

Financing Completed for Cellulosic Pre-Processing System

HOUSTON, TX, May 27, 2008 (MARKET WIRE via COMTEX) -- Gulf Ethanol Corporation (PINKSHEETS: GFET) announced today that it has completed the financing for its prototype bioprocessing unit and expects to take delivery on the equipment within thirty days.

The unit is designed to preprocess cellulosic biomass into a very fine powder that will enhance ethanol production. Vortex Ventures, a Houston-based equipment engineering and manufacturing firm, www.VortexVentures.com, is in the final stages of assembly of the unit. Vortex Ventures owns the intellectual property related to materials separation used in the equipment and GFET is the exclusive distributor of these units as related to ethanol production.

Gulf Ethanol expects to begin testing the unit, upon delivery, to establish performance parameters for throughput, scalability, drying capacities and other elements critical to cellulosic ethanol production. "We believe that once these key factors are quantified, we will be able to market our system and establish an early path to revenue for the company," stated William Carmichael, President of Gulf Ethanol Corp.

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.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This news release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements that include the words "believes," "expects," "anticipate" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company to differ materially from those expressed or implied by such forward-looking statements. In addition, description of anyone's past success, either financial or strategic, is no guarantee of future success. This news release speaks as of the date first set forth above and the company assumes no responsibility to update the information included herein for events occurring after the date hereof.

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