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**WASTE MANAGEMENT AND TERRABON ANNOUNCE INVESTMENT
AGREEMENT FOR WASTE-TO-FUEL CONVERSION TECHNOLOGY**

Waste Management Joins Valero Energy Corporation In Investment In Terrabon

HOUSTON, TX, August 26, 2009 - Waste Management, Inc. (NYSE: WM) and Terrabon, L.L.C., today announced an agreement by Waste Management to invest in Terrabon's unique waste-to-fuel conversion technology. Waste Management is the leading provider of comprehensive waste management and environmental services in North America.

Waste Management joins Valero Energy Corporation (NYSE: VLO), the largest refiner in North America, which also invested in Terrabon in April 2009 and recently increased its investment in Terrabon. This investment from Waste Management and Valero will be used by Terrabon to advance the scalability of their technology.

Waste Management will also assist Terrabon in securing organic waste streams, which Terrabon will use to produce high-octane gasoline using its MixAlco™ technology. MixAlco is an acid fermentation process that converts biomass into organic salts. The resulting non-hazardous organic salts, or bio-crude, would be then shipped by

truck, rail or pipeline to a Valero refinery or other centralized processing facility where it would be converted to a high-octane gasoline that can be blended directly into a refiner's fuel pool, avoiding many of the blending and logistics challenges presented by ethanol. Terrabon recently successfully completed the production of gasoline from sorghum biomass at its advanced biofuels research facility in Bryan, Texas.

“We see waste as a resource to be recovered in a way that protects and enhances the environment, and this investment in Terrabon, together with Waste Management's other renewable energy initiatives, will help move Waste Management toward meeting two of its sustainability goals: doubling its renewable energy production and investing in emerging technologies for managing waste,” said Carl Rush, vice president of Organic Growth at Waste Management.

“We believe our technology, which allows for the deployment of smaller scale plants locally, combined with strategic partnerships in “upstream” feedstock sourcing and “downstream” gasoline off-take, establishes a framework for the first fully integrated biofuels company in the U.S.,” said Gary W. Luce, chief executive officer for Terrabon. “We are pleased to be working with investors who understand the value and urgency of finding new sources of renewable energy. We are committed to growing our business rapidly in order to make a significant impact in the production of renewable fuels.”

The agreement, combining Waste Management's industry leadership and expertise in the collection and management of a wide range of segmented waste streams with Terrabon's promising technology is complementary to Waste Management's comprehensive waste services in the areas of recycling, landfill, and waste-to-energy and consulting services capabilities.

About Waste Management

Waste Management, based in Houston, Texas, is the leading provider of comprehensive waste management services in North America. Our subsidiaries provide collection, transfer, recycling and resource recovery, and disposal services. We are also a leading developer, operator and owner of waste-to-energy and landfill gas-to-energy facilities in the United States. Our customers include residential, commercial, industrial, and municipal customers throughout North America. To learn more visit www.wm.com or www.thinkgreen.com.

About Terrabon

Terrabon, L.L.C. was formed in 1995 to commercialize three technologies developed at Texas A&M University. Terrabon plans to deploy these cutting-edge technologies through licensing and joint venture arrangements. Its MixAlco™ technology converts biomass to green gasoline. AdVE is a water desalination process that utilizes advanced vapor-compression evaporation to desalinate salt water into potable water. SoluPro is a bio-products process that converts inexpensive protein-bearing waste material into animal feed and "green" commercial adhesives. These technologies are exclusively licensed to Terrabon by Texas A&M University through its Office of Technology Commercialization. Please visit Terrabon's website at www.terrabon.com.

About Valero Energy Corporation

Valero Energy Corporation is a Fortune 500 company based in San Antonio with approximately 22,000 employees and 2008 revenues of \$119 billion. The company owns and operates 16 refineries throughout the United States, Canada and the Caribbean with a combined throughput capacity of approximately three million barrels per day, making it the largest refiner in North America. Valero is also a leading ethanol producer with seven ethanol plants in the Midwest with a combined capacity of 780 million gallons per year, and is one of the nation's largest retail operators with approximately 5,800 retail and branded wholesale outlets in the United States, Canada and the Caribbean under the Valero, Diamond Shamrock, Shamrock, Ultramar, and Beacon brands. Please visit www.valero.com for more information

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this press release relate only to events as of the date of this release. We undertake no ongoing obligation to update these statements.

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