

BIOCEE ANNOUNCES COMMERCIAL AGREEMENT WITH VERENIUM FOR NOVEL DESULFURIZATION TECHNOLOGY

Minneapolis, October 4th, 2011 – BioCee (www.biocee.com), a Minnesota-based material science and industrial biotechnology company, announced today that it has signed an asset purchase and license agreement to access certain technology from Verenium Corporation (www.verenium.com), a leading industrial biotechnology company focused on the development and commercialization of high-performance enzymes, for the development of an environmentally-friendly biological method of removing sulfur from oil and oil distillates.

Under terms of the agreement, BioCee is granted access to Verenium's unique desulfurization organisms and technology. The application of Verenium's intellectual property by means of BioCee's proprietary biocoatings will provide the petroleum industry a novel desulfurization system capable of applications beyond the scope of conventional technologies. Verenium will receive a royalty on sales of BioCee's products that utilize Verenium's technologies.

Sulfur content in fuels must be limited to maintain air quality and minimize the impact of vehicle exhaust emissions. Compared to conventional desulfurization approaches that rely on energy-intensive chemical processes, biological desulfurization utilizes the action of microorganisms that remove sulfur through their metabolic activity. The BioCee approach relies on organisms embedded in polymeric films that are used to design novel biological reactors. These reactive sulfur "filters" are deployable not only in the refinery, but across the whole oil supply chain – without the need for on-site specialized bioprocessing capabilities and expertise. As world oil supplies move toward higher sulfur crudes, BioCee's goal is to help oil producers and refiners improve their existing assets utilization and reduce the costs of sulfur removal.

"Compared to other more energy intensive desulfurization processes," explained BioCee CTO and co-founder Dr. Marc von Keitz, "biodesulfurization occurs with minimal additional inputs of material and energy, and it allows for considerable improvement in the carbon footprint of clean fuel production. The combination of Verenium's biological expertise with our novel reactor system allows us to offer the industry a truly innovative solution that can cost effectively improve the carbon balance of petroleum production and refining."

"We are very pleased that our intellectual property and proprietary technology can be leveraged for this important use in the petroleum industry," said James Levine, President and Chief Executive Officer at Verenium. "We hope this agreement will help advance BioCee's environmentally beneficial efforts in the biodesulfurization of petroleum and believe it is a further validation of the strength and applicability of our technology and biological assets outside of our core commercial enzyme business."

About BioCee (www.biocee.com)

BioCee is dedicated to cost-effective and environmentally sound production of clean fuels and chemicals by harnessing the full biocatalytic potential of microorganisms through its proprietary biocoating technology. This technology represents a paradigm shift in how living microorganisms are used as biocatalysts and is a true platform technology that enables the development of novel applications of biocatalysts.

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