

Contact:

Jeff McDaniel
614-733-3319
mcdaniel@velocys.com



25 November 2009

Biofuels: a big step towards microchannel hydroprocessing technology

Microchannel processing has the potential to greatly increase the efficiency, effectiveness and commercial value for next generation biofuel production. A \$2.7 million technology grant from the USDA-CSREES Biomass Research and Development Initiative Program awarded to a consortium led by Velocys, Inc, a subsidiary of the Oxford Catalysts Group, will help to extend the advantages of microchannel technology to hydroprocessing for the production of biofuels.

The consortium will draw on Velocys' FT microreactor design concepts in order to optimize microchannel reactor performance to enable the production of liquid transportation fuels by upgrading of FT products derived from biomass feedstock and pyrolysis (or bio) oils generated via the fast pyrolysis of cellulosic biomass. A major goal of the project is to develop a single microchannel reactor design that will enable the hydroprocessing of a wide range of feedstocks. Because Velocys has already successfully completed a proof-of-concept demonstration of microchannel hydroprocessing technology, the new reactor design could be ready for field demonstration in just 2 years.

Jeff McDaniel, Business Development Director, Velocys said:

"Competition for these grants is intense. Of the more than 900 applicants that submitted pre-proposals for this grant, we were quite pleased to be one of the 12 that were selected."

For further information or to obtain pictures, please contact Jeff McDaniel, Business Development Director. Phone: 614/733-3300 or e-mail: mcdaniel@velocys.com

About USDA CSREES Biomass Research and Development Initiative Program

The Cooperative State Research Education and Extension Service (CSREES) is an agency within the U.S. Department of Agriculture (USDA). Its mission is to advance knowledge about agriculture, the environment, human health and well-being, and communities by helping to fund research at the state and local level and providing program leadership. The CSREES Biomass Research and Development Initiative Competitive Grants Program (BRDI) provides grants to research, develop, and demonstrate biomass projects, including biofuels. The \$2.7 million grant to the Velocys-led consortium is a non-repayable technology grant under the US Recovery and Reinvestment Act, applicable over a period of two and a half years.

For more information, see www.csrees.usda.gov

About Velocys, Inc.

Velocys, Inc. is based in Columbus, Ohio, US and specializes in the design and development of microchannel process technology for the production of synthetic fuels. The company was spun out of Battelle Memorial Institute, Inc, a major not-for-profit science and technology organization, in 2001. It owns, or has licenses to, the largest microchannel patent portfolio in the world, with over 550 patent filings, and supports a large microchannel development team. Velocys, Inc. was acquired by Oxford Catalysts in 2008.

For more information, see www.velocys.com