

Press release

Taurus Energy – the status of current partner discussions

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Taurus Energy currently has ongoing relationships with many of the largest ethanol producers in the world. In total, discussions and negotiations are in progress with some 10 companies, including ethanol producers, petroleum companies, enzyme manufacturers, ethanol processors and producers and distributors of yeast strains. Around half of these potential partners are leading US companies. Others are mainly from Europe and Asia. The XYLOFERM® yeast strain, developed by Taurus Energy, is being tested by several potential partners, with encouraging results, although we are not in direct negotiations on a licensing agreement.

The level of interest in producing second-generation ethanol has increased over the past year, since a number of production facilities have come on-stream. Leaders in the industry no longer regard ethanol produced from cellulose as a "fuel of the future", since it can be produced for commercial use now.

Taurus Energy's yeast strains have been specially designed to develop ethanol as an environmentally low-impact fuel. The yeast strains can ferment both cellulose and hemicellulose, a capability which is required to enable forestry waste, energy grass and waste products from agriculture, such as sugar cane fiber (bagasse) and corn stover, to be used. Using a completely new technology, Taurus Energy has developed a yeast strain, XYLOFERM, for second-generation ethanol. The new yeast is a result of genetic transformation and remodeling of the gene structure of several yeast strains. Taurus Energy's latest yeast strains can convert virtually all available sugars to ethanol, while producing insignificant amounts of by-products such as xylitol and glycerol.

Taurus Energy is currently holding discussions and negotiations on XYLOFERM with over 10 companies. These include:

A US global company in the oil industry has tested one of Taurus Energy's latest yeast strains with encouraging results. Further development is, however, required, to ensure that the yeast propagates with sufficient speed in their hydrolysate.

Another US company specializes in producing sugar from cellulose – a process which they sell to major ethanol producers. For this reason, the company is interested in offering its customers a yeast which can take advantage of the hemicellulose and cellulose generated, and convert these to ethanol. The first tests of Taurus Energy's yeast strain gave promising results, and the company is now testing an additional yeast strain from Taurus Energy.

Taurus Energy is also in contact with one of the world's largest suppliers of turnkey ethanol production facilities. The company's technology can handle both first and second-generation ethanol production. At present, they are evaluating two of Taurus Energy's yeast strains.

Taurus Energy is in contact with an international Asian company involved in building a demonstration production facility for second-generation ethanol. The company is evaluating one of Taurus Energy's yeast strains, along with competitors' yeast strains for possible use in their production process.

Taurus Energy is also holding discussions with a US ethanol producer, which already has a large number of first-generation ethanol production facilities. The company is now in process of starting up its first second-generation ethanol plant, and is interested in one of Taurus Energy's yeast strains, which it is currently testing.

As Taurus Energy announced in March 2014, the company has signed a letter of intent with the French company, CIMV, to develop second-generation ethanol as an environmentally low-impact biofuel, and to prepare for production.

CIMV has invited Taurus Energy to participate in a large EU project to construct a demonstration facility for ethanol production. The project will run for three years. The decision on which companies will receive EU funding will be made in January 2015. The financing arrangements are advantageous, with a substantial element of subsidy to Taurus. The Board has not yet decided whether to take part in the project.

Taurus Energy is also in discussions on collaboration with a US and a European company on the use of one of Taurus Energy's yeast strains to ferment hemicellulose in the production of ethanol. Taurus Energy has also been in contact with another European company which is interested in using one of Taurus Energy's yeast strains, but concrete proposals have not yet been exchanged.

The aim of all these tests is to develop a yeast which is as effective as possible for ethanol production. Most of the tests will continue to the end of the year.

For further information, please contact:

Lars Welin, CEO, Taurus Energy AB Telephone: + 46 (0)46-286 86 10, e-mail lars.welin@taurusenergy.eu

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 Energy 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 Energy is listed on the Aktietorget equities market. For more information, please visit www.taurusenergy.eu