



INTERMOUNTAIN RESOURCES, LLC

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CONTACTS:

Nancy Fishering, 209-1767 nancyf@montrose.net
Christopher Meyers 249-0812

INTERMOUNTAIN RESOURCES ANNOUNCES CAPACITY EXPANSION TO ADDRESS COLORADO FOREST HEALTH & RENEWABLE ENERGY

Intermountain Resources LLC President and Managing Member, Christopher Meyers today announced a threefold increase in the company's capacity to treat the extensive acreage of dead and dying timber in Colorado forests. The major expansion will also include implementation of a biomass component utilizing the smaller woody fuels that create a fire risk to Colorado's mountain communities.

"In a highly risk-adverse capital market, we have successfully negotiated an investment package after a lengthy and complicated process to attain capital. Intermountain has expanded its structure to include new investors while purchasing the shares of former partners. Mr. Meyers stated that "they are optimistic about the forest products industry possibilities in Colorado and desire to be part of the solution to the compelling forestry challenges facing Colorado. As a result, Intermountain expects to increase treatment capacity from 20,000 to 60,000 acres per year on forested land in Colorado and Wyoming. The additional capacity will add significantly to the ability of federal managers to treat dire forest health conditions throughout Colorado and especially on the Western Slope.

To achieve this increase in acreage treatment, Intermountain plans to add sawmill and logging capacity, and will open a formerly mothballed sawmill in Saratoga Wyoming. The latter will also provide significant capacity for treating forest health problems in the Medicine Bow, Routt and other northern Colorado and Wyoming forests.

Meyers said co-location of a biomass component is an exciting new approach to forest management. “Both facilities will be state-of-the-art sawmills that will produce an anchor supply of residual biomass of up to 700 tons per day. Our plans are to supply an on-site, joint venture pellet facility that will allow us to branch out and use additional woody biomass that come from hazardous fuel loads in the forests.

The expansion has been in careful development for many months during a time of economic turmoil for the forest products industry. Meyers said several factors were critical to Intermountain’s opportunity to overcome these challenges and add capacity in today’s lumber markets. The staff of the national forests in Colorado and Wyoming developed a mountain pine beetle strategy to increase treatment acres, along with an increase in log and woody biomass supply from the forests. Senator Wayne Allard also obtained additional Forest Service funding to allow necessary environmental protection planning and preparation. Senator Dan Gibbs and Representative Al White also persuaded the Colorado legislature to provide state sales tax relief that helped to enhance economically viability.

Meyers said, “We are an appropriately sized sawmill for Colorado’s unique forest health challenges, and we have cost-effectively treated more acres of private and federal forests than any other company.” He added that even beetle-killed timber can be profitably utilized by an efficient business. Colorado has over 2 million forested acres of dead or at risk trees. “We have solid markets for the premium lumber that we produce from our mountain pine beetle lodgepole pine and spruce forests, and we look forward to working closely with the Forest Service and local communities to remove timber and woody biomass to restore the health of these forests.”