ACES POWER MARKETING NEWS

For Immediate Release

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ARKANSAS ELECTRIC COOPERATIVE CORPORATION BECOMES 19TH MEMBER-OWNER OF ACES POWER MARKETING

Carmel, Indiana and Little Rock, Arkansas

Arkansas Electric Cooperative Corporation (AECC), a generation and transmission cooperative serving local distribution cooperatives in the state of Arkansas, has joined as the 19th member of ACES Power Marketing (APM), effective November 1st, 2011. APM is a 200-employee national energy risk management and trading services company headquartered in Carmel, Indiana.

APM will provide AECC with a suite of energy risk management services related to credit analysis and monitoring, contract administration, trading controls, risk management policy development, regulatory coverage, portfolio modeling, and transmission and pricing analysis. AECC selected the specific services it initially needs from APM, but will have the opportunity to select other services as its resource portfolio, energy markets and fuel risks change.

"We are facing a major change in the way we do business primarily driven by the Southwest Power Pool's developing market and Entergy's stated intention to join MISO (the Midwest Independent System Operator) in late 2012 or early 2013," said Ricky Bittle, Vice President of Planning, Rates and Dispatching for AECC. "ACES Power Marketing has broad experience helping G&T cooperatives manage their resources in structured power markets. We will be looking to APM to augment the capabilities of our existing staff so that we can successfully make that transition."

David J. Tudor, President & CEO of ACES Power Marketing, added "We are very pleased to have AECC as our second member in the Southeast U.S. We have a good understanding of the risks and challenges AECC is facing because of Entergy's decision. Our flexible business model will allow them to decide exactly what kind of assistance their staff needs from us – both now and in the future."

APM will station a trading control expert at AECC's headquarters in Little Rock, according to Jeff Hume, the APM Director of Business Development who negotiated the membership agreement. "One of the things we emphasized with AECC is the importance of identifying power supply risks so that the board can develop policies and establish limits around those risks. Trading control personnel make sure those limits are maintained."

About AECC

Arkansas Electric Cooperative Corporation (AECC), based in Little Rock, provides power for about 490,000 members of Arkansas' 17 electric distribution cooperatives. AECC has annual energy sales of about $669 million and assets of about $1.1 billion which include three hydropower plants, three natural gas/oil-fired plants and two natural gas-fired-only plants. AECC also co-owns portions of three low-cost coal-fired plants. AECC is an active participant in wholesale power markets to take advantage of economical power purchase and sales opportunities.

About ACES Power Marketing

ACES Power Marketing, headquartered in Carmel, Indiana, began its operations in February of 1999, and is owned by nineteen (19) power supply cooperatives. It also provides services to over 50

customers including cooperatives, municipals, irrigation and public water agencies, financial institutions, industrial companies and independent power producers.

APM's business strategy is unique in the energy marketing and trading industry. It operates as an energy risk management and hedge manager, developing strategies, implementing trading controls, and managing transaction execution for multiple entities as their legal agent. APM's business process allows its customers to actively participate in the hedging strategy by collectively utilizing APM's infrastructure and resources to assess risks and execute specific, customized portfolio strategies. APM does not transact for its own account, nor does it speculate in the market for its owners or customers.

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