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HOLCIM LANKA AND ALGAE.TEC LAUNCH FIRST BIOFUELS PRODUCTION FACILITY IN ASIA

Perth, Western Australia/Atlanta, Georgia – 1 December, 2011 - Algae.Tec Limited (ASX:AEB, FWB:GZA:GR, ALGXY:US) an advanced algae to biofuels company with a high-yield enclosed algae growth and harvesting system announced today it had signed a collaboration contract to build its first algae biofuels production facility in Asia.

The facility will be built in Sri Lanka in conjunction with Holcim Lanka Ltd, a cement and building materials company.

Algae.Tec offers a compelling carbon capture solution for carbon emitting companies and industries seeking carbon dioxide reduction technologies.

Holcim Lanka was attracted to the Algae.Tec solution as a way of reducing its carbon footprint by channelling waste carbon dioxide into the algae growth system, and generating valuable biofuel at below market cost.

The biofuels production facility will initially comprise a production plant of five photo-bioreactor modules. This plant will allow Holcim to evaluate the benefits of capturing more of the waste carbon dioxide in a much larger facility. It is expected that the Algae.Tec technology could be rolled out at other sites.

Holcim Lanka CEO Mr Huber said: "The Algae.Tec facility is designed to reduce the cement manufacturing carbon dioxide emissions with an off-take into the algae growth system".

"We look forward to working with Algae.Tec on this exciting development that is aligned with our focus on sustainability and a commitment to the environment," Mr Huber said.

"Algae.Tec has a truly innovative technology backed by an expert international engineering team."

Algae.Tec Executive Chairman Roger Stroud said Algae.Tec was very pleased to be involved with such a significant global company that clearly attaches great importance to sustainable development at an economic, ecological and social level.



The photo-bioreactor modules are assembled at the company's USA facility, the *Algae Development & Manufacturing Centre* in Atlanta, Georgia.

"Algae.Tec is an advanced biofuels company with an enclosed modular engineered technology designed to grow algae on an industrial scale and produce biofuels that replace predominantly imported fossil fuels for transportation use," said Stroud.

The Algae.Tec solution is less than one tenth the land footprint of pond growth options, while its enclosed module system is designed to produce algae biomass in virtually any environment on the planet.

The enclosed modular 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.

About Algae.Tec www.algaetec.com.au

Algae.Tec, founded in 2008, is a publicly listed 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 enclosed modular engineered technology is designed to grow algae on an industrial scale and produce biofuels that replace predominantly imported fossil fuels.

The technology has demonstrated exceptional performance in productivity, product yield, carbon dioxide sequestration, and production unit footprint requirements versus agricultural crops and other competitive algae processes in the industry.

About Holcim Lanka www.holcim.lk/en

Holcim Lanka is a part of the global Holcim group. Holcim Lanka's core businesses includes the manufacture and distribution of cement, and the co-processing of waste.

The company also offers technical solutions to engineers and builders via it's innovation & application center. The company has created the Geo Responsibility Award, to recognize exceptional efforts taken in environmental waste management by public and private institutions.