

Gulf Ethanol Announces Completion of Cellulosic Preprocessor for Ethanol

HOUSTON, TX, Jun 16, 2008 (MARKET WIRE via COMTEX) -- Gulf Ethanol Corporation (PINKSHEETS: GFET) announced today that the fabrication of its prototype machine for preprocessing cellulosic feedstock has been completed by Vortex Ventures (www.vortexventures.com).

Preprocessing cellulosic feedstock is a key element in the manufacture of ethanol. By reducing plant material into a fine powder it should be possible to enhance the efficiency in subsequent ethanol processing stages. GFET and Vortex Ventures are working together to develop the cellulosic preprocessing system for ethanol applications. Gulf Ethanol has the exclusive right to distribute the units.

"We have begun to source various feedstocks so that evaluation can begin as soon as the set up of the unit at our test site is completed. Financing for the preprocessing unit was completed earlier this month and a test site was acquired last week. Our consulting engineers believe that we will be able to run our first batch of test material by mid July," said Bill Carmichael, Interim CEO of Gulf Ethanol.

GFET has sourced hardwood sawdust, wet and dry sorghum, hay, switchgrass and other cellulosic materials for testing. "Initially, we want to determine the operational parameters required to preprocess various materials. Then the cellulosic materials will then be tested to determine the efficiencies that may be gained from our preprocessing. Additional testing will be done to determine energy requirements, throughput capacities, and scalability," concluded Mr. Carmichael.

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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