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ATLANTA, GA

PARK FALLS, WI

Cellulosic ethanol takes off!

Engineering commences for the first US pulp mill based biorefinery

January 23, 2007

Flambeau River Biorefinery, LLC of Wisconsin has entered into a Memorandum of Understanding with American Process Inc. of Atlanta, Georgia to provide project management and engineering services for its cellulosic ethanol project at Park Falls, Wisconsin. The new biorefinery will be constructed adjacent to the Flambeau River Papers facility in Park Falls, Wisconsin.

Flambeau River Papers, LLC makes 400 tons per day of book printing and copy grades on three paper machines. The mill recently announced plans to replace its natural gas boilers with a biomass boiler or gasifier. This will make Flambeau River Papers the first energy independent integrated mill in North America.

The Flambeau River Biorefinery project will be the first modern U.S. based pulp mill biorefinery to produce cellulosic ethanol. It will be designed to produce 20 million gallons of cellulosic ethanol per year from spent pulping liquor. The technology selected for this biorefinery is AVAP™, a patent pending process technology of American Process Inc. This technology enables production of ethanol without putting additional pressure on the wood basket and without fossil fuel consumption.

The new biorefinery, as designed, will have a positive carbon impact of ~140,000 tons per year. That is, it will displace carbon dioxide from the atmosphere. Once in operation, it will increase employment at the Park Falls area by approximately 100 people.

A feasibility study and preliminary engineering were completed in August 2006, when Flambeau River Biorefinery, LLC applied for the Integrated Commercial Biorefinery Demonstration grant from the Department Of Energy. The project has strong support from the City of Park Falls, the State of Wisconsin and Clean Tech Partners Inc., key partners in the project. Project engineering has commenced with a production of ethanol expected to begin as early as 2009,

The commercial production of cellulosic ethanol got a boost after Tuesday's announcements in the president's state of the union address that increased the emphasis on domestic renewable fuels production.

The Flambeau River Biorefinery project will be amongst the first industrial co-producers of pulp and ethanol from wood.

Flambeau River Biorefinery, LLC is based out of Park Falls, Wisconsin and is the owner and developer of the pulp and cellulosic ethanol facility to be constructed in Park Fall, Wisconsin.

American Process, Inc. is an engineering and consulting company based out of Atlanta, Georgia specializing in pulp and paper and biorefineries and is the inventor of the AVAP™ technology proposed for use at the Flambeau River Biorefinery.

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