

Gulf Ethanol Signs Letter of Intent for Biodiesel Plan

HOUSTON, Apr 09, 2008 (BUSINESS WIRE) -- Gulf Ethanol Corporation (OTC:GFET) announced today that it has signed a Letter of Intent to purchase the biodiesel plant owned and operated by Systems Management Group, Inc.

Gulf Ethanol plans to relocate this plant to Central America to produce biodiesel out of palm oil. The plant has produced biodiesel for commercial users in the U.S. prior to increases in American feedstocks that made production inefficient in the U.S. It can produce up to 500,000 gallons per month making it one of the largest producers in the U.S.

"We see this as a big step forward in our dual fuels strategy," noted JT Cloud, Gulf's President. "This plant gives us a proven technology for the production of biodiesel that we can deploy throughout Central America where feed stocks are plentiful and fuels are needed," he added.

GFET plans to develop and commercialize clean technologies that will facilitate the efficient use of natural resources. Other companies that compete in the same space as Gulf are GreenShift (OTCBB: GERS), AE Biofuels (OTCBB: AEBF), Nova Biosource Fuels, Inc. (AMEX: NBF) and BioFuel Energy Corp. (NasdaqGM: BIOF).

About Gulf Ethanol Corporation

Gulf Ethanol is an alternative energy company focused on the development of the cellulosic ethanol industry with a particular emphasis on Texas and the Gulf Coast. For more information please visit our homepage at: www.GulfEthanolCorp.com.

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SOURCE: Gulf Ethanol Corporation

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