

11 November 2009

## **COMPANY ANNOUNCEMENT**

### **Ehtec Completes Phase 1 Pilot Plant Development**

Ethanol Technologies Limited (Ehtec) commenced construction of a second generation 'cellulosic' ethanol pilot plant on the North Coast of NSW in late 2007.

The Pilot Plant is being undertaken over a four Phase program which is aimed at development and commercialisation of technology for the production of second generation ethanol from lignocellulosic material (i.e. wood and wood waste, sugar cane bagasse, crop stubble and municipal green waste).

Ehtec is pleased to announce the successful completion of Phase 1 of the Pilot Plant development. Phase 1, which is arguably the most critical stage, of the Project has demonstrated that a twin screw extruder can be used to efficiently impregnate dried raw lignocellulosic feedstocks with concentrated sulphuric acid. This will enable the subsequent efficient conversion of the components of the feedstock to sugars from which second generation "cellulosic" ethanol can be produced.

Ehtec holds a license under world-wide patents from Apace Research Limited to commercialise this technology.

Planning and preliminary works for Phase 2 are currently being undertaken which is expected to see Phase 2 commence shortly.

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