

## Gulf Ethanol Begins Testing New Cellulosic Preprocessing System

HOUSTON, TX, Jul 30, 2008 (MARKET WIRE via COMTEX) -- Gulf Ethanol Corporation (PINKSHEETS: GFET) announced today that testing of its new preprocessing system for cellulosic ethanol production has begun.

On Monday we started the equipment and began the process of calibrating it to handle sorghum. Tuesday was spent further evaluating the settings and a small amount of sorghum was tested in the machine to establish a base line of performance for test protocols.

Gulf Ethanol plans to test its cellulosic biomass preprocessing system for capacity of preprocessing, throughput capabilities, and the performance parameters that will define scalability. The specific objectives of our preprocessing research will include efforts to quantify the equipment's capabilities with various biomass feedstocks. GFET will focus on sorghum but will also test switchgrass, corn, sawdust and other biomass. We plan to structure our testing to further identify strategies to increase preprocessed feedstock bulk densities, energy requirements and to determine the drying capacity of the equipment, all critical elements in cellulosic ethanol production.

GFET's goal is to produce a feedstock that is comprised of very small particles that will increase the net ethanol yield and efficiencies of cellulosic ethanol production thereby easing the demand on corn as the primary feedstock for ethanol.

### 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.