



# Press Release

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## **VIRENT ENERGY SYSTEMS, INC.**

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## **Virent Energy Systems, Inc. Receives \$2 Million Dollar USDA-DOE Grant**

**MADISON, Wis., November 1, 2006** – Madison-based Virent Energy Systems, Inc., developer of the patented BioForming™ technology platform that converts biomass to renewable fuels and chemicals, announced today that it has been awarded a \$2 million dollar grant from the U.S. Department of Agriculture and Department of Energy to develop further its capabilities to convert glycerol, a co-product of biodiesel production, into renewable propylene glycol, a high value chemical usually made from fossil fuels.

This competitive grant was awarded as part of the joint USDA-DOE Biomass Research and Development Initiative, whose purpose is to support development of technologies that help make bio-based fuels commercially cost-competitive with fossil fuels.

Working in conjunction with FutureFuel Chemical Company, formerly a subsidiary of Eastman Chemical Company, Virent will optimize its yields of propylene glycol using glycerol of varying qualities. FutureFuel Chemical Company will supply the glycerol and help design and then test the first prototype system at its Batesville, Arkansas biodiesel plant. Other competitive methods to generate renewable propylene glycol require the addition of hydrogen, a costly step not needed by the BioForming technology platform.

Propylene glycol is a component of personal care products, de-icing and antifreeze products, liquid detergents, paints, and resins. More than 2.6 billion pounds of propylene glycol, with a total market value of \$1.7 billion, are sold each year worldwide.

“We are pleased to add propylene glycol to our technology base for the renewable production of high-value chemicals,” said Eric Apfelbach, CEO of Virent. “Our goal is to provide biodiesel producers with a profitable outlet for their growing quantities of glycerol.”

Gary McChesney, Director of Technology at FutureFuel Chemical Company, said, "We are excited about our partnership with Virent. This project leverages the strong technical capabilities of both organizations. Virent's innovative technology will provide us the ability to utilize an abundant, low value bio-based feedstock to produce the value-added downstream product propylene glycol."

### **About Virent Energy Systems**

Virent Energy Systems, Inc.'s patented BioForming technology platform cost-effectively transforms biomass-derived feedstocks into a variety of hydrocarbon-based products, such as fuels and chemicals, which are most commonly made from fossil fuels. The Company, whose investors include Cargill and Honda, has 22 employees and is expanding to occupy 16,000 square feet of lab, production and office space in Madison, Wisconsin.

### **About FutureFuel Chemical Company**

FutureFuel Chemical Company is the former Arkansas Operations unit of Eastman Chemical Company. FutureFuel Chemical Company develops, manufactures, and markets specialty chemicals and biofuels. FutureFuel Chemical Company employs 415 people at its headquarters and 2200 acre manufacturing facility near Batesville, Arkansas.