

TERRABON

PRESS RELEASE

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For immediate release

TERRABON CLOSES FIRST INSTALLMENT OF EQUITY FINANCING WITH VALERO ENERGY TO ACCELERATE DEVELOPMENT OF “GREEN GASOLINE”

Houston, Texas (April 9, 2009) Terrabon, L.L.C., an innovator in the development of new technology that produces “green gasoline” from landfill garbage, announced today that the leading petroleum refiner in the United States, San Antonio-based Valero Energy Corporation, has funded the first installment, as lead investor, in Terrabon’s current round of equity financing. Terrabon will use the financing to accelerate the commercial deployment of its unique acid fermentation technology that converts readily available, low-cost biomass (including municipal solid waste from landfills) into chemicals that can be processed into renewable “green” gasoline.

Terrabon is currently in the start-up phase of its Advanced Biofuels Research Facility in Bryan, Texas, which will confirm the commercial feasibility of the Company’s MixAlco™ technology. MixAlco is an advanced bio-refining technology, developed in cooperation with Texas A&M University, which converts low-cost, readily available, non-food biomass into valuable chemicals such as acetic acid and ketones that can be processed into gasoline. This gasoline is not ethanol; it has a higher energy value than ethanol, as comparable to regular gasoline, and can be blended directly with regular gasoline.

Valero’s previous investments in renewable fuels technologies include work with biofuels companies and the purchase of seven ethanol plants in the Upper Midwest.

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“The development of renewable energy technologies is critical to fulfilling America’s energy needs in the 21st century,” said Gary Luce, Chief Executive Officer of Terrabon. “Our strategic partnership with Valero is a big step in helping our country meet President Obama’s goal of producing 36 billion gallons of renewable fuels by 2022.”

Valero Energy Corporation is a Fortune 500 company based in San Antonio, with approximately 22,000 employees and 2008 revenues of more than \$119 billion. The company owns and operates 16 refineries throughout the United States, Canada and the Caribbean with a combined throughput capacity of approximately 3 million barrels per day, making it the largest refiner in North America. Valero is also 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 various brand names including Valero, Diamond Shamrock, Shamrock, Ultramar, and Beacon. Please visit www.valero.com for more information.

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 bioproducts 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.

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