



PRESS RELEASE

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For immediate release

TERRABON BREAKS GROUND ON PLANT THAT WILL TEST LOW-COST BIOMASS CONVERSION TECHNOLOGY FOR COMMERCIAL USE

Houston, Texas (May 7, 2008) Terrabon, L.L.C. announced today that it has broken ground, on a biofuels conversion facility in Bryan, Texas, that will test the scaled-up, commercial feasibility of its MixAlco™ technology, which converts readily-available, low-cost, non-food biomass into chemicals that can be processed into ethanol and renewable gasoline fuels.

The MixAlco technology uses non-food feedstocks such as municipal solid waste, sewage sludge, forest product residues and non-edible energy crops to create acetic acid and alcohols that may be converted into fuel. The new semi-works demonstration plant is designed to confirm the engineering for the technology on a larger scale.

Testing has been underway for three years at the Company's pilot plant in College Station and has proven that the MixAlco technology can commercially make cellulosic ethanol and renewable gasoline. The pilot plant can process up to 200 dry pounds per day of biomass using feedstock such as paper wastes and chicken manure.

The new plant, which is expected to be operational by September 2008, will have a loading capacity of 400 dry tons of biomass, which equates to a loading rate of five dry tons per day. Sorghum will be the primary feedstock with the objective of producing organic salts and convert them to ketones. Current plans call for the process to run in two separate cycles,

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each about 80 days in duration.

The MixAlco technology has been developed over the last 15 years by Dr. Mark T. Holtzapple, professor of Chemical Engineering, and Dr. Cesar B. Granda, Research Engineer, at Texas A&M University.

The development of MixAlco has spawned two additional products. 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 for brackish and salty water that utilizes advanced vapor-compression evaporation to substantially reduce the capital and operating costs of water purification.

Terrabon has been granted worldwide licenses from The Texas A&M University System for all three products. The Company intends to license and joint venture these technologies with companies that generate biomass at their own facilities.

“With construction of this facility, we are one step closer to bringing cost effective, renewable energy products to consumers,” said Gary W. Luce, Terrabon’s Chief Executive Officer. “Using municipal solid waste as a feedstock at a price of \$10 per tonne, we believe this technology can produce fuel-grade ethanol for \$1.00 per gallon and renewable gasoline for \$1.65 per gallon for a facility processing around 300 tons per day of municipal solid waste”

*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.*

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