

ALGENOL BIOFUELS INC.

Harnessing the sun to fuel the world®

ALGENOL ANNOUNCES ACQUISITION OF CYANO BIOFUELS GMBH

(Bonita Springs, FL)— Algenol Biofuels Inc., an industrial biotechnology company that makes ethanol using hybrid algae, announced today that its parent company, Algenol LLC, recently acquired Cyano Biofuels GmbH. Cyano Biofuels, which is located in Berlin, Germany, has extensive experience in producing hybrid algae to make ethanol and green chemicals. The acquisition significantly increases Algenol's research and development capacity and strengthens its valuable access to European expertise in biotechnology and algal research.

Algenol LLC previously held an indirect, minority position in Cyano Biofuels, and Algenol has worked closely with the German company for the past three years. Cyano Biofuels was founded in 2007 and is located in the Adlershof technology park in Berlin. Cyano Biofuels has strong ties to leading German universities and is a spin-off from Humboldt-University.

"Combining our companies will accelerate our ability to fully develop Algenol's DIRECT TO ETHANOL® technology and move us more rapidly toward commercialization. The Berlin area is well known for its world-class research on microalgae and is a perfect place to hire talented scientists and technicians. We plan to continue Cyano Biofuel's collaborations with German universities and believe these collaborations will add significant new technology and new capabilities to our Company," said Paul Woods, Algenol's co-founder and CEO.

"Algenol is the perfect partner for us. We have extensive experience working together and are certain that Cyano Biofuels will thrive in combination with Algenol. With Algenol's state-of-the-art new laboratories in Lee County, Florida and plans to build a pilot-scale biorefinery in 2011, we eagerly look forward to making the transition from a development stage company to a commercial company in the near future," said Dan Kramer CEO and co-founder of Cyano Biofuels GmbH.

Algenol today possesses the most advanced third generation biofuel technology in the United States. Algenol makes low cost ethanol directly from CO₂ and seawater using hybrid algae in sealed, clear plastic photobioreactors through its unique, patented Direct To Ethanol® technology — all powered by the sun. Algenol's research and development efforts have culminated in a process that targets commercial production of 6,000 gallons of ethanol per acre-year, compared to corn at 400. This process achieves an energy balance of more than 5 to 1 and a life cycle carbon footprint that is merely 20 percent of petroleum (an 80 percent reduction from petroleum). For more information about Algenol, please visit www.algenol.com.

Contact: Tonya DuBois
1-239-444-6301

28100 Bonita Grande Drive
Ste 200
Bonita Springs, FL 34135
239-498-2000
239-948-4996