



FOR IMMEDIATE RELEASE:

New Business Opportunities Drive Continued Expansion at Diversified Energy Corporation

September 19, 2006 – Gilbert, AZ – Diversified Energy Corporation announced today that as a result of new business opportunities in the alternative and renewable energy marketplace it is expanding its engineering staff and growing its corporate headquarters. “The alternative energy industry is booming and we are extremely excited about the vast number of growth opportunities available for Diversified Energy,” said Phillip Brown, Diversified Energy’s President and Chief Executive Officer. “As a result, we are adding expert engineers and scientists to our existing team and expanding our facilities to accommodate this immediate growth and position us for this burgeoning market.”

The company is actively pursuing contracts and strategic relationships in four new areas. One key pursuit is in response to a Defense Advanced Research Projects Agency (DARPA) solicitation to transform crop oils into military aviation fuel. Diversified Energy is leading the commercialization and economics analysis in support of five separate prime contractor teams, with awards expected to be announced in November. Jeff Hassannia, Vice President of Business Development, comments “This is a real validation of the unique capabilities inherent in the company. Five separate teams selected Diversified Energy to lead their efforts in defining how best to transition their technology into the commercial marketplace. Furthermore, several of these relationships offer us the potential for follow-on contracts and licensing arrangements. We are ecstatic about the prospects should one or more of these awards come through.” In addition, Diversified Energy is in the process of formalizing strategic relationships with other companies that offer one-of-a-kind technologies in the areas of in-situ oil shale recovery, value-added use of fly-ash from coal plants, and advanced solar concentrators.

In response to these new opportunities Diversified Energy has bolstered its technical staff. The company recently hired Jerry Stephenson and Ken Rachocki, two seasoned engineers with skills and capabilities that add significant value to the Diversified Energy team. Jerry will assume the role of Chief Systems Engineer. In this capacity he will provide technical leadership in evaluating new opportunities and managing existing contracts. He brings over 20 years of experience in the technology marketplace, with graduate education in thermal-chemical gasification, and corporate experience at Boeing, Motorola and recently as lead engineer on a large-scale operational program at General Dynamics. Ken will assume the role of Chief Scientist and will be responsible for providing expert technical and scientific direction for Diversified Energy’s technology and project portfolio. Ken brings over 28 years of practical

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know-how in the design, manufacture and test of electrical power and propulsion subsystems, as well as a rigorous background in electronics and chemistry. His career spans 14 years as a research scientist in the Air Force, including a two-year assignment as a visiting scientist to Los Alamos National Labs and two tours as a professor of chemistry at the Air Force Academy. The last 14 years were spent at General Dynamics.

To accommodate this growth Diversified Energy is tripling its Gilbert office space. The company is also creating a long-term growth plan targeted at continued expansion of its existing headquarters coupled with the identification of candidate locations for satellite offices.

Headquartered in Gilbert, Arizona, Diversified Energy Corporation is a privately held company specializing in the development of advanced alternative and renewable energy technologies and projects. The company's portfolio includes a diverse mix of focus areas, including coal gasification/coal-to-liquids, hydrogen production, biofuels, next-generation solar, oil shale and advanced fuel systems.

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