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Ag giant pumps funding into BioBlend

New infusion by Archer Daniels fuels expansion for bio-based lubricants-maker

Houston Business Journal - by [Mary Ann Azevedo](#) Houston Business Journal

BioBlend Renewable Resources has raised \$10 million in fresh funding, including an initial injection from a giant in the agricultural industry.

Decatur, Ill.-based Archer Daniels Midland Co., one of the world's largest agricultural processors of soybeans, corn, wheat and cocoa, was a participant in second-round funding for the Houston-based manufacturer of bio-based lubricants. Much of the company's base raw materials consist of canola and soy oil.

Also participating was Quest Technology Ventures, a Chicago-based private investment firm that focuses on startups in information technology and energy.

BioBlend was launched in April 2007 with about \$1 million in seed capital from Quest Technology. The latest round gives Archer Daniels, with more than \$40 billion in revenue, a minority stake in the Houston company.

Jeff Hart, founder and chairman of BioBlend, says having support from Archer Daniels will help the Houston company's profile in the marketplace.

Hart, a managing partner of Quest Technology, describes Archer Daniels as the "Exxon Mobil of the ag business."

BioBlend President Sam Burkett, a former Exxon Mobil Corp. executive, says the money will be spent to expand manufacturing and marketing of biodegradable lubricants, penetrating oils, hydraulic oils and greases.

The firm also plans to add 50 new distributors in the next two years in creating a nationwide renewable lubricant distribution and marketing platform.

Burkett says BioBlend has between 300 and 400 clients.

The customer base covers a wide range of industries including Chrysler LLC, Stihl Inc., the University of California at San Diego, Atlas Copco Group, Center Rock and the U.S. military.



Michael Stravato/HBJ

Sam Burkett of BioBlend Renewable Resources: Company list of between 300 and 400 customers covers

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BioBlend also does business with zoos, ethanol plants, pellet mills, automotive plants, wineries, food processors and offshore drilling operators.

The company currently employs about 20, and Burkett says plans are to double that number over the next year.

Access to customers

BioBlend is actually a spin-off of Mid-Town Petroleum, a Chicago-based lubricants distribution business also run by Hart.

He also helped found Houston-based FuelQuest Inc., which was acquired in May 2007 by an investment fund managed by Saracen Energy Advisors LP.

Hart operates out of Chicago, and BioBlend's distribution center and quality control laboratory are in Joliet, Ill.

The company is based in Houston mainly because of access to potential customers and talent. Customers also include offshore drilling companies.

"If they spill a petroleum product, they have to deal with the Coast Guard and face fines by the EPA," notes Hart. "But with BioBlend, it's virtually all renewable and vegetable oil-based. So from an environmental liability standpoint, there's much less."

The main advantage of bio-based lubricants is that they reduce water pollution and improve the sustainability of the supply chain "while protecting valuable equipment," he says.

"Virtually any user of petroleum-based lubricants can benefit from their adoption," he says.

He notes that many Fortune 1000 companies now have sustainability or environmental officers.

Says Hart: "They're looking for ways to create a smaller carbon footprint and be more environmentally friendly. We're one way companies can do that."

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