

Fortune 50 company opens biodiesel retail location

Safeway Inc., one of the nation's largest food and drug retailers, offering B20 blend with biodiesel from Renewable Energy Group®, Inc.

(Seattle, WA – February 28, 2007) –Safeway Inc. (NYSE: SWY), one of the nation's largest food and drug retailers, last week launched biodiesel sales at a retail location in Seattle, Washington. Safeway, a Fortune 50 company, is now offering the clean-burning B20 blend.

“Conserving our nation's valuable energy resources is something that Safeway and our customers care deeply about,” said Greg Sparks, president of Safeway's Seattle Division. “Safeway is proud to be able to offer an alternative fuel for our customers in Seattle. Selecting this area to test market biodiesel fuel was a natural for us as Seattle - and Washington State as a whole - continues to lead the nation when it comes to encouraging and accepting alternative energy and fuel options.”

The station in West Seattle is one of the country's first national retailer-owned biodiesel fueling stations. The fuel center will sell B20 biodiesel which is a blend of 20 percent biodiesel and 80 percent petroleum diesel. Safeway is selling SoyPOWER® brand biodiesel, a product which comes from the Iowa-based full-service biodiesel company, Renewable Energy Group (REG). Tacoma-based SC Fuels, which is the largest biodiesel storage and distribution company in the state, will be the sole distributor. Safeway is considering offering B20 at other fuel centers.

“With the addition of biofuels at its West Seattle location, Safeway is taking a bold step toward helping our city, state and country become less dependent on fossil fuels alone,” said Mayor Greg Nickels who was on hand for the announcement. “Safeway is leading by example and setting a standard for environmental partnership.”

Today's announcement adds to Safeway's growing commitment to protecting the environment and conserving our nation's valuable energy resources. Beginning in 2005, the company purchased 100 percent renewable energy to power its 270 fuel stations in the United States including its 15 stores in San Francisco and the Safeway corporate campuses in Pleasanton and Walnut Creek, California.

“Safeway is committed to the advancement of products and technologies that help our customers live healthier lives and help meet our changing environmental landscape,” said Cherié Myers, director of public and government affairs for Safeway's Seattle Division. “Biodiesel is the latest in a long line of environmentally conscious products and an ingredient for life that we are proud to offer our customers.”

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About Safeway

Safeway Inc. (NYSE:SWY) is a Fortune 50 company and one of the largest food and drug retailers in North America based on sales. The company operates 1,767 stores in the United States and Canada and had annualized sales of \$39.7 billion for the period ended September 9, 2006. The company's common stock is traded on the New York Stock Exchange under the symbol SWY. Safeway's Seattle Division operates 200 stores in Washington, Alaska, Montana and Idaho.

For more information contact Cherié Myers, Director of Public & Government Affairs, Seattle Division at (425) 455-8697.

About SC Fuels

Since 1930, *SC Fuels* has been a leader in providing fuel and fuel-related solutions to the Western United States. Serving over 35,000 customers annually, SC Fuels offers a wide variety of services to satisfy any fueling need – Bulk Fuels, Cardlock Fuel Management Systems, On-site Fueling, Heating Oil, and Lubricants. More recently, SC Fuels has become an industry leader in marketing and distribution of biodiesel and other alternative fuels. SC Fuels is based in Orange, Calif. For more information, please visit www.scfuels.com.

About Renewable Energy Group[®], Inc.

Renewable Energy Group[®], Inc. is the biodiesel industry leader of B100 sales and is the only full-service biodiesel company offering plant management, risk management, raw material procurement, plant construction, biodiesel production and biodiesel sales and marketing services. All planned facilities will utilize patented continuous-flow biodiesel production technology featuring water recycling and methanol recovery and be BQ-9000 accredited. Renewable Energy Group, Inc. markets SoyPOWER[®] biodiesel to customers in many industries including on-highway fleets, original equipment manufacturers, maritime, military, home heating and agriculture industries. To learn more visit www.regfuel.com