



Press Release

For Immediate Release

Algenetix and Alchimia Form Partnership to Transform Miscanthus into Source of Biodiesel and Bio-jet Fuel

SAN DIEGO, CA & MEXICO, MO (October 7, 2013) –Algenetix Inc, a bioenergy technology company and Alchimia Inc, a biomaterials processing technology and deployment company, announced today a partnership to develop high oil Giant Miscanthus as a new source of biodiesel and bio-jet fuel.

The partnership combines Algenetix's proprietary PhotoSeed™ technology expanding oil production into new plant species and physiologies with Alchimia's oil extraction and purification technology to economically produce oil and other co-products from the perennial grass at scale.

Giant Miscanthus has been seen as an alternative to corn for cellulosic ethanol as well as a source of biomass for heat and power generation. The partnership transforms Miscanthus into a large-scale, next generation "seedless oil" crop capable of addressing not only the ethanol and biomass markets, but the sizeable European and U.S. markets for biodiesel, bio-jet fuel and specialty products.

"The Alchimia partnership allows us to unlock the true value of PhotoSeed™ as applied to energy grasses," says Han Chen, chief executive officer of Algenetix. "We can now not only increase oil content in Miscanthus biomass, but with Alchimia's extraction technologies we have a path to market for a range of renewable fuels and high value oil soluble co-products."

PhotoSeed™ is the first technology to successfully produce synthetic seed-like oil bodies in the vegetative material of plants without negatively impacting plant health. Algenetix has been able to increase lipid content to as much as 8 percent of the total biomass.

Alchimia's novel process can unlock the potential values of carbohydrates, proteins and lipids sequestered within biomaterials while segregating and purifying high value micro-compounds often overlooked within commodity processing.

"Alchimia is excited about the prospects of capturing the value of PhotoSeed™ enhanced grasses and other plants through our processing technology," said John Smeltzer, chief executive officer of Alchimia. "Our technology package combined with the dramatic production capabilities of Algenetix's plants holds the potential to create entirely new economies of lipid-based products."

Algenetix and Alchimia forecast that oil production from Giant Miscanthus could be as much as 1.2 tons per acre, 4.5 times the oil yield of soybeans. For every 1 percent of oil extracted, the companies forecast that an additional \$120 of revenue per acre can be realized by farmers growing PhotoSeed™ Miscanthus.

In 2010, the University of Illinois published a study estimating that over 150 million acres of abandoned and degraded cropland in the United States are available for biofuels production from crops such as Giant Miscanthus without compromising conventional food crops and current pasture lands.

Algenetix (www.algenetix.com)

Algenetix is a San Diego-based bioenergy technology company incubated from the Kapyon Ventures pipeline. The company is developing a proprietary portfolio of technologies to increase the yield, productivity and energy density of industrial microbes and renewable energy crops.

Alchimia

Alchimia is a Missouri-based biomaterial processing, technology integration, commercialization and project development company. Alchimia is positioned with novel processing approaches first proved by Inventure Chemical, which are unlocking the value sequestered within biomaterials. Alchimia's process can unlock the potential values of carbohydrates, proteins and lipids, while allowing for segregation and purification of high value micro-compounds often overlooked within commodity processing.

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