

Vega Biofuels Enters Into Agreement to Increase Bio-Coal Production Capacity to Meet Demand

Five Year Deal Solves Production Void

NORCROSS, GA, December 17, 2014 -- VEGA BIOFUELS, INC. (Pink Sheets: VGPR) announced today that the Company has entered into a five year Agreement that will increase the Company's Bio-Coal production capacity.

Vega recently announced it has entered into a Joint Venture to build and operate a manufacturing plant in Allendale, SC to produce a product called Bio-Coal. When completed, the manufacturing plant will use special torrefaction technology to produce the Company's green-energy Bio-Coal product from timber waste that will then be sold to power companies around the world. Bio-Coal has a high energy density of up to 13,000 BTUs/Lb and is considered a renewable energy fuel that meets the Renewable Portfolio Standards and Renewable Energy Credits (RECs) in the United States.

The current production capacity for the Company's Joint Venture facility in Allendale is not sufficient to meet the current demand for Vega's Bio-Coal. Therefore, the Company entered into an Agreement with Colorado based, Vencor International, Inc. that will provide Vega with the necessary product to meet the exceeding demand for its Bio-Coal. The Agreement will allow Vega to begin filling orders prior to the completion of its Allendale facility. The Agreement will continue to supplement the production capacity of the Allendale plant for the next five years.

"We've been very clear that the production capacity at the Allendale plant will not be enough to meet the demand for our Bio-Coal product," stated Michael K. Molen, Chairman/CEO of Vega Biofuels, Inc. "In time I believe the production capacity at the Allendale plant will be increased and catch up to the demand, but in order to fill the orders that we have in hand and allow us to continue marketing the product, we needed to find a source to supplement our production capacity. We look forward to working with Vencor and anticipate having product to ship after the first of the year. This is a huge development for our Company. Revenue generated from the first order of 3,000 tons will allow us to complete our commitment to the Allendale joint venture."

Torrefaction is a partial carbonization process that takes place at temperatures between 475 - 575° in a low oxygen environment which makes the physical and energetic properties of the biomass much more comparable to traditional coal. The biomass is then compressed into briquettes called Bio-Coal to be sold to the end user. Torrefaction has the added benefit of reducing or eliminating undesirable volatiles, such as nitrous oxides and sulfur dioxides and is considered carbon neutral to the environment. Existing coal-fired power plants do not need to retrofit their existing plants to accommodate the torrefied Bio-Coal.

Certain statements in this release constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "forecast," "project," "intend," "expect" "should," "would," and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance (finance or operating) or achievements to differ from future results, performance (financing and operating) or achievements expressed or implied by such forward-looking statements.

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