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HEADLINE: Gulf Ethanol - Understanding The Cellulosic Ethanol Fit – Part 1

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Recent one-dimensional news reports have bashed U.S. ethanol production as the source of high food prices and inefficiency. As is often the case, the headline fails to educate – it only intends to alarm. It is critical in the analysis of alternative fuels in the U.S. to understand the contrast between corn-based ethanol and cellulosic ethanol. Current ethanol plants in the U.S. use corn to produce ethanol. The next generation of technology is totally different – it uses biomass such as agricultural waste, grasses and sorghum to produce ethanol. As the final technology challenges are overcome and cellulosic ethanol begins to come on line in the U.S. it will not produce any of the negative consequences on food supplies and cost escalation produced by corn-fed plants.

Gulf Ethanol (PinkSheets OTC:GFET) expects to play an important role in the cellulosic ethanol industry with the introduction of its biomass pre-processing unit. We believe this technology makes cellulosic biomass easier to process into ethanol.

Understanding the conversion of biomass to ethanol begins with understanding the structural and chemical complexity of the three primary polymers that make up plant cell walls: Cellulose, hemicellulose, and lignin. Cellulose and hemicellulose are carbohydrates that can be broken down into fermentable sugars. The cellulosic and hemicellulosic portions of plant biomass are processed separately because they have different structures and sugar content. Lignin is not a carbohydrate and cannot be converted into ethanol but is a valuable byproduct.

Cellulosic biomass is a less expensive and more abundant than corn grain. New technologies are now emerging to begin efficient processing of this plentiful and renewable resource. The structural complexity of cellulosic biomass is what makes this feedstock a challenge to break down into simple sugars that can be converted to ethanol. Gulf's pre-processing technology makes its impact at this point of the development process.

Cellulose is the most abundant biomaterial on earth. Each cellulose molecule consists of glucose molecules that are bonded together to form a complex sugar. Complex sugars cannot be fermented into ethanol. One of the key elements to successfully converting cellulose to ethanol is the ability to break down the bonds existing in complex sugars so that a simple sugar can be extracted for fermentation.

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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