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Velocys Fischer-Tropsch Reactor Reaches 3,000 hour Milestone

Pilot-scale Synthetic Fuel, Microchannel Reactor Shows Commercial Potential

PLAIN CITY, Ohio, September 10, 2008 – The technical and business teams at Velocys Inc. recently celebrated another key milestone in the development of an advanced reactor system for the production of synthetic fuels. A pilot-scale Fischer-Tropsch reactor operating at Velocys headquarters in Plain City, Ohio passed 3,000 hours time on-stream. The long duration and capacity achieved show the commercial potential for this revolutionary approach to synthetic fuel production, which can open the door for second generation biofuels – biofuels that do not use food crops as feedstock.

Dr. Wayne Simmons, CEO of Velocys, noted that this milestone has meaning outside of his company, stating “synthetic fuels, including BTL (biomass-to-liquids) and offshore GTL (gas-to-liquids), will be an important part of our energy future, and both require cost effective, scalable Fischer-Tropsch reactors.” He added that “pilot scale reactor testing is a critical development step on the path to large-scale demonstrations, like our project with the Air Force.” Dr. Simmons was referring to a 25 gallon per day demonstration in conjunction with Wright Patterson Air Force Base scheduled for late-2009.

Detailed information about the operation of the test reactor and other vital information about microchannel Fischer-Tropsch reactor technology being developed by Velocys are available in a white paper, titled “Improved Fischer-Tropsch Economics Enabled by Microchannel Technology.” This paper was recently posted on the Velocys website and can be accessed at http://www.velocys.com/docs/Microchannel_FT_White_Paper_Sep08.pdf.

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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 81 issued U.S. patents and received \$100 million of investment from industry leading partners, including Dow Chemical, Toyo Engineering and MODEC. Velocys is headquartered near Plain City, Ohio. For more information, visit www.velocys.com.