



CPS Biofuels
Phone: 757-570-1921
www.cpsbiofuels.com

Issue:
August 27, 2012

All rights reserved!
ceocfointerviews.com

CEOCFO Magazine - The Most Powerful Name In Corporate News and Information

Commercializing the First Glycerol tertiary Butyl Ether (GTBE) Fuel Additive, CPS Biofuels is Focused on Reducing Exhaust and Particulate Emissions from Automobiles and Trucks using Biofuel Additives while Increasing Gas Mileage

**Energy
Biofuel
(Private)**

**Guerry Grune
Chief Operating Officer**

Company Profile:

At CPS Biofuels, we strive to create products that help the earth by reducing fossil fuel consumption, and that can be produced naturally, and domestically. Our bio-based products are here to help your vehicle get the most out of a tank of gas, while producing the least carbon emissions possible.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Grune, what is the vision at CPS?

Mr. Grune: Our vision is to reduce the exhaust and particulate emissions from current automobiles and trucks using biofuel additives, and in addition to increased gas mileage, using octane-boosting bio-based fuel additives.

CEOCFO: How are you going to accomplish your goals?

Mr. Grune: We started out naively believing that we could replace MTBE in the fuel system, back about six years ago. MTBE is Methyl tert-Butyl Ether, which the EPA discovered is a carcinogen, and then was eventually banned in most states, which resulted in digging up gas tanks and gas stations throughout the country. Subsequent to that naïve assumption because ethanol came in, we reverted to developing the bio-based fuel additive

in the retail market, initially so that we could get some cash flow, generate some income, and then attack some other areas where we think bio-based fuel additives might be of use.

CEOCFO: Are your products on the market today?

Mr. Grune: We are, we have commercialized the first Glycerol tertiary butyl ether (GTBE) additive available on the market. It is called CPS Power Shot™ ® and it can be found at www.powershot.com.

CEOCFO: Who is using Power Shot, other than the internet how do you reach your customers, and is there a competitive landscape for similar products?

Mr. Grune: Right now the only way we are distributing is through the internet, and we have one distributor in Virginia Beach which is the only Mercedes dealership there. They are selling it through their parts store, for high-end, high-compression engines. It is a very valuable tool because it is an octane booster. We would like to distribute it to more folks in the area where other fuel additives are being used, sold, and distributed now, such as, Pep Boys in Napa and some of the larger retail chains like 7-Eleven, and Wah Wah in Virginia. Essentially, these fuel additives are all petroleum-based, so we really do not have any peers in the bio-based fuel additive industry. We are the only folks that are making a non-toxic octane booster with no petroleum-based components. It is a renewable, sustainable bio-based fuel additive, made from waste glycerin and isobutylene, which is a waste by-product from refineries. Our product is a truly renewable, sustainable, and green, so we

really do not have a competitor in that market space.

CEOCFO: How do you get attention?

Mr. Grune: Money, time and the right focus. We need some kind of budget for doing marketing and distribution. We would love to have a spokesperson for our product, but right now none of that has come to fruition.

CEOCFO: Has the overall biofuel industry been less in favor, or is it just the additive area is not getting the spark of attention?

Mr. Grune: I think the biofuel industry as a whole has certainly gotten a lot less risky in the last few years. I think ethanol has been sort of a two-edged sword, there has been some positive and negative press about ethanol on both sides, and ethanol has its place by using corn to convert that to fuel. Many people in this country and even outside of this country are thinking that was not a logical move, but we are stuck with it, so that is for biofuels. What we have is a bio-based fuel additive, and the bio-based fuel additives market is a niche of a niche of a niche. It is tiny, so there really has not been any awareness of what we are trying to accomplish by any of the big producers for sure, and by the consumers at large, they really do not quite understand that there even is an alternative to these petroleum additives. Our biggest competitors in that market space are petroleum-based fuel additives, which are made by STP, Gumout, Lucas Oil, and Textron, which is part of Chevron/Texaco. Those are petroleum-based, mostly kerosene products, which have been sold in the market for so long. The brands are so well-known that people do not even know what they are add-

ing to their tanks. We have something that is an alternative to kerosene, which is a sustainable renewable product that reduces pollutants as well as boosts octane by orders of magnitude more than kerosene. People really have not gotten that yet, they really do not know what we have.

CEOFCO: Have you thought of working with any of the green organizations that are selling other green products, as opposed from approaching it from just the auto area?

Mr. Grune: We have, but we have not really made a big effort, in fact, we have not really made an effort at all. Whole Foods would probably carry our product and sell it, but they do not even sell fuel additives in a place like Whole Foods. On the other hand, that is the issue, getting the "green" folks to understand what we have, and getting them involved, so that is a great possible position for us where we could go retail. Our biggest problem is we only have about fifteen hundred units of product right now, we would have to get a large purchase order from a large entity to say 'ok guys, go make this for us', because we do not have our own manufacturers.

CEOFCO: What is the plan?

Mr. Grune: The plan is to try to get a purchase order. We have tried to go through the military, but every move we have made, people have thrown up roadblocks. Whether they are inadvertent, I do not know. Therefore, we just keep plugging away, hoping that someone understands what we have, and is willing to give us the opportunity. We are also trying to work with some of the larger isobutylene producers, to see if we can get them enticed into using it for their own trucks and vehicles. We are meeting the mandates for the 2015 presidential edict, which was to reduce greenhouse gas emissions by up to 35%, so we can do that now with 2% of our product in the tank, but we just do not have anybody out there who is really taking note of what we have done. We presented a bio, we were just down in Orlando in May, so we keep trying to get the message out about

what we are trying to accomplish, but it is very difficult. This is not our full time occupation, nor are we funded to do this in any way. We had our original funding for the state of North Carolina, and that has run out.

CEOFCO: What about licensing the product, joint ventures, or things of that nature?

Mr. Grune: Yes, we have had discussions with folks about that, but not anything that has ever materialized, not anything of real significance. There are people outside the United States, for example, in the Philippines and India that have shown a very strong interest in what we are doing, but not so much in the US. We have a company in Chicago, Gold Eagle, which distribute products like Octane Oil Four. They distribute fuel additives. They looked at our product, and are still looking at it. They did not be-

We are, we have commercialized the first Glycerol tertiary butyl ether (GTBE) additive available on the market. It is called CPS Power Shot™ @... Our vision is to reduce the exhaust and particulate emissions from current automobiles and trucks using biofuel additives, and in addition to increased gas mileage, using octane-boosting bio-based fuel additives. - Guerry Grune

lieve me when I told them we had an EPA registration number, so I sent them a letter that we received from the EPA so they would be a great JV or partner in taking us to the next level. There are a lot of the fuel additive folks that are maybe a little afraid that we will cannibalize their current product line. They are selling kerosene for \$90 per gallon retail, and our product sells for the same, but we do not have the overhead they do, so we do not mark our product up 30-X. They are buying kerosene for \$3 a gallon and selling it for \$90, so they got a pretty good business model going, and one that is very difficult to break into. We have something more expensive that might be more effective and so much better for the environment. It is also more expensive to make, but you get what you pay for.

CEOFCO: What are you going to be doing for the next year or so?

Mr. Grune: We are going to continue to try to market it to the folks that we believe we can sell it to. We are going to continue to offer it at store fairs and that kind of thing where we have had much success, especially with women who are interested in making sure their environment is better and the car runs better. We think that is a good avenue for us, but we are not going to give up, we are going to keep trying, we have been doing this for almost six years now. This is something that we feel strongly and convinced that we are going to get something of use to someone soon, and we are not going to give up until we find the source of funding, a purchase order, or both.

CEOFCO: Have you been able to patent your formula?

Mr. Grune: Yes, I am a patent agent with a PhD chemical engineer, and the other co-founder, one of three, is a patent attorney. We have definitely filed for patent protection, and our application is still pending, and it looks like it will probably grant this year. We have some other patents in the biofuel area. We are actually making bio-gasoline from waste, like animal waste, for example. We have an issued patent, and six that are pending.

CEOFCO: Have you looked at sources of funding? I know you mentioned originally the government funding. Has that dried up now?

Mr. Grune: It has dried up, we went back to North Carolina, and the money we had was from the Small Business Green Innovation Fund, from the state of North Carolina. We were one of thirteen companies selected three years ago, and we received \$50 thousand for the work we did, and were able to commercialize the product and put it on the internet for that money, which I am proud of. Basically, we boot-strapped the whole thing. We have applied for yearly grants and for other state grants in the system, but we have not gotten it. We have had folks that have admired what we have been able to accomplish with the money we have, but we do not have anyone supporting us

right now either from the government or private industry.

CEOCFO: We have 200,000 thousand readers monthly who are primarily investors, why should they pay attention?

Mr. Grune: For investors, we are initially looking for \$2 million as an investment, and the payback time on that could be less than six months. The return on investment here is pretty much unlimited, because the number of folks that use fuel additives

in the number of places where a fuel additive could be used is pretty much unlimited. We are good for small engines and high compression engines. Our product can be used for power tools, motor boats, motorcycles, vehicles, and lawn mowers. We also help solve the E10 and E15 problem, which most people are not aware of. When you are buying ethanol at the pump right now, blended with gasoline, it causes fuel systems to corrode. Our product helps that problem go away. We have something

that is truly unique, useable, and a lot of people are interested in it. However, like anything else, it takes a while to get momentum going. Certainly, as a retail product, which is where we tried to make our initial inroads, that is where we think the return on investment is the highest. Of course, the risk is high, too, because you have to spend a lot of time and money to get the product on the shelves.

CPS Biofuels
Phone: 757-570-1921
www.cpsbiofuels.com