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Tellurian Biodiesel Acquires Superior Process Technologies

New deal primes pump for high-quality domestic biodiesel from recycled sources

Los Angeles - [Tellurian Biodiesel](#), a leading independent maker and marketer of sustainable high-quality biodiesel, today announced an agreement to acquire Superior Process Technologies (SPT) from [Baker Commodities](#), one of the nation's largest renderers.

Early to identify the emerging opportunity for biodiesel in the U.S., Baker Commodities invested in SPT in December 2003 to develop technology for the conversion of rendered materials into high-quality biodiesel. Tellurian has been collaborating with Baker and SPT on the construction and upgrade of biodiesel plants since 2006.

Engineering expertise and technology acquired in the deal positions Tellurian to move forward with plans for a nationwide network of plants capable of converting America's abundance of recycled feedstocks and other domestic fats and oils into biodiesel that exceeds both ASTM and EN quality specifications.

The new deal also gives Tellurian the technology to turn low-grade raw materials into high-quality fuels at prices that can compete with petrodiesel.

SPT will serve as Tellurian's engineering department, and Tellurian will continue to offer Baker access to research and development that assist its ongoing efforts in the field. All current SPT employees will be kept on to continue development of innovative process technologies needed to convert commonly available and new, unique bio-based feedstocks such as algae oil and trap grease into renewable fuels.

One of the biggest benefits of biodiesel is its high net energy balance. Through a proprietary process, Tellurian expects to achieve ratios as high as 6:1 when using recycled raw materials, making it many times more efficient to refine than crude oil, which has a negative net energy balance.

High-grade American-made biodiesel refined from rendered and recycled feedstocks also answers critics who are calling for renewable fuels that are both food- and forest-friendly.

Supporting statements

"Baker Commodities will realize great long-term value from this sale," said Jim Andreoli, owner and president of Baker Commodities. "We are very pleased with Tellurian's focus on producing high-quality biodiesel from rendered materials and look forward to continuing our work with them and SPT following the acquisition."

"The SPT team brings to Tellurian a wealth of knowledge and experience that is unrivaled in the biodiesel industry," said Fred Wellons, vice president of operations for Tellurian. "I'm very excited to be working with this team again. When it comes to making the highest quality biodiesel from recycled feedstocks, these folks are the most talented group of process engineers and chemists in the industry."

"We are eager to proceed with several of Tellurian's project initiatives and contribute to the success of this growing biodiesel industry, and we are very fortunate to be moving from one great employer to another," said Kirk Cobb, senior engineer at SPT.

"Biodiesel technology is ready to put the U.S. on a fast, green path to energy independence," said Eric Bowen, CEO of Tellurian. "High-grade, American-made biodiesel refined from recycled sources offers a way to immediately reduce

carbon emissions and offset oil imports. From our national transportation system's backbone of big rigs to Detroit's recently renewed commitment to release a new generation of diesel-powered passenger cars, the conditions are right for fuels made on American soil to replace those made with foreign oil. Tellurian is very pleased to play a part in the process."

Biodiesel backgrounder

The U.S. Department of Energy already recognizes biodiesel as a "nontoxic, biodegradable" replacement fuel ready for use in conventional diesel engines with no conversion required. (U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, "Just the Basics: Biodiesel," August 2003.)

According to the U.S. Environmental Protection Agency, clean-burning biodiesel homegrown in the heartland releases far fewer toxic tailpipe emissions than comparable petroleum products. Biodiesel is currently the only alternative fuel to complete both the EPA's Tier 1 and Tier 2 Health Effects Testing under the Clean Air Act. (Biodiesel.org.)

Today's diesels deliver up to 30 percent better fuel efficiency than gasoline engines. Biodiesel is 30 percent more fuel efficient than gasoline, which is in turn 30 percent more efficient than ethanol. (CNNMoney.com, Sept. 26, 2007.)

Unlike most American-made ethanol, which is produced from a single feedstock, biodiesel is derived from a diverse array of raw materials, making the market less vulnerable to single-source price fluctuations like those currently contributing to the decline of the dollar.

Diesel engines currently command a market share of more than 50 percent of all passenger vehicles sold in Europe compared with just two to three percent in North America, a clear sign that the American biodiesel boom has barely begun. (*The New York Times*, Sept. 13, 2007.) For over a decade, demand for biodiesel has outstripped supply, and since 2004, the industry has experienced exponential growth in both production and revenue. (*Biodiesel Magazine*, March 2007.)

California currently consumes 2.8 billion gallons of petrodiesel annually in on-road use alone, making it the second largest consumer of diesel in the world behind the U.S. (*Render*, April 2006)

About Tellurian Biodiesel, Inc.

With offices in Los Angeles and San Francisco, Tellurian supplies the food service, manufacturing, entertainment and technology industries with biodiesel and biodiesel education. It has managed the biodiesel conversion of several municipal fleets, including those in the cities of Santa Monica, San Francisco, Inglewood and Beverly Hills.

With a dedication to the environment and a focus on the use of recycled materials and local sources whenever possible, Tellurian is developing biodiesel production facilities throughout the United States. It has gained a national reputation for its commitment to quality, value, service and sustainability. For more information, visit TellurianBiodiesel.com.

About Baker Commodities, Inc.

Since 1937, Baker Commodities Inc. has been engaged in one of the oldest recycling businesses: rendering. Baker is a privately owned company with manufacturing facilities strategically located within the United States providing quality products and services worldwide.

Baker credits much of their success to their outstanding employees and their careful attention to quality, service, innovation and integrity.