

Gulf Ethanol Establishes R&D Facility

HOUSTON--(MarketWire)

Gulf Ethanol Corporation (OTC: GFET) announced today that the company has established an R&D facility dedicated to refining the design of its cellulosic feedstock preprocessor. Cellulosic feedstock is used to produce ethanol from non-food products.

The new facility will be focused on enhancing the system for commercial delivery as a solution for cellulosic feedstock processing in ethanol production. Equipment and feedstocks are being acquired to analyze the throughput capacity, energy requirements, and scalability of the system. Gulf Ethanol intends to show that its equipment can improve the efficiencies of cellulosic feedstock and provide ethanol producers with an alternative to corn. Initial experiences with components of the system lead the company to believe that the system will significantly improve process times and net ethanol yield from cellulosic feedstocks

An ethanol production plant, capable of producing fifty million gallons of ethanol per year, is projected to continuously require the equivalent of a truckload of sorghum every five minutes. Initial experiences with components of the system indicate that large quantities could be processed with cost effective energy consumption. The focus of the R&D facility will be to quantify the precise parameters of the systems operations and evaluate the engineering requirements to scale the unit to handle the quantities of feedstock that a commercially viable cellulosic ethanol plant would require.

The establishment of the new R&D facility comes in the wake of the announcement on 15 April 2008 that Gulf Ethanol was acquiring the preprocessing system. "This is a huge business opportunity for Gulf and is one of the key elements to increasing cellulosic ethanol production in America," said Bill Carmichael, Interim CEO of GFET.

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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