



News Announcement

For Immediate Release

REX AMERICAN RESOURCES ACQUIRES ADDITIONAL 50% EQUITY INTEREST IN NUGEN ENERGY ETHANOL PLANT, RAISING ITS OWNERSHIP TO 98%

- REX Increases Ownership of Annual Nameplate Production Capacity by Approximately 30% -

- NuGen Reported Pre-tax Income of \$24.3 Million for its Fiscal Year Ended July 31, 2011 -

Dayton, Ohio and Marion, South Dakota (November 2, 2011) -- REX American Resources Corporation (NYSE:REX) announced today that through a wholly-owned subsidiary it has acquired an additional approximate 50% equity ownership interest in NuGen Energy, LLC, ("NuGen") raising its equity ownership in the entity to approximately 98%. Local farmers own the remaining approximate 2% interest. REX acquired its additional interest in NuGen and paid in full its remaining contingent consideration liability (related to the June 2010 purchase of its initial 48% ownership interest in NuGen) for a total of \$12.7 million and made a \$7.0 million capital contribution to NuGen to reduce long-term debt. Effective November 1, 2011, REX will consolidate the plant's results in its financial statements. In the twelve month period ended July 31, 2011, REX recognized pre-tax earnings of \$9.3 million and received dividends of \$3.1 million related to its then 48% equity ownership interest in NuGen. This acquisition increases REX's ownership of annual operating nameplate production capacity by approximately 30% from approximately 169 million gallons to approximately 219 million gallons.

Presented below is NuGen's summary statement of operations for the fiscal years ended July 31, 2011 and 2010. REX had a 48% equity ownership in NuGen for the full twelve month period ended July 31, 2011 and a 48% equity ownership in NuGen for one month in the fiscal year ended July 31, 2010.

| Dollars in millions, unaudited | Twelve Months Ended July 31, | | |
|--|------------------------------|----------|---------|
| | 2011 | 2010 | Change |
| Sales | \$ 336.6 | \$ 234.1 | +43.8% |
| Gross Profit | 31.1 | 18.6 | +67.2% |
| General and Administrative Expense | 4.8 | 5.3 | (9.4)% |
| EBITDA* | 32.0 | 18.0 | +77.8% |
| Depreciation and Amortization Expense | (4.7) | (4.6) | +2.2% |
| Earnings Before Interest and Taxes | 27.3 | 13.4 | +103.7% |
| Interest Expense, net | (3.0) | (3.3) | (9.1)% |
| Net Income (pre-tax) | \$ 24.3 | \$ 10.1 | +140.6% |
| Denatured Production (millions of gallons) | 115.7 | 110.3 | +4.9% |

* EBITDA, or earnings before interest, taxes, depreciation and amortization is not a measure of performance or liquidity calculated in accordance with GAAP. EBITDA for NuGen is calculated by adding interest expense, net and depreciation and amortization expense to pre-tax net income.

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NuGen operates a nameplate 100 million gallon ethanol plant in Marion, South Dakota. NuGen produced 115.7 million and 110.3 million gallons of denatured ethanol during the years ended July 31, 2011 and 2010, respectively. The plant was built by Fagen, Inc. and utilizes ICM, Inc. technology and commenced production in February 2008. REX purchased the additional interest in NuGen from Central Farmers Cooperative, LLC, ("CFC") a locally owned farmers cooperative.

Commenting on the transaction, REX CEO Stuart Rose stated: "NuGen is a highly efficient plant with solid operational performance, a favorable location and an excellent management team. The structure of this transaction allows us to significantly expand our ethanol production ownership in a manner that we believe will prove to be very favorable for our shareholders. CFC has played an important role in the NuGen facility and assisting it in achieving a strong financial and operational position. We look forward to working with the NuGen operations team to further extend improvements in both its operational and financial performance."

REX funded the transactions with cash on hand and has refinanced the NuGen facility's non-recourse bank debt at three month LIBOR +3.25% (with a 4% floor). The new \$55 million long-term debt facility has a term of five years and is funded by a consortium of lenders led by First National Bank of Omaha. In addition, NuGen has access to a \$10 million revolving credit facility that is renewable annually and will bear interest at one month LIBOR + 3.00% (with a 3.75% floor). Giving effect to cash on hand at the plant and REX's capital contribution, NuGen's bank debt (including borrowings on the revolving line of credit) will be reduced to approximately \$55 million from approximately \$78 million.

About REX American Resources Corporation www.rexamerican.com

REX American Resources has interests in six operating ethanol production facilities that meet its strategy and focused operating model. The facilities are all located in corn belts and near rail transportation, Fagen built using state-of-the-art ICM technology, and are principally 100 million gallon annual nameplate capacity plants. The six facilities have an aggregate annual nameplate production capacity of 592 million gallons of ethanol, of which REX's ownership is approximately 219 million gallons. REX intends to continue leveraging the strength of its balance sheet through opportunities including:

- Expanding its ownership in existing ethanol facilities;
- Completing complementary investments in additional ethanol or biofuel plants or other industrial projects that meet its risk and return criteria; and,
- Making further common stock share repurchases at a discount to book value.

This news announcement contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by use of forward-looking terminology such as "may," "expect," "believe," "estimate," "anticipate" or "continue" or the negative thereof or other variations thereon or comparable terminology. Readers are cautioned that there are risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. These risks and uncertainties include the risk factors set forth from time to time in the Company's filings with the Securities and Exchange Commission and include among other things: the ability of REX to achieve the expected benefits to REX's

operating results related to its increased ownership of NuGen, the ability of the NuGen facility to continue to achieve positive financial results, the impact of legislative changes, the impact of changes to or expirations of federal policies, laws or regulations, the price volatility and availability of corn, sorghum, dried distillers grains, ethanol, gasoline and natural gas, ethanol plants operating efficiently and according to forecasts and projections, changes in the national or regional economies, weather, the effects of terrorism or acts of war, changes in real estate market conditions and the impact of Internal Revenue Service audits. The Company does not intend to update publicly any forward-looking statements except as required by law.

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