



Diversified Energy Corporation Awarded Subcontract for U.S. Defense Department Aviation Biofuels Program

February 14, 2007 – Gilbert, AZ – Diversified Energy Corporation (DEC) has been awarded a subcontract in support of the Energy and Environmental Research Center (EERC) for an aviation biofuels program. EERC's 18-month program for the Defense Advanced Research Projects Agency (DARPA) is for the development and demonstration of a new domestic bio-jet fuel technology for the military. The program is designed to produce fuel compliant with the stringent chemical, kinetic, and combustion specifications required of military jet fuel. Beyond simply demonstrating the viability of the technology, the program is also geared towards creating a framework for the eventual commercialization of the technology into the biofuels marketplace.

DEC will support the EERC's commercialization efforts and identify technology transition opportunities. In this capacity, DEC will help to develop a set of commercial-scale plant requirements that provide information on the scalability, efficiency, and economics necessary for market introduction of the EERC's technology platform. The economic modeling for the pilot demonstration and commercial-scale plant will include capital and operations and maintenance (O&M) costs. DEC is rapidly growing its presence in the biofuels marketplace. The company will leverage its technology expertise, commercialization experience, and proprietary performance and economic modeling tools to fulfill the expectations of the EERC and DARPA.

About Diversified Energy Corporation:

Headquartered in Gilbert, Arizona, Diversified Energy Corporation (www.diversified-energy.com) is a privately held alternative and renewable energy company focused on maturing innovative technologies, developing commercial energy projects, and providing engineering services support to project developers. Principal areas of expertise include biofuels, gasification, and next-generation solar.

About the Energy and Environmental Research Center (EERC):

The Energy & Environmental Research Center (EERC) is recognized as one of the world's leading developers of cleaner, more efficient energy and environmental technologies to protect and clean our air, water, and soil. The EERC is a high-tech, nonprofit branch of the University of North Dakota (UND). The EERC operates like a business; conducts research, development,

Changing the Balance of Power

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demonstration, and commercialization activities; and is dedicated to moving promising technologies out of the laboratory and into the commercial marketplace.

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