

NEWS

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Next Step Biofuels Launches PowerPellets™ Clean-burning, Renewable PowerPellets are Coal from the Farm™

LAS VEGAS — December 7, 2009 — Next Step Biofuels, Inc. (www.nextstepbiofuels.com), a Nebraska-based biomass supplier and manufacturer, announced today the launch of PowerPellets at the annual Power-Gen show – the world’s largest power generation trade show – in Las Vegas.

Manufactured from corn stover – all the leaves, cobs and stalks leftover after the corn is harvested – Next Step refers to PowerPellets as “Coal from the Farm.” Next Step is encouraging coal-fired utilities to co-burn PowerPellets with coal to achieve compliance with state-level RPS (Renewable Portfolio Standard) laws that require utilities to generate more of their power from renewable sources. It is widely believed that federal laws similar to RPS will soon be enacted.

Renewable PowerPellets dramatically reduce CO₂ emissions because next year’s corn crop effectively absorbs the CO₂ released when they’re burned.

Next Step COO Russ Zeeck explained that PowerPellets solve the logistical and operational problems that have thus far prevented wide-scale use of biomass to generate electricity. “Utilities have long been aware of the environmental benefits of burning biomass, but they’ve had a hard time adopting it,” said Zeeck. “PowerPellets overcome the three major problems that utilities have had with biomass. First, unlike raw biomass, PowerPellets are easy and affordable to ship and store. Second, unlike other pelletized biomass, PowerPellets are hard and friable which means they pulverize and feed just like coal; PowerPellets can be folded into a coal-fired plant’s operations with little or no additional capital. And, third, because Next Step makes PowerPellets from corn stover – America’s most abundant source of renewable biomass – there is a deep, reliable and price-stable supply.”

Zeeck said that the superior material handling and burn characteristics of PowerPellets were recently confirmed and quantified during a rigorous operational test conducted at the EERC (Energy & Environmental Research Center) at the University of North Dakota.

According to EERC’s assessment, the PowerPellets pulverized much better than many other types of biomass. This particular characteristic suggests that coal-fired power plants can adopt PowerPellets without making significant investments

in new material handling and processing equipment.

Next Step says it is actively negotiating with several utilities to supply PowerPellets starting in 2010.

About Next Step Biofuels, Inc.

Next Step Biofuels, Inc. knows that the next step for energy is biomass. Next Step employs proprietary processes to convert a wide variety of non-food biomass into dry, energy-dense PowerPellets. PowerPellets can be used in multiple, worldwide markets: as an additive to coal to generate electricity; as a source of heat and power for industry and institutions; and, as feedstock for the production of cellulosic biofuels and bio-chemicals. Next Step is currently commercializing PowerPellets made from abundant, renewable corn stover. Next Step solves the logistical and operational issues needed to make biomass a reliable and affordable source of clean energy. Visit www.nextstepbiofuels.com.

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