



First Customer In Hand, Benefuel To Seek Up To \$100M

By Jonathan Shieber

10/11/2007 – After the announcement of its first contract with a biodiesel producer, Benefuel Inc. is planning to raise approximately \$100 million over the next six months to build out its own production capacity, Clean Technology Investor has learned.

To date, the Chicago-based developer of a biodiesel manufacturing process has been self-funded by its founders, according to Benefuel Chief Executive Officer Rob Tripp, who was speaking in an interview.

However, revenue generated from the recently announced agreement between Benefuel and Seymour, Ind.-based Seymour Biofuels LLC will take the place of a Series A investment for the company, and get it to a stage where its technology has been proven in the market, Tripp said.

"The plant that we're building in Indiana is helping to cover the costs of our first commercial plant, but we're actively seeking investment," Tripp said.

Benefuel is looking to build up its own biodiesel-refining capacity to approximately 90 million gallons, according to Tripp.

The plant that the company is building with Seymour Biofuels is a 10 million gallon per-year facility that uses Benefuel's solid, acid catalyst. Seymour Biofuels has earmarked a total of \$25 million for the project, and an

undisclosed portion of that money is going to Benefuel, Tripp said.

The technology that Benefuel is commercializing was initially developed by the Pune, India-based National Chemical Laboratory, and the Chicago company holds an exclusive worldwide license on it.

According to the Benefuel Web site, the refining process has five key benefits over existing refining processes including: the ability to process the broadest range of feedstock without pre-treatment; avoiding the need for

fuel washing or caustic removal; production of an extremely pure glycerin byproduct; and modular and scalable production facilities.

Benefuel has already tested its process successfully on over 30 different types of feedstock, ranging from rapeseed oil to waste materials, Tripp said, and the results have been consistent in terms of fuel production and efficiency.

"The current model for producing and distributing biodiesel can be made a lot better," Tripp said. "When your feedstock is distributed all over the country in a fragmented way, what we want to do is have the most efficient system out there in a modular and scalable form factor," for distributed production, he said.

Benefuel is looking to partner with producers of rendered animal fats and soy crushers to work and distribute biofuel locally. "We're working with large transportation companies on the rail and truck side where we can market fuel in their local areas," Tripp said.