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Using their Thermal-Chemical Extraction Process (“TCEP”) Technology, Hydrocarbon Recover Company, Vertex Energy, Inc. is Operating in the Environmental Services Sector, Recycling Petroleum Waste Streams and Off-Spec Commercial Chemical Products for Resale

**Industrial Goods
Waste Management
(VTNR-OTCBB)**

**Benjamin P. Cowart
Founder, Chairman and CEO**

BIO:

Mr. Cowart, the Chief Executive Officer and Chairman of the Board of Vertex Energy, has been involved in the petroleum recycling industry for nearly 25 years. Mr. Cowart is the founder of the Vertex group of companies and has served such companies since 2001. As a leader in this field, Ben helped pioneer the reclamation industry by developing recycling options for many residual materials once managed as a hazardous waste. Mr. Cowart was awarded the 2003 Business Man of the Year Award from The National Republican Congressional Committee, and served on the National Oil Recyclers Association Board of Directors and as its President in 2008. Mr. Cowart has taken an active role in the petroleum industry with his involvement in speaking, consulting, chairing, and serving on various committees and industry associations. Mr. Cowart is a graduate of Harvard Business School’s Advanced Management Program.

Company Profile:

Vertex Energy, Inc. is a leading environmental services company that recycles industrial waste streams and off-specification commercial chemical products. Its primary focus is recycling used motor oil and other petroleum by-product streams. Vertex Energy purchases these streams from

an established network of local and regional collectors and generators. The company also manages the transport, storage and delivery of the aggregated feedstock and product streams to end users, and manages the re-refining of a portion of its aggregated petroleum streams in order to sell them as higher-value end products. Vertex Energy sells its aggregated petroleum streams as feedstock to other re-refineries and fuel blenders or as replacement fuel for use in industrial burners. The re-refining of used motor oil that Vertex Energy manages takes place at a facility operated by a related party that uses a proprietary Thermal Chemical Extraction Process (“TCEP”) technology. Based in Houston, Texas, Vertex Energy also has offices in Georgia and California.

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

CEOCFO: Mr. Cowart, Vertex is recovering tomorrow’s energy, what is Vertex all about?

Mr. Cowart: The company is really a hydrocarbon recovery company. We operate in the environmental services sector of the market and we recycle petroleum waste streams and off-spec commercial chemical products.

CEOCFO: What is Vertex Energy doing day by day?

Mr. Cowart: We facilitate the movement of these petroleum streams. One key stream that we process relates to used oil from the general public. This is the used motor oil that is removed from automobiles when you

take your car into a shop or dealership for service. The mechanics take out the oil and replace it with new oil. The oil is collected by companies around the country with small collection trucks. They pick up the waste oil, and Vertex makes a market for that material. That oil then is consolidated in transport quantity or railcar quantity, or barge quantity. We buy the oil at that stage of the process and we deliver it into other refineries in the US that use this oil as feedstock. We bring it in to several of our own aggregation facilities where we then transport it to our refinery in Houston, Texas where we process that oil, or we will ship it overseas into fuel blends for utility fuel.

CEOCFO: Does it depend on the type of oil or the market for it at any given point as to what you do with it?

Mr. Cowart: The specification of the material is very important, so that is another part that we play in this value chain. We manage the quality of the raw material that gets aggregated or consolidated and we certify the specifications as we deliver it to our customer or to our own refinery.

CEOCFO: What is the competitive landscape; are many companies involved in the same segments?

Mr. Cowart: Several companies function in this space. It is a small sector of the petroleum industry as a whole. The industry is probably less than 1 billion gallons nationwide, but there are several hundred companies around the country that participate in one or another part of the industry. There is the collection of the material, the aggregation of the material and

the re-refining processing, and then the sale of the finished products back into different markets.

CEO CFO: What is Vertex Energy's geographic reach?

Mr. Cowart: We function in more than 13 states here in the US. Our biggest presence is in the Gulf region across the Gulf of Mexico. We have a location in Houston, Texas where we refine the product and we have rail facilities separately from our refinery here in Texas. Then we also have an aggregation facility in Mobile, Alabama, where we aggregate the material east of the Mississippi River. We also have operation in the Midwest, where we supply oil to another two re-refiners as well as to the lower East Coast. We also have a location in California where we aggregate volume there and rail it back to our refinery in Houston.

CEO CFO: How do you logistically handle all the different phases; is it technology or good people?

Mr. Cowart: The backbone of our company today, and certainly reflecting the growth of the business going forward, is our proprietary technology that we develop here in Houston to re-refine the oil. This has been a long project that started in 2008 and was commercialized in late 2009. The refinery and its technology are functioning very well here in Houston. We believe it gives us a very good advantage in the market to place that technology in other unaddressed areas of the country, where the oil is available at the right price. We can refine it through our technology and continue making a unique product from this oil. That is our Thermal-Chemical Extraction Process ("TCEP") technology.

CEO CFO: Would you tell us about your TCEP technology what is different about it?

Mr. Cowart: It is a thermal chemical extraction process. What makes the oil unusable in your vehicle when it is removed is the contamination that the oil picks up from the vehicle. This would be moisture, dirt, grit, and

heavy metals that are due to wear in the engine itself as well as other wear additives that are put into the oil when the lubrication product is manufactured. We have to remove all of those impurities. We remove them from the oil, then bring the oil clean from those impurities where they can be remarketed back into the general pool of commodity products. It is then clean feedstock that goes for further processing and can actually produce new base oil again. It can go back into the fuel market where we can replace number-two diesel fuel for instance, in certain fuel oil blends and that typically is where our finished product goes today.

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CEO CFO: What is it about your process that is different from other processes?

Mr. Cowart: It is unique. The other technologies that process used oil typically use very high temperature technologies to distill the clean product overhead away from the contaminants. Our product actually goes in and extracts the contaminant out of the product at low temperature. Therefore, there are two benefits. One is the amount of energy that we consume in the process is much lower than other processes. However, the most important thing is we have a 98% high product yield from our process, where any other technology in the market is only yielding anywhere from 65% to 77% high-grade product. The rest is somewhat of an undesirable by-product. While it does get

sold into certain markets, we are able to capture the full value of hydrocarbon at a 98% yield.

CEO CFO: How do you reach potential customers, and do most people use your types of services almost as a commodity or is there a specific reason why companies are choosing Vertex?

Mr. Cowart: There are several reasons. Our biggest customers are those that buy our finished product from our plant and then there are other customers that need the used oil for a feedstock for their plants. In the first situation, we attract buyers of our finished product because of the

quality of the product we produce and the price at which we are able to sell that product compared to virgin products that they have available to them through the major refineries. They can either buy a diesel fuel from a company such as Shell or an Exxon, or buy our re-refined product at a discounted cost. The other type of customer I mentioned would be another refiner that needs the oil for feedstock, and is a different value proposition. This is where we are able to manage the aggregation, the status of the raw material

and the logistic functions that are required in order to deliver quality feedstock to the refinery on a reliable basis. They can actually operate their plant and know that Vertex is handling the feedstock requirement that they depend on to be profitable and re-refine used oil.

CEO CFO: How is business today at Vertex?

Mr. Cowart: Business is very good. We are very pleased with the way we performed in 2011, as our financial results showed significant growth and profitability. We issued our first quarter 2012 results, and reported revenues 71% ahead of last year's first quarter, with strong increases in gross profit, operating income, net income and sales volumes. Therefore, things are moving extremely well as a whole for the company.

CEO CFO: What accounts for the increase?

Mr. Cowart: There are several things. First, we have expanded our raw material footprint. We continue to grow our presence in the US market as a buyer for this raw material. We have built many relationships around the country, have a collection network that picks the oil up, and considers Vertex a stakeholder that they can trust to sell the oil to. Secondly, we have been successful in partnering with other refining facilities that need this material for feedstock. Then thirdly, we have expanded the capacity of our refinery in Houston, so we have been able to grow in all those areas consistently. Then, as we expand our raw material footprint, we create more volume that we can process at a later time with our technology. Therefore, growth in the raw material side generates more revenue, more earnings and profit per barrel, and then insures more growth in our gross profit margin in the days ahead.

CEO CFO: Do you see licensing out your technology rather than opening facilities or do you want it to be controlled?

Mr. Cowart: We have looked at that from several angles and we believe the best strategy for our company is to have the technology stay in house

and deploy it where we can have an equity participation in the business going forward. We do not see the market being big enough to license technology, and then receive just a small royalty from licensing it. We believe the technology can serve us better being controlled internally and used for long-term value creation.

CEO CFO: What do you see ahead for the next year or two?

Mr. Cowart: We expect to continue to grow the total volume output for the company, just like we have been doing, and in ways that I just described we have been growing the business. We believe acquisitions are a key growth engine for us, where we would vertically integrate into the supply chain and take a more active role at more of a ground-level business approach. Those opportunities are being looked at and weighed out from a priority standpoint. We really want to both extract more margins out of the barrel that we handle today, as well as continue growing our footprint of volume around the country.

CEO CFO: Why should investors pay attention to Vertex?

Mr. Cowart: Our Company is underfollowed, and trades on the Bulletin Board, does not get fair recognition in the market for the business we have developed, nor for our track record of

sustainable profits and growth. We have a strong position in the growing petroleum recycling industry, and are well-positioned to capitalize on growth trends through scale, technology, and key strategic relationships. In addition, our proprietary Thermal Chemical Extraction Process (TCEP) re-refinement technology allows us to upgrade used oil into higher-value feedstock and diesel replacement fuel. Our TCEP refinery capital expenditures are significantly less than conventional re-refineries. Also, we have built key strategic relationships to create a diverse network of feedstock suppliers covering 13 states. We aggregated 48 million gallons of feedstock in 2011, and intend to build that aggregation level each year. And our management team has a proven track record with more than 20 years of industry experience. We believe that the Company is an influx for further growth through our established and growing network, proprietary TCEP re-refinement technology, compelling growth opportunities, and knowledgeable and experienced management team. It is a great time to get to know our company.

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