

Range Fuels awarded permit to construct the nation's first commercial cellulosic ethanol plant – groundbreaking to happen this summer

Independence Day marks the start of our country's independence from fossil fuels

Palo Alto, CA. and Broomfield, CO – July 2, 2007 –Range Fuels announced today that the company was awarded a construction permit from the state of Georgia to build the first commercial-scale cellulosic ethanol plant in the United States. Ground breaking will take place this summer in Treutlen County, Georgia for a 100-million-gallon-per-year cellulosic ethanol plant that will use wood waste from Georgia's forests as its feedstock. Phase 1 of the plant is scheduled to complete construction in 2008 with a production capacity of 20 million gallons a year.

"We are thrilled to receive this permit and anticipate the construction of many plants throughout Georgia and the Southeast using wood waste to make ethanol," said Mitch Mandich, CEO of Range Fuels. "With Independence Day on July 4, we are excited to begin the march toward independence from our country's reliance on fossil fuel."

"Cellulosic ethanol offers tremendous promise for not only the development of an alternative energy source, but also rural economic development for our state," said Sonny Perdue, Governor of Georgia. "We look forward to the construction of this plant and are hopeful this is the first of many more to come."

"The Department is pleased to hear that we are one step closer to making the widespread use of cellulosic ethanol a reality," U.S. Secretary of Energy Samuel W. Bodman said. "We commend Range Fuels for furthering the President's goal of deploying clean, renewable energy into the marketplace, and we are eager for the results of their work to help increase energy security and enhance economic growth."

Range Fuels is at the forefront of new proprietary technology for producing cellulosic ethanol. While most domestic ethanol production requires corn as a feedstock, Range Fuels' proprietary process does not. The country's ability to make corn ethanol is limited by the agricultural land available to grow it. The latest estimates predict that corn ethanol can only produce up to 15 billion gallons per year. On the other hand, according to the U.S. Department of Energy, our country could produce enough biomass to yield up to 140 billion gallons per year of cellulosic ethanol. Range Fuels' technology can transform all of this biomass, including wood chips, agricultural wastes, grasses, and cornstalks as well as hog manure, municipal garbage, sawdust and paper pulp into ethanol. The company has already successfully tested close to 30 types of biomass for producing ethanol.

The company's technology completely eliminates enzymes which have been an expensive component of cellulosic ethanol production. Range Fuels' thermo-chemical conversion process, the K2 system, uses a two step process to convert the biomass to synthesis gas, and then converts the gas to ethanol. In addition to the ability to process a broad range of potential biomass feedstock, the K2 system benefits from a modular design. Depending upon the quantity and availability of feedstock, the K2 system can scale from entry level systems to large configurations. This range of system size allows placement of the K2 near the biomass source reducing transportation costs, and will allow the most appropriate size system to be deployed.

The company selected Georgia for its first plant based upon the abundance of forest refuse and the renewable and sustainable forest industry. The state has demonstrated great stewardship of its forest

lands and environmental sensitivity. The forests of Georgia can support up to 2 billion gallons a year of cellulosic ethanol production.

Range Fuels, with Governor Perdue, announced plans to build the plant on February 7 of this year. The company was subsequently awarded a \$76M grant from the Department of Energy on February 28.

About Range Fuels

Range Fuels (www.rangefuels.com) is focused on green energy and the production of cellulosic ethanol. The company does not use food products like corn, but rather uses waste materials and turns them into valuable products. The company's innovative technology uses wood chips, municipal waste, paper pulp, olive pits, and more and converts those materials to ethanol. The company's system, named K2, uses a two step thermo-chemical conversion process. The first step converts the biomass to synthesis gas and the second step converts the gas to ethanol. The company's business model is to design, build, own and operate its plants. The company is privately held and funded by Khosla Ventures, LLC, arguably the top venture firm in the U.S. focusing on alternative, green energy systems. The leadership team melds experience from Silicon Valley's fast-paced, high-tech world, and the technologically intense coal, coal gasification, gas-to-liquids and chemical industries. Range Fuels' vision is to introduce the world to a fuel that's renewable, sustainable, and eco-friendly in its production.