



NEWS RELEASE

FULCRUM BIOENERGY ANNOUNCES NEXT GENERATION ETHANOL BREAKTHROUGH

Opens the Door to the Large-Scale Production of Ethanol Derived from Garbage

*Fulcrum's Process Integrates New, Innovative Technologies with Existing
Systems in Novel Ways with Significant Results*

PLEASANTON, Calif., September 1, 2009 – Fulcrum BioEnergy, Inc., a leader in the next generation of advanced biofuels, announced today that it has successfully demonstrated the ability to economically produce renewable ethanol. This milestone – achieved at the company's TurningPoint Ethanol Demonstration Plant – confirms the second of the two new technologies that Fulcrum will use for the large-scale production of transportation fuel from garbage that would otherwise be landfilled.

“The operating results from our TurningPoint Ethanol Plant represent a watershed event for Fulcrum and this new industry. It opens the door to our large development program that will reduce our country's dependence on foreign oil, lower greenhouse gas emissions and create new green jobs,” stated E. James Macias, Fulcrum President and CEO. “By demonstrating first the clean and efficient conversion of garbage to syngas, and now syngas to ethanol, we have demonstrated that the technology is ready for deployment at our first large-scale project, the Sierra BioFuels Plant.”

The Sierra BioFuels Plant, located approximately 20 miles east of Reno, Nevada in Storey County, is scheduled to begin operations in 2011 and will be one of the nation's first large-scale waste-to-ethanol facilities. The project will convert 90,000 tons of post-recycled municipal solid waste (MSW) – the amount of trash produced by a city with a population of 165,000 – into 10.5 million gallons of ethanol per year. With long-term feedstock contracts in place, Fulcrum expects its cost of production to be less than \$1 a gallon, significantly below that of today's conventional ethanol production.

With the ability to produce 120 gallons of ethanol from each ton of MSW, Fulcrum's initial projects across the U.S. will have the capacity to produce one billion gallons of ethanol annually. “This is just the type of program that President Obama, Congress and the Department of Energy are calling for to achieve the Nation's renewable fuel targets,” added Macias.

The TurningPoint Ethanol Demonstration Plant is demonstrating Fulcrum's innovative alcohol synthesis process, which catalytically converts synthesis gas into fuel grade ethanol. The facility incorporates a full-scale reactor tube and process – identical to the tubes that will be utilized in Fulcrum's large-scale plants. The results were generated during hundreds of hours of testing and confirm the results previously achieved in two years of pilot plant testing.

Fulcrum will continue to operate the TurningPoint facility to enhance yields even higher than currently demonstrated. "The production results to date are truly historic and there is so much more that we can and will do," stated Stephen H. Lucas, Fulcrum's Senior Vice President and Chief Technology Officer. "We've just begun to optimize the process."

Fulcrum's process will create a much needed low-cost, reliable and environmentally clean renewable transportation fuel lowering our Nation's dependence on foreign oil, reducing the need for landfills and stimulating economic growth with a new industry of green jobs. By utilizing MSW as its feedstock, Fulcrum will produce a biofuel that reduces greenhouse gas emissions by more than 75% on a lifecycle basis without causing any indirect land-use impacts or straining our Nation's food supply.

In a two-step thermochemical process, Fulcrum's plants will convert MSW to ethanol utilizing new and innovative technology. In the first step, organic materials recovered from MSW are gasified in a plasma enhanced gasifier – a highly efficient method for converting organic materials to synthesis gas. This synthesis gas is then converted to ethanol using a licensed proprietary catalytic technology jointly developed and owned by Nipawin Biomass Ethanol New Generation Co-operative Ltd. and Saskatchewan Research Council.

Based in Pleasanton, California, Fulcrum BioEnergy is emerging as a leader in the development of next-generation cellulosic ethanol production in the United States. The privately-held company focuses on developing, owning and operating efficient, environmentally responsible facilities that convert MSW and other waste products to a much needed low-cost, reliable and environmentally clean renewable transportation fuel. Fulcrum BioEnergy is on track to become one of the first companies to commercially produce cellulosic ethanol from MSW, creating a reliable domestic source of renewable fuel, reducing the nation's dependence on foreign oil, lowering greenhouse gas emissions and relieving the pressure on existing and future landfills. Led by a management team with decades of experience in the energy, chemical and waste industries, Fulcrum BioEnergy combines access to long-term, fixed-price solid waste feedstock, with the best technology and capital necessary to become a leading national producer of renewable transportation fuels. For more information, please visit www.fulcrum-bioenergy.com.

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