



Press Release
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Taurus Energy AB signs agreement with Chinese company

Taurus Energy AB has signed an agreement with a Chinese company for development work on ethanol production. Under the agreement, Taurus Energy will be conducting tests with their sugar solution (hydrolysates) using its ethanol production technology. The objective is that a positive result will lead to a licensing agreement or partnership agreement between the Parties.

Taurus Energy AB supplies a new method for ethanol production from forestry and agricultural waste, in which both hemicellulose and cellulose are converted to ethanol. The method generates major environmental benefits, with the production cost of ethanol cut drastically compared with existing methods. The method can be used on a wide range of sugar solutions, including the Chinese company's hydrolysates.

The agreement means initially that the Chinese company will have the opportunity to test its hydrolysates using Taurus Energy's patented yeast technology.

"If the results of the tests are sufficiently positive, it is highly likely that the company will want to carry out equivalent tests in China. After this, we hope to sign a licensing agreement or a partnership agreement", says Lars Welin, CEO of Taurus Energy AB.

Major R&D investment is taking place all over the world into second-generation ethanol production. Pilot and demonstration plants have been built in both Europe and the USA. Demonstration plants are also planned in Asia in the near future. Demand for ethanol as a fuel is growing rapidly in China, which is currently the world's third-largest market in the production and use of ethanol. Corn is the most frequently-used raw material at present, but with increasing demand there is a risk of rising prices and reduced availability of the raw material. In this situation, there is a serious need for a method using alternative crops, which will not make heavy demands on foodstuffs.

"We see China as a strategically important market for us, as we predict a massive requirement for second-generation ethanol production in Asia. If the tests are successful, this will be a major boost to our efforts to commercialize our ethanol production method," says Lars Welin.

The tests will be carried out using Taurus' yeast strains for fermenting both pentose and hexose sugars, and will take place over the next few months at Chalmers University of Technology in Gothenburg.

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About Taurus Energy AB

Taurus Energy AB is a research and development company, which aims to commercialize its extensive research and development program in the field of ethanol production. Since 2006, the company's mission has been to license energy producers to use the methods developed by the company on a global market. Taurus holds over 10 world-leading patents which have been developed with the help of around 20 internationally recognized scientists. The

company is based in the Ideon Science Park in Lund, Sweden. Taurus is listed on the Aktietorget equities market. For more information, please visit www.taurusenergy.eu