent to quarter end, the Company retired \$30.0 million of subordinated debt with a portion of the proceeds, leaving \$20.0 million of the issue outstanding, and roughly \$10.9 million of the proceeds was used to pay certain of the initial plants' construction costs. The remaining \$60.0 million is being held in an interest bearing account pending a final decision on when and if to proceed on the construction of a third 115 million gallon facility.

Commenting on the announcement, Mr. Thomas J. Edelman, the Company's Chairman said, "Despite an exceptionally difficult offering and the disappointing subsequent performance of our stock, we are pleased to be publicly traded and we remain convinced of the validity of our business plan and the important role ethanol will play in our country's supply of vehicle fuel. With spot corn prices recently falling below \$3.50 per bushel and oil prices remaining above \$70.00 per barrel, the industry's margins should remain attractive. Obviously, much remains to be done. We look forward to keeping you apprised of our progress in the months to come."

This release contains certain forward-looking statements within the meaning of the Federal securities laws. Such statements are based on management's current expectations, estimates and projections, which are subject to a wide range of uncertainties and business risks. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of whether, or the times by which, our performance or results may be achieved. Factors that could cause actual results to differ from those anticipated are discussed in our Registration Statement on Form S-1.

BioFuel Energy is a development stage company currently engaged in constructing two 115 million gallons per year ethanol plants in the Midwestern corn belt. The Company's goal is to become a leading ethanol producer in the United States by acquiring, developing, owning and operating ethanol production facilities.

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Contact: David J. Kornder
Executive Vice President &
Chief Financial Officer
(303) 592-8110
dkornder@bfenergy.com

For more information:
www.bfenergy.com

BioFuel Energy Corp.
(Unaudited)

<u>Summary Income Statement</u>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2007	2006 (a)	2007	2006 (a)
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses:				
Compensation expense	1,320,597	4,980,700	2,615,889	4,980,700
Other	704,133	104,295	1,309,301	104,295
Total expenses	<u>2,024,730</u>	<u>5,084,995</u>	<u>3,925,190</u>	<u>5,084,995</u>
Interest income	<u>200,026</u>	<u>-</u>	<u>213,292</u>	<u>-</u>
Loss before minority interest	(1,824,704)	(5,084,995)	(3,711,898)	(5,084,995)
Minority interest in loss of BioFuel Energy, LLC	<u>(1,537,276)</u>	<u>(3,616,407)</u>	<u>(3,270,731)</u>	<u>(3,616,407)</u>
Net loss	(287,428)	(1,468,588)	(441,167)	(1,468,588)
Beneficial conversion charge	<u>(1,327,357)</u>	<u>-</u>	<u>(1,327,357)</u>	<u>-</u>
Net loss to common shareholders	<u>\$ (1,614,785)</u>	<u>\$ (1,468,588)</u>	<u>\$ (1,768,524)</u>	<u>\$ (1,468,588)</u>
Loss per share - basic and diluted	<u>\$ (0.24)</u>	<u>\$ (0.29)</u>	<u>\$ (0.30)</u>	<u>\$ (0.29)</u>
Weighted average shares outstanding				
Basic	6,816,829	5,042,104	5,934,369	5,042,104
Diluted	10,184,895	5,042,104	7,627,706	5,042,104
<u>Summary Balance Sheet</u>	<u>June 30, 2007</u>	<u>December 31, 2006</u>		
Cash and equivalents	\$ 88,613,728	\$ 27,238,517		
Prepaid expenses	434,160	469,298		
Property, plant and equipment, net	172,082,067	82,892,413		
Debt issuance costs, net	12,134,841	9,404,273		
Deferred offering costs	-	1,469,638		
Other assets	<u>37,081</u>	<u>7,273</u>		
Total assets	\$ 273,301,877	\$ 121,481,412		
Total current liabilities	23,228,742	19,818,402		
Construction contract retainage	-	3,017,087		
Long-term debt	55,000,000	-		
Tax abatement note	6,050,770	-		
Other liabilities	<u>29,358</u>	<u>-</u>		
Total liabilities	84,308,870	22,835,489		
Minority interest	72,745,078	74,026,510		
Stockholders' equity	<u>116,247,929</u>	<u>24,619,413</u>		
Total liabilities and stockholders' equity	\$ 273,301,877	\$ 121,481,412		
<u>Other Information</u>				
Senior bank facility - construction loan	\$ 210,000,000			
Amounted borrowed at June 30, 2007	<u>(5,000,000)</u>			
Available borrowings for construction	\$ 205,000,000			
Total shares outstanding	33,397,000			

(a) Period is from the Company's inception on April 11, 2006 to June 30, 2006