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ARA and Blue Sun Partner to Commercialize 100% Drop-in Renewable Diesel, Jet Fuel

Blue Sun to Build and Operate Demonstration Facility, Next Step Commercial Volumes

Golden, CO, January 17, 2013 – Applied Research Associates, Inc. (ARA) and Blue Sun Energy, Inc. announced a partnership for the design, construction, and operation of a Biofuels ISOCONVERSION Process (BIC) demonstration system using the ARA and Chevron Lummus Global (CLG) process for the production of certification quantities of 100% drop-in renewable jet, diesel, and gasoline.

“The scale up of the Biofuels ISOCONVERSION process with our partners at Blue Sun will allow us to take a significant step toward commercial scale production of 100% drop-in fuels at prices competitive with petroleum in the 2015 timeframe,” said Chuck Red, ARA’s Biofuels Program Manager. “The 100 barrels-per-day demonstration system will be capable of producing large scale fuel samples, a key enabler for ASTM certification of our fuels.”

This partnership aligns perfectly with Department of Defense goals for production of alternative fuels, said Leigh Freeman, CEO of Blue Sun. “The skill sets and experience of Blue Sun and ARA cover all aspects required to deliver renewable jet and diesel at DoD cost targets, on DoD timelines,” said Mr. Freeman. The Secretary of the Navy (SECNAV) has set energy goals focused on achieving 50 percent of energy consumption from alternative sources by 2015 for non-tactical uses and by 2020 for Navy-wide uses.

ARA, CLG, U.S. Air Force Research Laboratory (AFRL), Agrisoma Biosciences and National Research Council Canada conducted the first civilian jet flight operated on 100 percent Biofuels this past October using “ReadiJet” produced from Agrisoma’s Resonance feedstock and ARA and CLG’s Biofuels ISOCONVERSION PROCESS. It did not go unnoticed. Popular Science named the 100% Biofuels flight as one of the top 25 science events of 2012, and Biofuels Digest recently named ReadiJet the “Top New Fuel of 2012”.

In parallel with the establishment of the partnership between ARA and Blue Sun, Blue Sun signed a global license agreement with Chevron Lummus Global (CLG) for use of the Biofuels ISOCONVERSION process to produce fuels that meet the necessary ASTM requirements for 100% replacement, renewable jet fuel and diesel in Blue Sun biorefineries and joint ventures throughout the world.

The core focus for ARA, research and development, dovetails with Blue Sun’s focus on commercialization.

The demonstration facility is scheduled for ground breaking in St. Joseph, Missouri in February 2013 and will be operational this summer. CLG and ARA’s Biofuels ISOCONVERSION process produces fuels which are ready to use, without blending, in turbine and diesel engines designed to operate on petroleum-based fuels. The low-cost process converts any non-edible oil (triglyceride) directly into high-density aromatic, cycloparaffin, and isoparaffin hydrocarbons that are ideal for drop-in jet (JP-5, JP-8 and Jet A) and diesel (ASTM D 975 and F-76 Naval Distillate) fuels.

Blue Sun also operates a biodiesel facility at the Saint Joseph, Missouri site, and has completed capital investments and the final steps to commercialize a new enzymatic processing technology that will reduce net production costs by over 90 cents per gallon.

Media Contacts:

Blue Sun, Steve Bond stevebond@gobluesun.com

ARA, Alisa Kinsaul, akinsaul@ara.com

CLG, David Wadsworth, <mailto:DMWAD@chevron.com>

About Blue Sun

Blue Sun has been a leader in the alternative fuels industry since 2001. Blue Sun is a technology commercialization company specializing in acquiring and proving promising research breakthroughs in the field of liquid transportation fuels and bringing them to commercial production. The current focus of Blue Sun is in the application and commercialization of advanced technologies in the alternative fuels industry to build near and long-term competitive advantage with a target of producing low-cost, consistently high-quality fuel from non-food feed stocks. Blue Sun's ultimate goal is to reduce production costs to allow commercial production without government support. Current projects in this area include renewable diesel technology development; military bio-jet fuels; biodiesel technology upgrades at the Blue Sun St. Joe Refinery; and the acquisition of first generation biodiesel facilities to upgrade using advanced Blue Sun technology. For more information, please visit <http://www.gobluesun.com>.

About ARA

ARA's alternative fuel effort began in 2006 in response to a U.S. military requirement for technologies that can convert renewable oils to jet fuel. To answer this challenge, ARA engineers conceived an idea of using high temperature water to create biocrude. A U.S. patent on the CH technology was granted to ARA in 2010. ARA's REDIJet and REDI Diesel fuels meet all petroleum specifications without blending. For more information about their fuel initiative, visit: www.ara.com/fuels. For more information about ARA's diverse and innovative capabilities, please visit www.ara.com.

About Chevron Lummus Global

CLG licenses refining hydroprocessing technologies and catalyst systems worldwide, and is a 50-50 joint venture between Chevron Products Company, a wholly owned subsidiary of Chevron Corporation, and Lummus Technology, a CB&I business sector. CLG's research and development staff is continuously seeking advancements in catalyst and technology that will improve operating economics. CLG is the leading Process Technology Licensor for Alternate Sources of Fuels including: Oil Sands Bitumen, Shale Oil, Biofuels, Extra Heavy Oils. For more information about Chevron Lummus Global please visit:

http://www.chevron.com/products/sitelets/refiningtechnology/about_che_tech.aspx

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