E. coli License Leads to Advanced Biofuel Production

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Pasadena, CA – December 31, 2007 – Gevo, Inc. announced today it has acquired an exclusive license for use of UCLA's method for modifying E.coli bacteria for use in biofuel development. This new technology signals a breakthrough in the ability to mass produce advanced biofuels like butanol.

"This advanced modification method will enable us to speed up the commercial introduction of advanced biofuels like butanol by several years," said Dr. Pat Gruber, CEO of Gevo, Inc. "In addition, these efficient new pathways raise the possibility of retrofitting existing ethanol plants, at a low capital cost, to produce advanced biofuels. This helps to address one of the major issues in bringing an advanced biofuel to market – capital."

"Given that part of UCLA's mission is to transfer technologies to the commercial sector to benefit the public, we are excited at the prospect that this UCLA-developed technology may play a key role in addressing climate change and energy independence," said Earl Weinstein, Assistant Director at the UCLA office of Intellectual Property. "It has been a pleasure to work with the team at Gevo and we look forward to an ongoing relationship with them."

"First-generation technologies typically have limitations that must be addressed," added Gruber. "We formed Gevo with a mission to develop advanced biofuels that offer the same benefits as first generation biofuels but without the limitations."

The ideal biofuel is cost effective, strikes a good balance between high octane content and low vapor pressure, does not absorb water and is fully compatible with the existing industry and market infrastructure.

Advanced biofuels like butanol have demonstrated that they don't absorb water so they fit the current energy transportation system, including pipelines, without modification. In addition, the energy content of butanol is similar to gasoline, which means automobile engines do not require modification to operate efficiently. Butanol also has a high octane level and a low Reid vapor pressure.

Though the current focus is advanced biofuels, this new technology also enables the production of green chemicals like isobutanol, 3-methyl-1-butanol and 2-phenylethanol from plant sugars like glucose.

"This technology could open up many new markets for green chemicals derived from renewable resources," said Gruber. "In addition to being sold as an advanced biofuel, cost effective production of butanol also enables its use as a chemical intermediate. This platform approach helps to mitigate market risk by opening up multiple end-use markets."

Formed in 2005, Gevo is dedicated to bringing renewable cost-effective alternatives for fossil fuels and chemicals to consumers worldwide. 'Our goal is to meet increasing energy demands while reducing our impact on the earth," said Gruber. "We will accomplish this by converting renewable resources into fuels and green chemicals." For more information about Gevo, Inc. please visit <u>www.gevo.com</u>.

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