



THE GREEN CHIP REVIEW

A new way of life... A new generation of wealth

Bush, Biodiesel, and a Boatload of Profits

By Jeff Siegel

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Last week, in his State of the Union speech, President Bush proposed to require motorists to use 35 billion gallons of alternative fuels by 2017. But those who follow the ethanol market could've told you days ago that the President was leaning in this direction.

Two days before the speech even hit the airwaves, ethanol stocks were flying in anticipation of the President's remarks.

Oh how quickly though, many forgot that just one week before, ethanol stocks took a lashing after oil dipped below \$50, and the price of corn surged to a new 10-year high.

Despite the possibility of a new, 35 billion gallon Renewable Fuel Standard (RFS), you can't just brush aside the very real impact of commodity risk on ethanol producers...and ultimately, ethanol investors.

Sure, the RFS may change . . . but commodity risk will not!

And as the price of corn rises, the less profitable it is to produce corn-based ethanol . . . using conventional methods, anyway. That is why we continue to be so bullish on the prospect of cellulosic ethanol and biodiesel. Because these fuels aren't held hostage by a single commodity restriction.

Don't get me wrong. Corn-based ethanol is still a profitable business with \$50 oil. And there are definitely corn-based ethanol stocks that will deliver in 2007. But the renewable fuels market isn't a one-trick pony.

And the fact is, it's really the next generation of renewable fuel development and production that will usher in the next round of renewable fuel profits. Not the status-quo.

Read it at the Source!

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Renewable fuel producers that can maintain a technological advantage and have the ability to limit commodity risk are the producers that will come out ahead in 2007.

And that's why we're writing you today. Because we believe we've discovered a new renewable fuel producer that has such a commodity-based advantage over every single one of its competitors... it could easily be our biggest renewable fuel winner this year.

You see, while so many novice alternative energy investors chase down random ethanol producers this year, the smart money is already focused on a select group of renewable fuel producers that have commodity or technology-based advantages.

The company we're going to tell you about now has both!!!

Biodiesel - the Sleeping Giant

On-highway consumption of diesel fuel in the U.S. is 39 billion gallons a year . . . and growing over 3% annually. It is 22% by sales and volume of the total U.S. transportation fuel market, with total U.S. sales reaching \$93 billion in 2005. That's about double the 2000 level!

The fact is, especially over the past few years, the price of diesel fuel has increased dramatically. This is due primarily to the increased cost of crude oil and increased refining costs stemming from new Ultra Low Sulfur diesel laws and lack of refining capacity.

Fortunately for the biodiesel market - biodiesel prices are not currently tied to crude oil prices. Biodiesel is a premium fuel with a sustainable price premium over petrodiesel.

When above \$33 a barrel for crude oil, petrodiesel is actually more costly to produce than biodiesel from soybean oil. And demand is robust! So you can see why we're so bullish on biodiesel.

Of course, that doesn't mean every biodiesel producer out there will deliver. In fact, until recently, I haven't found one biodiesel producer that can profitably produce the stuff without being restricted by commodity risk.

Until now...

Buy Kreido Biofuels Inc. (OTC BB: KRBF - \$1.68)

Kreido Biofuels Inc. (OTC BB: KRBF) has developed a break-through system for the manufacturing of biodiesel and other chemicals. It's called the SST reactor . . . and it maintains massive benefits over conventional biodiesel production units.

The SST reactor allows for:

- a smaller plant footprint;
- cheaper construction;
- faster time to market;
- lower biodiesel production costs;
- safer operation;
- greater production yield; and
- multi-feedstock flexibility - THIS IS CRUCIAL!!!

We can't stress this enough.

Renewable fuel producers that are not held hostage by single commodity restrictions will be the most profitable. Period.

And that's why you simply cannot find a better biodiesel play than Kreido.

You see, most ethanol and biodiesel producers today rely on one feedstock. For ethanol, it's generally corn. For biodiesel, it's generally soybeans.

But the problem is, there are far better feedstocks out there than just corn and soybeans.

For example . . . while soybeans have proven to be a valuable feedstock for biodiesel, they're no match for jatropha.

Jatropha can be grown much cheaper and has a much higher oil concentration than soybeans. The stuff is now starting to be grown in record numbers in parts of Africa, India, South America and Mexico... and pretty soon will be one of the top feedstock choices for biodiesel all over the world.

Only problem is . . . if your biodiesel plant can only produce the renewable fuel from soybeans . . . you're out of luck. You're stuck with, what could be, a less desirable feedstock. And you have no control over your input costs.

But with Kreido's SST reactor, a producer can actually transition from soybeans to jatropha in a matter of minutes. Just a few computer settings and a cleaning cycle, and you're ready for the next batch.

And if something else comes along that's even cheaper or more efficient . . . maybe algae for instance, you just make a few adjustments and pop that in.

Whatever the cheapest, most efficient feedstock . . . that's what you go with. You just can't find a better way to minimize commodity risk, folks! And in the world of renewable fuels, it just doesn't get any better than that.

Unless, of course, you have complete feedstock flexibility and can produce your fuel without adding a dime to water costs.

That's right . . . Kreido's SST reactor also requires no water.

Not only is this a huge cost savings, but by eliminating water waste, permitting is much easier in locations where water consumption or waste is an issue.

A number of smaller ethanol plants today are being faced with this very problem.

Of course, with its SST reactor in hand, Kreido clearly maintains more than just one significant advantage over conventional production methods.

The company is currently developing three biodiesel plants with a combined capacity of 90 million gallons per year.

At \$3.00 per gallon . . . you're looking at annual revenue of \$270 million.

And that doesn't even include additional equity investment in select plants and licensing opportunities to third-party plants.

That's the Ticket . . .

Now it's clear that the fed will once again give a boost to the renewable fuels market. But as many learned in 2006, it takes more than just mandates to produce a profit.

Over the long haul, reducing commodity risk is an absolute necessity. If you can't do it . . . you're out of business.

And in the world of biodiesel, Kreido simply has the upper hand.

The company's SST reactor is its ticket. And those who grab shares of this thing now... while it's still under the radar, stand to make a small fortune this year. Buy Kreido Biofuels Inc. (OTC BB: KRBF).