



Press Release

Statoil & Bio Architecture Lab Partner to Commercialize Macroalgae-to-Ethanol Process in Norway

Statoil to provide direct funding for R&D demonstration phase and commercial scale-up in Norway

BERKELEY, Calif. (September 15, 2010) Bio Architecture Lab (BAL) and Statoil, one of the world's largest offshore oil and gas producers, today announced a wide-ranging strategic partnership for the production of renewable, sustainable and low cost ethanol derived from macroalgae grown off the coast of Norway. Under terms of the agreement, Statoil will fund BAL's research and development (R&D) and demonstration projects, and if successful, will also fund the commercialization of BAL's technology in Norway and elsewhere in Europe. BAL will have the right to equity participation and will receive royalties on all ethanol and by-products produced by the partnership.

"This game changing partnership will allow Bio Architecture Lab to accelerate our path toward commercialization and establish our technology in key markets in Europe," said Daniel Trunfio, CEO of Bio Architecture Lab. "The significant commitment of resources and funds from Statoil further validates BAL's market opportunity and puts us with an elite group of companies in our industry who have partnered with established oil and gas companies to bring technology to market."

During the initial phase of the partnership, BAL is responsible for developing the technology and process to convert Norwegian seaweed into ethanol. Statoil is responsible for developing and managing the seaweed aquafarming operations, with consultation from BAL, which already has aquafarming operations in Chile. Upon the successful achievement of key milestones, Statoil and BAL will develop a demonstration scale facility in Norway, which could potentially lead to large scale commercialization by Statoil in Norway and other parts of Europe.

"Statoil has a unique competitive advantage in energy production in the marine environment. We are very impressed with the science and the progress BAL has made and we believe their approach to low cost and sustainable biomass feedstock solutions is among the most promising we have seen," said Guntis Aboltins-Abolins, Head of the Future Fuel unit at Statoil. "We look forward to partnering with BAL on such an important strategic initiative that has the potential to provide Europe with low carbon renewable fuels."

Bio Architecture Lab was founded to address the huge market need for a low cost, scalable, and sustainable source of sugars for biofuel and renewable chemical production using aquafarmed, native macroalgae as a feedstock.

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BAL has been building out a similar program off the coast of Chile as part of a program funded by the Chilean government. In addition, BAL has partnered with DuPont in a project funded by the Advanced Research Program Agency – Energy (ARPA-E) to convert macroalgae into isobutanol. In total, the company has received more than \$34 million in funding, grants and strategic investments.

About Bio Architecture Lab

Founded in 2007, Bio Architecture Lab is a privately-held company headquartered in Berkeley, California with offices in Santiago, Chile. Bio Architecture Lab is focused on enabling the production of the world's lowest cost, most scalable, and sustainable source of sugars for biofuel and renewable chemicals from aquafarmed, native macroalgae (seaweed). Company investors include Austral Capital, X/Seed Capital and Energy Capital Management. The company has also received funding from the U.S. Department of Energy's ARPA-E program through a partnership with DuPont and has been awarded funding from the Chilean Government in partnership with ENAP, the Chilean national oil company. More information is available via the web at www.ba-lab.com.

About Statoil

Statoil is an international energy company with operations in 40 countries. Building on more than 35 years of experience from oil and gas production on the Norwegian continental shelf, Statoil is committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions. Statoil is headquartered in Norway with 30,000 employees worldwide, and is listed on the New York and Oslo Stock Exchange. For more information, please visit www.statoil.com.

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