



PRESS RELEASE

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For immediate release

TERRABON DEDICATES ENERGY INDEPENDENCE I, AN ADVANCED BIOFUELS RESEARCH FACILITY IN BRYAN, TEXAS

Houston, Texas (November 10, 2008) Terrabon, L.L.C. held dedication ceremonies Friday, November 7, for its new Advanced Biofuels Research Facility in Bryan, Texas. The event marked completion of the facility, christened Energy Independence I, which will confirm the scaled-up, commercial feasibility of the Company's MixAlco™ technology. MixAlco converts readily-available, low-cost, non-food biomass into chemicals that can be processed into renewable gasoline.

Speaking at the event, Texas Governor Rick Perry said, "Energy independence has become a critical goal as the worldwide demand for energy continues to rise and traditional energy sources can no longer be solely depended on to provide the resources needed. To advance the next generation of energy technologies, we must continue to develop and refine new ideas and take some risk to produce and market them through innovation and competitive markets."

The governor noted that energy independence would not be achieved through government regulations and taxes. "We are making great strides in renewable sources like biofuels because private sector companies like Terrabon are risking their own capital on great ideas," he said. "In the same way that Texas long ago set the pace in petroleum production and refining, we are now leading the way into a new era of renewable energy production, which will move us closer to energy independence."

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“For more than 40 years, every U.S. President has talked about the need for energy independence,” said Gary W. Luce, Chief Executive Officer, “yet oil continues to supply approximately 95 percent of America’s liquid transportation fuels. This facility is a major step forward in the development of commercially-viable biofuels that provide cost-effective alternatives to fossil fuels.”

The MixAlco technology was developed by a research group headed by Dr. Mark T. Holtzapple, Professor at the Artie McFerrin Department of Chemical Engineering at Texas A&M University. “Compared to competing biomass-conversion processes, MixAlco is a simple technology that was inspired by the digestive system of the ordinary cow,” Dr. Holtzapple said. “Unlike current alcohol technology, which uses food grains to produce liquid fuels, MixAlco uses any biomass, including municipal solid waste, sewage sludge, manure, agricultural residues, and energy crops. The biomass is placed in a large, oxygen-free tank, analogous to the rumen (or first stomach) of cattle, where naturally occurring organisms convert the biomass to vinegar. No sterility is required and no enzymes must be added.”

Dr. Holtzapple noted that MixAlco exemplifies the term “biorefinery” because of the wide variety of chemical and fuel products that can be produced using the technology. The vinegar produced by MixAlco can be used to make plastics, or it can be chemically converted to other chemicals such as acetone. By adding small amounts of hydrogen, alcohol fuels can be made that have higher energy content than conventional ethanol. The alcohols can be further converted to gasoline that is virtually identical to conventional gasoline made from crude oil.

The new Research Facility continues the work conducted at the pilot plant in College Station, which has been testing the MixAlco technology for more than three years. The pilot plant can process up to 100 dry pounds per day of biomass using feedstocks such as paper wastes and chicken manure. Sorghum will be the primary feedstock at the demonstration-scale facility, which has a loading capacity of 400 dry tons of biomass.

Terrabon plans to joint venture and license its technologies with other companies and municipalities. “We believe our approach will set the standard for a distributed pretreatment and fermentation system that will allow us to respond to the logistical challenges associated

with biomass fuel production,” Mr. Luce said. “Our scale and economics will provide energy solutions to local communities, with local capabilities and feedstocks, putting the energy solution back into the rural communities both in America and in countries throughout the world.”

***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.*

For more information, visit our website: www.terrabon.com.

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