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SAPPHIRE ENERGY APPLAUDS PASSAGE OF HOUSE TAX BILL

Major Step toward True Green Fuel with Key Support from California and New Mexico Representatives

SAN DIEGO, Sept. 29, 2010 – [Sapphire Energy](#), one of the world's leading innovators in creating algae-based fuel from Green Crude, today applauds the U.S. House of Representatives for passing H.R. 4168, the Algae-based Renewable Fuel Promotion Act. Special recognition goes to Reps. Harry Teague (D-NM) and Brian Bilbray (R-CA) whose bi-partisan support led to the bill's passage.

Congress took the extraordinary action this week to give algae-based fuel technology federal incentives similar to those for other biofuels, leveling the playing field for this promising technology. This move will serve to hasten the pace of development of these fuels, addressing our nation's energy independence goals sooner.

"The many tireless months of effort made by Reps. Teague and Bilbray show their belief that algae-based fuels, like our Green Crude, have a crucial role in solving the nation's and the world's crippling energy challenge," says Jason Pyle, CEO, Sapphire Energy. "These policies are essential to truly grow green fuel at scale; we need the same tax structure that oil and gas get today. Passage of this bill is the first step in that direction."

Pyle adds that the primary benefits resulting from the Act's passage are a huge boost in the number of clean tech jobs that will be created in the burgeoning algae industries of California and New Mexico, as well as increased domestic and global energy security, and true environmental sustainability.

About Sapphire Energy:

San Diego-based Sapphire Energy is pioneering an entirely new industry – Green Crude Production – with the potential to profoundly change America's energy and petrochemical landscape for the better. Sapphire's products and processes in this category differ significantly from other forms of biofuel because they are made solely from photosynthetic microorganisms (algae), using sunlight and CO₂ as their feedstock; are not dependent on food crops or valuable farmland; do not use potable water; do not result in biodiesel or ethanol; enhance and replace petroleum-based products; and are low carbon,

renewable and scalable. Green Crude can be refined into the three most important liquid fuels used by our society: gasoline, diesel and jet fuel. The fuels meet ASTM standards and are compatible with the existing petroleum infrastructure, from refinement through distribution and the retail supply chain. In December 2009, Sapphire was awarded nearly \$104.5 million as part of President Obama's American Recovery and Investment Act and the Biorefinery Assistance Program, authorized through the 2008 Farm Bill.

For more information, please visit www.sapphireenergy.com.

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