Diversified Energy Announces Multiple Opportunities to Accelerate Introduction of Novel Renewable Energy Technologies

August 28, 2009 – Gilbert, AZ – Diversified Energy Corporation, an alternative and renewable energy technology development company, announced today three promising developments in the advancement of its portfolio of technologies. These include:

- Notification by the Department of Energy's National Energy Technology Laboratory (DOE/NETL) that they have approved the second year of Small Business Innovative Research (SBIR) funding for Diversified Energy's OmniGas™ molten-metals based gasification technology. OmniGas™ uses a 1300 degree C molten slag to gasify a wide range of hydrocarbon feedstocks (e.g., biomass, coal, petroleum coke, and wastes) for the production of an ultra-clean syngas. This syngas can then be used for industrial process heating applications, converted into electricity, or synthesized into fuels or chemicals. OmniGas™ has been demonstrated at bench-scale and is now on track for a one ton per day (tpd) prototype demonstration, using coal and biomass as the feedstock, in mid-2010.
- Announcement by the National Science Foundation (NSF) that NC State University had won a 4-year, multi-million dollar award to advance an integrated algae-to-biofuels technology. The back-end technology for this project is based on the Centia™ technology licensed exclusively to Diversified Energy. Centia™ can convert any lipid/oil/fat into transportation fuels similar in characteristics to gasoline, jet fuel, and diesel. The process uses a unique pathway that consumes little, if any, net hydrogen. This in return allows for biorefineries to be placed in close proximity to the sources of feedstock, minimizing undue logistical costs.
- Notification by the Department of Energy's new Advanced Research Projects Agency–Energy (ARPA-E) that two concept papers which included technologies from Diversified Energy had passed initial screening and were being encouraged to submit full proposals. Earlier in the year ARPA-E had issued a call for concept papers for paradigm shifting and truly transformational energy technologies. After receiving 3,500 papers, ARPA-E recently announced that only a small percentage had been encouraged to submit a full proposal. Diversified Energy was a subcontractor on two such teams. One project involves the production of cyanobacteria-based lipids and processing through Diversified Energy's Centia™ technology for fungible fuels production. The second is focused on the generation of syngas from Diversified Energy's OmniGas™ gasifier to feed a syngas-to-biobutanol conversion process. Diversified Energy is expecting to participate in the full proposal with these two teams and to be notified of the outcome later this year.

Dave Thompson, founder and CEO of Diversified Energy, commented, "While it has been a tough nine months for renewable energy technology development companies and U.S. industry as a whole, Diversified Energy is extremely encouraged by these recent announcements. Once again our technologies are being showcased as the pillars of innovation in the market. And

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we’re expecting to announce more positive news shortly.”

About Diversified Energy Corporation:

Headquartered in Gilbert, Arizona (a suburb of Phoenix), 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, algal biomass production, and economic analyses and modeling.

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