

Gulf Ethanol -- Understanding the Cellulosic Ethanol Fit -- Part 2

HOUSTON, TX, Jul 07, 2008 (MARKET WIRE via COMTEX) –

Gulf Ethanol Corporation (PINKSHEETS: GFET) is working to provide an alternative to corn-based ethanol and address the high cost of biofuel production.

Plants contain the cellulosic materials cellulose and hemicellulose. These complex polymers form the structure of plant stalks, leaves, trunks, branches, and husks. They are also in products made from plants, such as paper. Cellulosic feedstocks contain sugars within their cellulose and hemicellulose, but they are more difficult to biochemically convert into ethanol than starch- and sugar-based feedstocks, such as corn. Cellulose resists being broken down into its component sugars. Hemicellulose is easier to break down, but the resulting sugars are difficult to ferment. The plant compound lignin also resists biochemical conversion.

Cellulosic feedstocks suited to ethanol production include the following:

- Sorghum
- Agricultural residue -- crop residues such as wheat straw and corn stalks, leaves, and husks
- Forestry residue -- logging and mill residues such as wood chips, sawdust, and pulping liquor
- Grasses -- hardy, fast-growing grasses such as switchgrass grown specifically for ethanol production
- Municipal and other wastes -- plant-derived wastes such as household garbage, paper products, paper pulp, and food-processing waste
- Trees -- fast-growing trees such as poplar and willow grown specifically for ethanol production

GFET is developing a preprocessing system to aid in breaking down these components of biomass economically. During the next month Gulf will be testing its system and will have the results tested by several well known, third party labs to determine the net ethanol yield increase. Our projections lead us to believe that we will be able to gain significant increases in ethanol yield with economical energy expenditures.

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.