

**ALGENOL BIOFUELS PARTNERS WITH LEE COUNTY AS COMMISSION
VOTES TO APPROVE INCENTIVE FUNDING SUPPORTING FLORIDA-
BASED BIOFUELS AND GREEN CHEMISTRY FACILITY**

Lee County Facility to Bring Economic Diversity and Jobs to Florida

(Bonita Springs, Fla.) — Algenol Biofuels Inc. today announced that the company has reached an agreement with the Lee County Board of Commissioners to support the opening of the new 43,000 square foot facility in Lee County, bringing economic diversity and jobs to the area launching in the first quarter of 2010.

The \$10 million grant is an investment that can bring numerous opportunities in the burgeoning biofuels industry to the region as Algenol continues the development and expansion of its unique Direct to Ethanol® process to produce low-cost ethanol and green chemicals from algae, sunlight, saltwater, and carbon dioxide.

“We are very pleased the Lee County Commission is making it possible for Algenol, a Bonita Springs, FL-based company, to significantly expand its local presence and continue our work to lessen our dependence on foreign oil, develop a solution for CO₂-related issues, while bringing jobs to the area. We are very proud to be partners with Lee County and we are thankful for the extraordinary efforts of Commission Chairperson Tammy Hall, Commissioner Ray Judah, and Commissioner Bob Janes” said Paul Woods, CEO and founder of Algenol Biofuels.

Commissioner Hall said, “We have an opportunity with this partnership to diversify the economic environment in Lee County. It will create expansion of research and development at Florida Gulf Coast University as well as create an opportunity for catalyst companies engaging in research to join Algenol, which translates to higher wage jobs and career opportunities not currently found in Lee County.”

“Our partnership with Algenol is an investment in American ingenuity and innovation,” said Commissioner Ray Judah.

“We are excited to welcome a Bio Technology company of this caliber to our community,” says Jim Moore, Director of the Fort Myers Regional Partnership, Lee County’s Economic Development Office. “This is a sector we hope to continue to expand in the near future.”

The facility will house Algenol’s advanced biology and engineering laboratories, operations and 40 acres of land that will hold the company’s unique photobioreactors – the containers that generate the ethanol from algae, saltwater and carbon dioxide. In addition to producing low-cost ethanol, Algenol is

beginning to work on related projects, such as using its ethanol and other green chemicals as a replacement for petroleum in plastic building blocks. This new facet of the business will also be housed at the Lee County facility.

The steps the Lee County Commission has taken to bring Algenol to the area echo the key findings in a recent report issued by Florida Gulf Coast University's Lutgert College of Business through their Regional Economic Research Institute. The report centered on the best ways to overcome the impact of the economic crisis and resulting recession is to create jobs and diversify regional economies by providing economic assistance that support business recruitment, retention and expansion of businesses and entrepreneurial assistance to high tech and green tech companies in the region. The opening of the Algenol facility in Lee County addresses all three proposed areas that will reinvigorate the local economy.

In addition to bringing jobs to the area, Algenol plans to immediately form partnerships with local universities, including Florida Gulf Coast University and the University of Florida, to assist in establishing programs for students interested in pursuing careers in the green chemistry and biofuels industries, as well as to pursue the study of and solutions for red tides in Florida waters.

Algenol Biofuels, Inc., a privately owned company founded in 2006, is engaged in research, development and demonstration efforts to produce ethanol from carbon dioxide using algae, saltwater, and sunlight.

The company recently made a series of announcements including the award of a \$25 million grant from the Department of Energy as part of the American Recovery and Reinvestment Act, to build a facility in Freeport, Texas in concert with its partner on the project, The Dow Chemical Company (NYSE:DOW). Algenol also announced a partnership with The Linde Group to develop CO₂ capture and management technologies to increase biofuel production from algae.

###

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 produces over 6,000 gallons of ethanol per acre per 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 Biofuels, please visit www.algenolbiofuels.com.