



Argan, Inc.'s Wholly Owned Subsidiary Gemma Power Systems California Signs Updated EPC Contract for \$220 Million Peaking Power Project

Company to Build 800 MW Project in Southern California

March 16, 2011 -- Rockville, MD – Argan, Inc. (NYSE AMEX: AGX) announced that its wholly owned subsidiary, Gemma Power Systems California (GPS), has signed an updated engineer-procure-construct (EPC) contract with CPV Sentinel for an approximately \$220 million contract to design and build an 800 MW, eight-unit simple cycle peaking power plant in Southern California. CPV Sentinel has entered into a power purchase agreement with Southern California Edison for the output of the facility. The EPC contract reflects certain terms updated for current circumstances since the original contract was signed more than two years ago.

GPS has received a limited release to start critical planning and early engineering activities with a full release later this summer. The project is estimated to be completed in the Summer of 2013. Rainer Bosselmann, Chairman and Chief Executive Officer of Argan, stated, “We are pleased to assist in meeting the electricity demands of the citizens of Southern California. We look forward to working with CPV Sentinel toward the successful, on-time completion of this important project.”

About Argan, Inc.

Argan’s primary business is designing and building energy plants through its Gemma Power Systems subsidiary. These energy plants include traditional gas as well as alternative energy including biodiesel, ethanol, and renewable energy sources such as wind power and solar. Argan also owns Southern Maryland Cable, Inc.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws and are subject to risks and uncertainties including, but not limited to; (1) the Company’s ability to achieve its business strategy while effectively managing costs and expenses; (2) the Company’s ability to successfully and profitably integrate acquisitions; and (3) the continued strong performance of the energy sector. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors detailed from time to time in Argan’s filings with the Securities and Exchange Commission. In addition, reference is hereby made to cautionary statements with respect to risk factors set forth in the Company’s most recent reports on Form 10-K and 10-Q, and other SEC filings.

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