



For Immediate Release

**Sapphire Energy builds investment syndicate to fund commercialization of
Green Crude Production**

Total capital raised substantially exceeds \$100 million

SAN DIEGO – September 17, 2008 – Sapphire Energy took another step closer to bringing Green Crude Production to commercial scale today by announcing it has raised substantial additional financing from existing and new investors.

Sapphire Energy's Series B round of investment brings the company's total funding to substantially more than \$100 million, and Sapphire is now financed to scale up its production facilities to full commercial feasibility. Sapphire anticipates relying on existing investors to achieve its initial commercial production capability of 10,000 barrels per day.

Sapphire's production facilities will be capable of expanding and growing easily and economically because production is modular, transportable, and fueled by sunlight – not constrained by land, crops, or other natural resources. The company aims to produce Green Crude at a commercial scale within three to five years.

"With this investment, Sapphire has the resources to make partnering decisions independent of the need for financing, and the ability to build our first commercial facility with internal funding," said CEO Jason Pyle.

Sapphire Energy uses sunlight, CO₂, industrial microorganisms, non-arable land and non-potable water to produce alternatives to common products made from petroleum. Sapphire's Green Crude is similar to light sweet crude and can be refined into chemically identical fuel products such as gasoline, jet fuel and diesel products entirely compatible with the current energy infrastructure -- from pipelines and refineries to cars and airplanes. The company announced the world's first renewable 91 octane gasoline that conforms to ASTM certification in May 2008.

"We created Sapphire Energy by working backwards and considering what a perfect fuel would look like – carbon neutral, renewable, not dependent on arable land or potable water," said Pyle. "We are creating an entirely new category of energy – Green Crude Production – and are

now at a point where we can focus on implementing our plans without worrying about fundraising.”

Sapphire’s investors include ARCH Venture Partners, Wellcome Trust, Venrock and Cascade Investment, LLC, an investment holding company owned by Microsoft Chairman Bill Gates.

Sapphire recently established a test and research site in New Mexico, and is evaluating locations across the United States.

About Sapphire Energy

Sapphire Energy was founded to address the overwhelming inadequacies of current biofuel approaches. The company has built a revolutionary platform using sunlight, CO₂ and microorganisms such as algae to produce renewable, 91 octane gasoline that meets ASTM standards. The final product is not ethanol or biodiesel. Sapphire is led by a team of entrepreneurs and experts in cell biology, plant genomics and algal production, as well as investors with long histories of taking innovative technology to market, including co-founder ARCH Venture Partners, along with the Wellcome Trust, Cascade Investment and Venrock. Sapphire’s scientific supporters include The Scripps Research Institute; University of California, San Diego; the University of Tulsa, and the Department of Energy’s Joint Genome Project. The company is located in San Diego. For more information, visit www.sapphireenergy.com and www.greencrudeproduction.com .

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Editors Note: High resolution photos of Sapphire’s Green Crude are available on request.