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GM and Mascoma Enter into Biofuels Relationship

Automaker to Help Speed One-Step Cellulose-to-Fuels Process to Market

WASHINGTON, May 1 – General Motors Corp. and Mascoma Corp. today announced a strategic relationship to develop cellulosic ethanol focused on Mascoma's single-step biochemical conversion of non-grain biomass into low-carbon alternative fuels to help address increasing energy demand.

The relationship, which includes an undisclosed equity investment by GM, complements an earlier investment in a cellulosic ethanol startup that uses a thermo-chemical process to make ethanol from non-grain sources.

"Taken together, these technologies represent what we see as the best in the cellulosic ethanol future and cover the spectrum in science and commercialization," GM President Fritz Henderson said. "Demonstrating the viability of sustainable non-grain based ethanol is critical to developing the infrastructure to support the flex-fuel vehicle market."

GM leads the auto industry in offering vehicles that can run on either ordinary gasoline or E85 – a blend of 85 percent ethanol and 15 percent gasoline – or any combination of the two. There are more than 7 million flex-fuel vehicles on U.S. roads, 3 million of which are GM cars and trucks.

"These investments in leading-edge firms supports belief that ethanol has the greatest near-term potential as a clean-burning, renewable fuel that can help reduce oil dependence," Henderson said.

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Mascoma has raised significant equity from venture capital investments and secured more than $60 million in state and federal grants, including the recent awarding of a $26 million grant from the U.S. Department of Energy.

Mascoma's single-step cellulose-to-ethanol method, called Consolidated Bioprocessing, or CBP, lowers costs by limiting additives and enzymes used in other biochemical processes.

Based in Boston, privately held Mascoma is using proprietary microorganisms developed at the company's laboratories in Lebanon, N.H., and is collaborating with research partners globally to identify and patent additional biomass-to-ethanol technologies.

Mascoma is testing its CBP technology and expects to begin producing ethanol later this year at its demonstration plant under construction in Rome, NY. Mascoma also has partnered with The University of Tennessee to develop a switchgrass-to-ethanol pilot facility near Knoxville, TN, and is pursuing opportunities in the state of Michigan.

"Cellulosic biofuels represent next-generation renewable energy, and have the potential to reduce oil dependence, reduce greenhouse gas emissions, and stimulate regional economic development," Mascoma Chairman and CEO Bruce Jamerson said. "Our transformational technology will allow us to combine the affordable non-grain biomass with low-cost conversion techniques to make ethanol more quickly, efficiently and economically than is possible with other biochemical methods."

Mascoma, named for a lake near Dartmouth College, was founded in 2005 based on technology developed by Drs. Lee Lynd and Charles Wyman in Dartmouth's Thayer School of Engineering. Together, the two have more than 50 years of research into biofuels derived from wood chips, switchgrass and other naturally occurring feedstocks known as cellulosic biomass.

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“One of the things that attracted us to Mascoma was its R&D team,” Henderson said. “Their development of best-in-class microorganisms and enzymes could lead a transformation to a new era of biofuels.”

GM’s multi-dimensional involvement with Mascoma will include projects to evaluate materials and other fuels for specific engine applications as well as collaborating on Mascoma’s efforts to expand its commercialization projects globally, including promotion of increased biofuels distribution.

“We look forward to working with GM as a key player in the commercial value chain for cellulosic biofuels,” Jamerson said. “Our job is to take what happens in nature over hundreds of years and bring it down to a matter of days. We think we well positioned to make cellulosic ethanol a commercial reality,”

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About GM

General Motors Corp. (NYSE: GM), the world's largest automaker, has been the annual global industry sales leader for 77 years. Founded in 1908, GM today employs about 266,000 people around the world. With global headquarters in Detroit, GM manufactures its cars and trucks in 35 countries. In 2007, nearly 9.37 million GM cars and trucks were sold globally under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, HUMMER, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling. GM's OnStar subsidiary is the industry leader in vehicle safety, security and information services. More information on GM can be found at www.gm.com.

About Mascoma

Mascoma Corporation is a leader in advanced low-carbon biofuels technology based in Boston, Massachusetts. Using proprietary microorganisms and enzymes developed at the company's laboratories in Lebanon, New Hampshire; Mascoma is collaborating with research partners globally to identify, patent and deploy a new generation of microbes and low-cost processes for producing advanced cellulosic ethanol technologies across a range of non-food feedstocks. Mascoma is developing demonstration and commercial scale production facilities in locations across the United States. For more information, visit www.mascoma.com.

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