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**FOR IMMEDIATE RELEASE**

**Biodiesel Industries Awarded Patent for Modular Production Unit**

**Innovative design makes local biodiesel production viable**

**Santa Barbara, CA** - On January 7 officials from Biodiesel Industries Inc. announced the award of a patent from the U.S. Patent and Trademark Office for their innovative design for a biodiesel Modular Production Unit (“MPU”). Patent # 6,979,426 covers the production of biodiesel fuel using a modular production unit incorporated onto a single platform for ease of relocatability, as well as several particular aspects of the design for collecting and processing a wide range of feedstocks.

*“We are pleased to have been awarded this patent. We are the pioneer in modular production and now we have a legally protected right to that technology. This represents an important milestone for our company that we plan to aggressively defend and build upon,”* explained Russell Teall, President and Founder of Biodiesel Industries. *“The patent application was filed almost four years ago, and is based upon our long history of manufacturing biodiesel production equipment that has been operated on a successful commercial basis. In this industry there is a big difference between practical operational experience and just having a set of plans on paper.”*

Prior to this invention conventional biodiesel production systems were based upon large, fixed base plants dedicated to a single feedstock such as soy, which required expensive capitalization and extensive on site fabrication and construction. These large plants can only be sited in very specific locations, are difficult to expand or relocate, and present substantial permitting hurdles. This results in inefficiencies that may otherwise be obtained by locating an MPU plant near a source of raw materials, such as recycled fryer oil in urban areas, or near an end user of the biodiesel product, such as a government fleet or military installation.

The advantage of the new design is that it is faster and less expensive to prefabricate biodiesel production equipment at a central location and then deploy it to the area where it will be operated. The MPU’s are designed to be shipped by truck, rail or ship anywhere in the world. Ease of deployability has been an important aspect of the work Biodiesel Industries has been doing with the U.S. Navy and is incorporated into the design of the MPU’s intended for civilian use.

Another key feature of the MPU is that it can process a wide variety of feedstocks into biodiesel meeting the most stringent U.S. and international standards. These feedstocks include virgin, crude and recycled vegetable oils and animal fats, such as soy, canola, mustard, rapeseed, fruit pits, cotton, palm, coconut, jatropha, neem, pongamia, hog fat, poultry fat, beef tallow, recycled fryer oil, and grease trap materials. This capability allows biodiesel production to be based on the most cost effective feedstocks found in localities around the world.

The prefabricated MPU's have a consistent set of plans that have been engineered and approved for all code and permitting requirements. This makes permitting much easier, even in difficult jurisdictions. Because the footprint of the MPU's is relatively small, they can be located near the source of raw materials and customers, resulting in substantial transportation savings. The MPU now being expanded at Naval Base Ventura County will have a 3,000,000 gallon per year capacity and will only occupy a 65' by 75' area. The skid mounted components are small enough to be transported on a C130 cargo plane.

The technology protected by the patent has already been incorporated into four operating commercial facilities that have been designed, built, owned and operated by Biodiesel Industries in California, Colorado, Texas and Australia. The company does not sell its equipment as a stand alone item, but instead establishes joint ventures with qualified partners to own and operate biodiesel production and distribution businesses in exclusive territories. The MPU is an essential element for the efficient production of biodiesel on a localized basis. Using the patented technology and this business model, the company has already established the largest network of company owned and operated biodiesel production facilities in the world.

Biodiesel Industries is a privately held company. Its founder Russell Teall has been involved with biodiesel for the past twelve years and is considered one of the industry's pioneers. Beginning as a consultant for the National Biodiesel Board and later becoming its Vice Chairman, Teall went on to found his own company to explore the use of new techniques and feedstocks for making biodiesel. With the support of grants from the U.S. Department of Energy and the Bay Area Air Quality Management District, the viability of multi-feedstock production became apparent. Further research and development conducted under a Cooperative Research and Development Agreement with the U.S. Navy has helped to refine certain aspects of reaction kinetics which will be the subject of future patents.

According to Teall, *"Research and development is not just the starting point for our company, it is part of a continuing effort to maintain our leadership position in the industry. Our research agreements are very broad and include everything from developing new agricultural resources, to refining reaction kinetics and developing new solutions for controlling emissions. Our partners include the U.S. Navy, Daimler Chrysler, Bosch, leading universities, and private research facilities in the U.S. and abroad. The patent for modular production is the first of many developments that will fundamentally change the nature of the biodiesel business."*

The next generation MPU is being developed now for a facility to be located in Detroit in collaboration with NextEnergy, DaimlerChrysler, Bosch and the U.S. Army. The focus of the facility will be to produce and market biodiesel, and to support research with the core group for the next generation of diesel vehicles. The flexible nature of the MPU's allows a wide variety of "boutique biodiesel" to be made and tested to ensure the compatibility of OEM equipment with all the types of biodiesel likely to be encountered globally.

Biodiesel has received strong bi-partisan political support in recent years as a domestic and renewable fuel that can play a pivotal role in reducing American dependence on foreign oil. Recent federal and state legislation has provided strong incentives for the use of biodiesel. It has also received enthusiastic backing from American farmers who grow the many oil-bearing crops from which the fuel can be produced.

Biodiesel is a nontoxic, biodegradable alternative to petroleum diesel that substantially reduces air pollution. This high-performance fuel can be used by itself or blended with petroleum diesel. It runs in diesel engines with no alterations. Biodiesel is a designated alternative fuel under federal law and is fully registered with the U.S. EPA.



MPU components being delivered to Biodiesel Industries' plant in Denton, Texas



MPU installed and in operation at Denton, Texas

For more information about biodiesel see [www.biodieselindustries.com](http://www.biodieselindustries.com).

Contact: Russell Teall, Biodiesel Industries, Phone: 805-683-8103, [info@biodieselindustries.com](mailto:info@biodieselindustries.com)

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