



ASX RELEASE

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ALGAE.TEC ANNOUNCES BIOFUELS REFINERY DEAL WITH BIODIESEL INDUSTRIES AUSTRALIA FOR 50 MILLION LITRES

Leading enclosed, modular-system algae to biofuels company Algae.Tec (ASX: AEB, OTCQX: ALGXY) has tapped one of the largest biofuel refineries, Biodiesel Industries Australia (BIA), to refine algal oil from its carbon capture and biofuels production facility alongside a 2640MW coal-fired power station near Sydney.

The oil, to be produced from the Algae.Tec facility planned for 2014 at Macquarie Generation's Bayswater coal-fired power station in the Hunter Valley NSW, will be refined by BIA then used locally by mining and industry in the Hunter region.

BIA Managing Director Andrew Hill said the company currently produced biodiesel for clients including Caltex, local councils, and the mining industry.

"We have long considered algae to be the Holy Grail for biofuels, so we are pleased to see this new algae to biofuels development happening just up the road at MacGen."

"BIA is playing a key role to accelerate the transition to biofuels in the region," Hill said.

BIA was established in 2003 and was Australia's first commercial biodiesel refinery. It is currently refining up to 17 million litres per annum.

"This 50 million litre Algae.Tec deal would put us on a world-scale for biofuels refining."

The Algae.Tec and Macquarie Generation carbon capture to biofuels announcement, was made this month by NSW Energy Minister, Chris Hartcher. The world-first deal received international attention.

Algae.Tec Executive Chairman Roger Stroud said algae biofuels offers NSW and Australia a new level of fuel security at a time when all the traditional petroleum refining capacity is closing down in NSW.

"We look forward to working with BIA, they are real leaders in the biofuel refining sector."

Images: <http://algaetec.com.au/news-room/image-gallery/>

Vision: <https://www.yousendit.com/download/WFJWZG1rdkc5eFdybHNUQw>

Macquarie Generation www.macgen.com.au



About Algae.Tec www.algae-tec.com Algae.Tec Ltd, founded in 2007, is an Australian advanced renewable oil from algae company that has developed a high-yield enclosed algae growth and harvesting system, the McConchie-Stroud System. The Company has offices in Atlanta, Georgia and Perth, Western Australia. The Algae.Tec bioreactor, an enclosed modular engineered technology, is designed to grow non-GMO algae on an industrial scale, and produce biofuels that replace predominantly imported fossil fuels. The Algae.Tec solution is less than one tenth the land footprint of pond growth options, while its enclosed module system is designed to deliver the highest yield of algae per hectare, and solves the problem of food-producing land being turned over for biofuel production.