

TERRABON

PRESS RELEASE

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For immediate release

TERRABON'S MIXALCO TECHNOLOGY IS A LOW-COST SOLUTION TO THE NEED FOR RENEWABLE GASOLINE, LUCE TELLS NREL CONFERENCE

Denver, CO (October 29, 2008) “Terrabon’s MixAlco™ technology is a cost effective, sustainable solution to the urgent need to produce biofuels and bio-chemicals that satisfy the world’s appetite for renewable energy resources and reduce America’s dependence on foreign oil,” the Company’s Chief Executive Officer Gary W. Luce told attendees at the National Renewable Resource Laboratory’s (NREL) 21st Growth Forum meeting today in Denver.

“Over the past 15 years, we have been working with researchers at Texas A&M University to develop a unique technology platform that uses readily available non-food biomass to produce renewable advanced biofuels,” he said. “MixAlco, which was inspired by the digestive processes of the ordinary cow, is an advanced bio-refining process that employs carboxylic acid fermentation followed by downstream chemistry to convert biomass products such as municipal solid waste, sewage sludge, forest product residues and non-edible energy crops, into industrial chemicals and renewable gasoline.”

Mr. Luce noted that the economics of this technology are extremely attractive. For example, a project for a city of 100,000, using 200 tons per day of municipal solid waste as biomass, could generate 4.5 million gallons per year of renewable gasoline at a capital cost of \$22.5 million and a cash cost of less than \$1.50 per gallon. He explained

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that a component of Terrabon's business plan involves joint venturing with biomass owners to build and operate plants—the feedstock owner would supply the biomass and Terrabon would provide the technology and project capital.

The scaled up, commercial feasibility of the MixAlco technology will be tested at Terrabon's new Advanced Biofuels Research Facility, currently under construction in Bryan, Texas. When completed, the new semi-works facility will have the loading capacity of 400 dry tons of biomass, equal to a loading rate of five dry tons per day. The Company will use sorghum as the primary feedstock with the objective of producing organic salts and converting them to ketones, which can be converted to renewable gasoline. The MixAlco technology has already been successfully tested for the past three years at Terrabon's pilot plant in College Station, Texas.

The Company will hold a special dedication ceremony to mark completion of the Research Facility at 10 a.m., Friday, November 7, 2008, at the plant site located at 6150 Mumford Road in Bryan. Texas Governor Rick Perry will be among the speakers at the event.

*Terrabon, L.L.C. was organized in 1995 to commercialize three technologies that share the same suite of patented intellectual property developed at Texas A&M University. Terrabon plans to deliver this cutting-edge technology via licensing for three products. **MixAlco**[™] is an advanced bio-refining process that converts low cost, readily available "non-food" biomass into a "biocrude," which can be easily and efficiently converted into valuable chemicals and fuels, such as ethanol and gasoline. **SoluPro**[™] is a bioproducts process that converts inexpensive protein-bearing waste material into animal feed and "green" commercial adhesives. **AdVE**[™] is a water desalination process that utilizes advanced vapor-compression evaporation to substantially reduce the capital and operating costs of water purification.*

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, the predictability of commodities markets and raw material markets. Such statements are based upon the current beliefs and expectations of Terrabon's management and are subject to certain risks and uncertainties, including, but not limited to, competitive market pressures, changes in foreign currency and exchange rates, international trade risks, changes in policy by foreign governments, and changes in environmental and other governmental regulation. Actual results may differ from those set forth in the forward-looking statements.

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