

## Gulf Ethanol Reports Progress

HOUSTON, Sep 22, 2008 (GlobeNewswire via COMTEX) -- Gulf Ethanol Corporation (Pink Sheets:GFET) reported today that the prototype feed-stock preprocessor is functioning as designed. The technology to take ethanol feedstock input and produce a very finely powdered, dry feedstock for shipping and processing is working well.

The Company will now develop and assemble the peripheral systems to complete the feedstock processing unit. This includes such things as the dust collection units that are capable of capturing particles as small as 3 microns and which meet all environmental dust containment requirements; materials processing equipment for feedstocks as they are delivered into the processing unit for continuous processing and electronic user interfaces, instrumentation, and gauging to allow for automated operations.

When the development of this peripheral equipment is complete, the company will be ready to complete the design of its first full commercial scale feedstock preprocessor.

"People often ask me whether there's room for a small company like GFET to succeed when giants such as ExxonMobil, Shell Oil and BP are actively developing alternative energy and alternative fuels technologies," noted Bill Carmichael, GFET's President. "The fact is, we believe our technology represents a very important link in the chain of development that will make cellulosic ethanol profitable and widespread," he concluded. "The preprocessing of feed stocks affects the efficiency of processing into ethanol, the processing time and the ability of the industry to handle and transport feed stocks. In addition, by drying the feedstock as we do, we change the storage capabilities of the ethanol industry," he added.

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.