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Velocys Selected for Prestigious R&D 100 Award

Microchannel Synthetic Fuels Technology Picked for Improving Biofuel Economics

PLAIN CITY, Ohio, July 7, 2008 – A combined technical and business team at Velocys was selected for a R&D 100 award, one of the most prestigious honors bestowed in the field of technology research and development. The R&D 100 awards are presented annually by *R&D Magazine* to the 100 most innovative scientific and technical breakthroughs of the year. The Velocys team was awarded for their recent advancement of microchannel process technology applied to the Fischer-Tropsch process, which can convert a range of materials, including biomass and stranded natural gas, into ultra-clean transportation fuels.

“We are extremely pleased at having been chosen for this award,” stated Mr. Tom Hickey, Chief Operating Officer at Velocys. He added “our technical teams have been consistently making major advances in microchannel technology and its integration into commercial scale facilities. It is very gratifying to have their achievements recognized by the scientific community.”

The winning technology is Fischer Tropsch Fuels Using Velocys Microchannel Technology, also known by the shorthand Velocys-FT. This advanced reactor technology greatly reduces the size and cost of synthetic fuel facilities, including those for second generation biofuels. First-generation biofuels (corn ethanol, biodiesel) are prevalent today but are seen as an interim solution because they use food crops for raw material. Second generation biofuels use non-food biomass, a more sustainable choice. Velocys-FT enables these next generation biofuels to be produced more inexpensively at smaller-scale facilities, appropriate for biomass collection infrastructure.

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Other key benefits of Velocys-FT's are small plant size and modularity, which lowers installation costs and enables synthetic fuel production from offshore natural gas reserves. Velocys led the development efforts of Velocys-FT with contributions from Battelle and PNNL.

The R&D 100 Awards, known as "the Oscars of Innovation," were established in 1963. They were originally known as the I-R 100s, in keeping with the original name of the magazine, Industrial Research. Over the years, the R&D 100 Awards have recognized winning products such as, the flashcube (1965), the automated teller machine (1973), the fax machine (1975), the liquid crystal display (1980), the printer (1986), Nicoderm antismoking patch (1992), and HDTV (1998).

About Velocys

Velocys, Inc. is changing the way the world produces energy, chemicals and biofuels with revolutionary microchannel technology. Velocys, a subsidiary of Battelle Memorial Institute, was launched in 2001 and has developed a portfolio of 78 issued U.S. patents and received \$100 million of investment from industry leading partners, including Dow Chemical, Toyo Engineering, MODEC and Total S.A. Velocys is headquartered near Plain City, Ohio. For more information, visit www.velocys.com.

R&D 100 Awards

For 45 years, the prestigious R&D 100 Awards have been helping companies provide the important initial push a new product needs to compete successfully in the marketplace. The winning of an R&D 100 Award provides a mark of excellence known to industry, government, and academia as proof that the product is one of the most innovative ideas of the year.