



For Immediate Release
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AlgaeBio doubles up omega-3 offering with rare blend of EPA and DHA

VANCOUVER — In the world of algal omega-3 production, Algae Biosciences Corporation will soon be delivering a rare double dose.

AlgaeBio (TSX.V:ABV), a Canadian public biotechnology company, announced on Aug. 17 that it is engaging immediately in a \$5-million, first-phase expansion of its production facilities near Holbrook, Ariz.

The first order of business will be ramping up to large-scale commercial production of ultra-pure, algae-based omega-3 fatty acid oils by very early 2012. And on that front, AlgaeBio will immediately occupy a special niche in the global microalgae industry — thanks to a twice-as-nice proposition in the booming omega-3 market.

AlgaeBio's omega-3 products contain both EPA (eicosapentaenoic acid) and DHA (docosahexaenoic acid), essential long-chain fatty acids that provide a wide range of health benefits. The vast majority of competing products on the market contain one or the other, usually DHA, and many are purity challenged.

“Our ability to create natural, vegetable-sourced, ultra-pure omega-3s with both DHA and EPA will be unique — and highly valuable,” says Robert J. Thompson, AlgaeBio's Chairman. “We can grow multiple species of algae from pristine brine water, some of which produce EPA and some of which produce DHA, and we can create a custom blend, depending on customers' wishes.

“As a result, AlgaeBio can dial in the EPA-DHA ratio to maximize the desired health benefits to consumers.”

New market data from American market research publisher Packaged Facts suggests the global omega-3 market will continue its rapid expansion.

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An Aug. 8 report entitled Omega-3: Global Product Trends and Opportunities predicts that worldwide consumer spending on omega-3-enhanced food and beverage products, health and beauty care products, including nutritional supplements, and pet products will hit the \$13-billion mark by the end of 2011.

Of the five main types of omega-3 fatty acids, EPA and DHA are believed to provide the highest level of health benefits — particularly for the heart, brain, joints, and cardiovascular system. DHA is especially important to babies' visual and cognitive development, and is believed to protect against the increased risk of heart attack associated with stress and depression. EPA, meanwhile, is considered beneficial for many inflammatory and autoimmune disorders, including asthma, arthritis, and bowel disease. EPA and DHA are both essential for heart health, since they can lower blood pressure, reduce fat levels in the blood, and decelerate the development of clots.

“Our product is really quite extraordinary, because each new piece of research tells us a balance of these two long-chain fatty acids is what humans use best,” says Dr. Mark Edwards, an advisor to AlgaeBio's board of directors and a renowned expert in the algae industry. “We just don't get the full benefit set from one or the other.”

By late 2012, AlgaeBio will produce a monthly total of 5,900 kilograms of whole algae powder — resulting in 1,060 kilograms of omega-3 fatty acid oil and 4,250 kilograms of high-protein algae meal, with 590 kilograms of that original figure retained as whole algae powder.

Over time, naturally biodiverse algae is expected to become the dominant source of omega-3 fatty acid oils — with none of the unsustainability represented by the likes of fish, krill, and genetically engineered oilseed crops.

As for the algal omega-3 industry, AlgaeBio enjoys a clear competitive advantage with its double-barrelled omega-3 offering — thanks to its exclusive aquaculture use of remarkably pure aquifer brine water, and free, plentiful Arizona sunlight, that combine to create perfect growing conditions for photosynthetic marine algae cultures.

The high price of coastal land, strict government regulations, and polluted source water have all prevented numerous competitors from producing both EPA and DHA, and matching AlgaeBio's purity levels.

“Our current goal is a 30-per-cent product — in other words, 30 per cent of the fatty acids in our oil are going to be a combination of EPA and DHA — with an ultimate goal of 50 per cent, in a naturally derived oil,” says AlgaeBio President Andy Ayers. “And because we are using a photosynthetic process, we not only extract EPA and DHA, but various other elements like carotenoids, chlorophylls, and Vitamin E.

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“That not only adds nutritional value to the consumer, but those products also act as antioxidants for the omega-3s, which gives the product a longer shelf life.”

AlgaeBio’s downstream opportunities include: pharmaceuticals, such as designer proteins, vaccines, enzymes, antibodies, and research agents; sustainable biofuels; macroalgae for human food; organic pigments that can replace synthetic dyes in food and cosmetics; organic compounds called carotenoids, which as potent antioxidants reduce cell damage and fight disease; and liquid feed for marine life.

However, the immediate focus is a long-awaited product for the eager nutraceutical and food additive industries.

“Much of the market really doesn’t want to take fish oil,” says Ayers, “and they’ve been looking for an algae product that contains both EPA and DHA for quite a few years.

“Now, thanks to AlgaeBio’s proprietary technologies, they’ve got it.”

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ABOUT ALGAE BIOSCIENCES CORPORATION: AlgaeBio is a Canadian biotechnology company that researches, develops, and manufactures ultra-pure products from micro and macro algae such as nutraceuticals, food additives, and pharmaceuticals. With access to near-perfect algae growing conditions, exclusive aquaculture access to a pristine brine water supply, and advanced proprietary technology, AlgaeBio produces superior human and animal consumable products, as well as offering advanced algae-based products and technologies for distribution into the agribusiness, biofuel, and aquaculture markets. AlgaeBio owns and operates large-scale production facilities near Holbrook, Ariz., and is listed on the TSX Venture Exchange (TSX.V:ABV).

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