

PRESS RELEASE



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PETROALGAE SIGNS MEMORANDUM OF UNDERSTANDING WITH ASESORIAS E INVERSIONES QUILICURA (AIQ) TO DEVELOP GREEN FUELS IN CHILE

Agreement gives AIQ Option to License PetroAlgae's Micro-crop technology
for Renewable Fuels

MELBOURNE, FL — April 14, 2010—PetroAlgae Inc. (OTCBB: PALG), a leading renewable energy company that licenses its commercial micro-crop technology globally, today announced that it has signed a Memorandum of Understanding with Asesorias e Inversiones Quilicura (AIQ), a major shareholder in Subus Chile S.A., that is expected to enable the development in Chile of a micro-crop technology system for the large-scale production of green gasoline, diesel and jet fuel.

Under the agreement, AIQ has acquired an option to purchase from PetroAlgae a standard license to build a full micro-crop technology system for commercially producing biofuels and high-value protein. PetroAlgae's micro-crop technology is designed to enable its licensees to produce a cost-effective alternative to fossil fuels as well as a high-value protein co-product, while absorbing carbon dioxide from greenhouse gas emissions.

Chile, which imports over 70% of its fuel in the form of oil, gas and coal, is seeking to reduce its dependence on imports and is giving increased attention to renewable replacements for fossil fuel that can be developed indigenously. Particularly promising in this regard are micro-crop technologies that employ small organisms to produce replacement fuels for petroleum and are land, water, and energy efficient. Not only are micro-crops proving they can yield biomass that is economically viable at commercial scale, but also they avoid the problems of macro-crops, such as corn and soy, which compete with the food supply and consume far greater amounts of land, water and energy.

“Today, attention and large-scale investment have turned dramatically toward the potential of micro-crops,” said Andres De Carcer and Rosi Palma of AIQ. “We are certain that PetroAlgae's technology, which produces commercial-scale biomass that can be converted into green fuels in normal refineries, is at the forefront of this sector. We are also pleased to be working with such

an experienced management team, capable of rapidly deploying their technology in Chile and of opening a path to sustainable and clean energy independence while promoting local job growth.”

By precisely managing exposure to light, PetroAlgae’s technology is able to dramatically increase the growth and productivity of indigenous organisms in open-pond bioreactors, thereby creating micro-crops of significant commercial value. The micro-crops absorb approximately twice their weight in CO₂, and are harvested every few hours producing two products— a high-quality protein and carbohydrate-rich biomass. The protein is used for animal feed and in the future is expected to become a direct source of protein for humans. The biomass is sent to a normal refinery and produces green gasoline, diesel and jet fuel.

“Increasingly, companies like AIQ are looking for renewable fuel feedstock solutions that have high economic productivity and can utilize the existing petroleum-based fuel infrastructure,” said Dr. John Scott, Chairman of PetroAlgae. “We have the solution and I believe that today’s announcement is the first of many such agreements in South America that will continue that region’s path towards a sustainable, clean energy future.”

About PetroAlgae

PetroAlgae Inc. (OTCBB: PALG) is a leading alternative energy company that licenses a commercial micro-crop technology system to produce clean fuel and food in an environmentally sustainable manner. Through a modular, flexible design construction, PetroAlgae enables a near-continuous growing and harvesting process of a wide variety of micro-crops suited to local climates, ensuring maximum growth rates. PetroAlgae’s globally scalable system produces high-value protein as well as a cost-effective alternative to fossil fuels, while absorbing carbon dioxide from greenhouse gas emissions. The Florida-based company expects to establish first-mover advantage in the biofuels industry and offers a path to sustainable and clean energy independence while promoting local job growth.

For further information on PetroAlgae, please visit www.petroalgae.com.

Forward Looking Statements: This news release may contain certain “forward-looking statements.” Forward-looking statements are based on current expectations and assumptions and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, and many of which are beyond the Company’s control. Actual results could differ materially from these forward-looking statements as a result of a number of factors, including the uncertainty of the launch of our commercialization strategy, the biodiesel market’s acceptance for our products and technologies or the acceptance of our customers’ products or technologies which incorporate our products and technologies, the failure of our technology to perform as predicted, competition from alternative biodiesel or other alternative energy technologies, uncertainties as to the size of the markets, cost and margins for the Company’s products, current or future government regulations affecting the use of the Company’s products and technologies, the lack of availability of critical components, the degree of protection from future patents, other risks associated with the development or acquisition of new products or technologies and those risks detailed in the Company’s filings the SEC. Given these risks and uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and no assurances can be given that such statements will be achieved. The Company and all affiliated parties do not assume any duty to publicly update or revise the material contained herein.

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