ASSISTANCE AGREEMENT

1. Award No.	2. Modification No.	3. Effective Date	4. CFDA No.
DE-EE0002867	003	01/29/2010	81.087

5. Awarded To
ALGENOL BIOFUELS INC.
Attn: GREGORY SCHLICHT
28100 BONITA GRANDE DR STE 200
BONITA SPRINGS FL 341356220

6. Sponsoring Office
Golden Field Office
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd.
Golden CO 80401

7. Period of Performance
01/29/2010
through
03/31/2011

8. Type of Agreement
- [ ] Grant
- [x] Cooperative Agreement
- [ ] Other

9. Authority
109-58, Energy Policy Act 2005
111-5, Recovery Act (2009)

10. Purchase Request or Funding Document No.
10EE008215

11. Remittance Address
ALGENOL BIOFUELS INC.
Attn: GREGORY SCHLICHT
28100 BONITA GRANDE DR STE 200
BONITA SPRINGS FL 341356220

12. Total Amount
Govt. Share: $24,331,431.00
Cost Share REDACTED EXEMPTION 4
Total : $

13. Funds Obligated
This action: $0.00
Total : $24,331,431.00

14. Principal Investigator
Craig Smith
Phone: 239-498-2000

15. Program Manager
Carol Christine Sterner
Phone: 303-275-4720

16. Administrator
Golden Field Office
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd.
Golden CO 80401-3393

17. Submit Payment Requests To
OR for Golden
U.S. Department of Energy
Oak Ridge Financial Service Center
P.O. Box 4517
Oak Ridge TN 37831

18. Paying Office
OR for Golden
U.S. Department of Energy
Oak Ridge Financial Service Center
P.O. Box 4517
Oak Ridge TN 37831

19. Submit Reports To

20. Accounting and Appropriation Data
IBR

21. Research Title and/or Description of Project
RECOVERY ACT: INTEGRATED PILOT - SCALE BIOREFINERY FOR PRODUCING ETHANOL FROM HYBRID ALGAE

For the Recipient		For the United States of America	
22. Signature of Person Authorized to Sign		25. Signature of Grants/Agreements Officer Signature on File	
23. Name and Title	24. Date Signed	26. Name of Officer Molly Hames	27. Date Signed 09/14/2010

NAME OF OFFEROR OR CONTRACTOR
ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	DUNS Number: 800399904 The purposes of this modification are to: 1) Grant and No Cost Time Extension, specifically extend the end of Budget Period 1 from 9/30/2010 to 03/31/2011; and 2) Update the Award Administrator, as shown below. All other terms and conditions remain unchanged. In Block 7 of the Assistance Agreement, the Period of Performance reflects the beginning of the Project Period through the end of the current Budget Period, shown as 01/29/2010 through 03/31/2011. For multiple Budget Periods, see Special Terms and Conditions, Provision 4, "Award Project Period and Budget Periods." The total amounts reflected in Blocks 12 and 13 of the Assistance Agreement do not include the Federally Funded Research and Development Center (FFRDC) funding amount of $424,480, which will be funded directly. DOE Award Administrator: Geoffrey Walker E-mail: geoffrey.walker@go.doe.gov Phone: 303-275-6005 DOE Project Officer: Christy Sterner E-mail: christy.sterner@go.doe.gov Phone: 303-275-4720 Recipient Business Officer: Katie McFadden E-mail: Katie.McFadden@Algenolbiofuels.com Phone: 239-498-2000 Recipient Principal Investigator: Craig Smith E-mail: craig.smith@algenolbiofuels.com Phone: 239-498-2000 "Electronic signature or signatures as used in this document means a method of signing an electronic message that-- (A) Identifies and authenticates a particular person as the source of the electronic message; (B) Indicates such person's approval of the information contained in the electronic message; Continued ... and,				

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	OF
	DE-EE0002867/003	3	3

NAME OF OFFEROR OR CONTRACTOR

ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(C) Submission via FedConnect constitutes electronically signed documents." ASAP: NO Extent Competed: COMPETED Davis-Bacon Act: YES Fund: 05794 Appr Year: 2009 Allottee: 31 Report Entity: 200835 Object Class: 41000 Program: 1004173 Project: 2004000 WFO: 0000000 Local Use: 0000000 TAS Agency: 89 TAS Account: 0331				

From: Sterner, Christy
Sent: Monday, September 13, 2010 2:01 PM
To: Hames, Molly; English, Christine
Subject: FW: No-cost BP-1 extension request for Algenol Biofuels

Hi Christine and Molly,

REDACTED
EXEMPTION 5

Thanks and best regards,

- deliberative process

Christy Sterner
U.S. DOE

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

-----Original Message-----
From: Craig Smith [mailto:craig.smith@algenolbiofuels.com]
Sent: Tuesday, September 07, 2010 6:53 PM
To: Sterner, Christy
Cc: Denman Dax; Legere Edward; Ahlm Pat; McFadden Katie; Woods Paul
Subject: No-cost BP-1 extension request for Algenol Biofuels

Dear Christy:

As we have discussed, Algenol will not meet the financial contingency requirement for BP-2 by September 30, 2010, as outlined in the T&C's for our Integrated Pilot-scale Biorefinery Project. Algenol believes we have met all of the Phase I Gate Criteria for our project and we are technically ready to advance to Phase II of the Project.

We have met our Phase I Gate Criteria without using all of the BP-1 funds awarded by DOE. Therefore, we would like to respectfully request a 6 month, no-cost BP-1 extension from DOE. This extension will allow us to continue to make technical progress and front end load our preparation for BP-2. As reported to you on Friday, Algenol continues to target groundbreaking for our Freeport, Texas site in March and inoculation of our first bioreactors in November, 2011.

Please let me know if you require any additional information from Algenol to process this request. We will continue to provide DOE with weekly updates on both our technical and financial progress. We look forward to your feedback from the recent IE visit to Algenol's Process Development Unit and the audit of our program conducted by KPMG.

Best regards.....Craig

Craig R. Smith, M.D.
Chief Operating Officer
Algenol Biofuels Inc.

239-498-2000
craig.smith@algenolbiofuels.com

From: Dax Denman [dax.denman@algenolbiofuels.com]
Sent: Wednesday, September 08, 2010 11:06 AM
To: English, Christine
Cc: Craig R. Smith, M.D.; Kathleen McFadden, CPA
Subject: Fwd: No-cost BP-1 extension request for Algenol Biofuels

Christine,

Please find Craig's e-mail on the BP-1 extension request from 9/7/10.

Best regards,
Dax

Begin forwarded message:

From: Craig Smith <craig.smith@algenolbiofuels.com>
Date: September 7, 2010 8:52:55 PM EDT
To: Sterner Christy <christy.sterner@go.doe.gov>
Cc: Denman Dax <dax.denman@algenolbiofuels.com>, Legere Edward <Ed.legere@algenolbiofuels.com>, Ahlm Pat <pat.ahlm@algenolbiofuels.com>, McFadden Katie <Katie.McFadden@Algenolbiofuels.com>, Woods Paul <Paul.Woods@Algenolbiofuels.com>
Subject: No-cost BP-1 extension request for Algenol Biofuels

Dear Christy:

As we have discussed, Algenol will not meet the financial contingency requirement for BP-2 by September 30, 2010, as outlined in the T&C's for our Integrated Pilot-scale Biorefinery Project. Algenol believes we have met all of the Phase I Gate Criteria for our project and we are technically ready to advance to Phase II of the Project.

We have met our Phase I Gate Criteria without using all of the BP-1 funds awarded by DOE. Therefore, we would like to respectfully request a 6 month, no-cost BP-1 extension from DOE. This extension will allow us to continue to make technical progress and front end load our preparation for BP-2. As reported to you on Friday, Algenol continues to target groundbreaking for our Freeport, Texas site in March and inoculation of our first bioreactors in November, 2011.

Please let me know if you require any additional information from Algenol to process this request. We will continue to provide DOE with weekly updates on both our technical and financial progress. We look forward to your feedback from the recent IE visit to Algenol's Process Development Unit and the audit of our program conducted by KPMG.

Best regards.....Craig

Craig R. Smith, M.D.
Chief Operating Officer
Algenol Biofuels Inc.

239-498-2000
craig.smith@algenolbiofuels.com

Dax Denman
Director of Program Management
Algenol Biofuels Inc.
239-444-6310 (Office)
239-641-6536 (Mobile)
dax.denman@algenolbiofuels.com

ASSISTANCE AGREEMENT

1. Award No.	2. Modification No.	3. Effective Date	4. CFDA No.
DE-EE0002867	004	01/29/2010	81.087

5. Awarded To	6. Sponsoring Office	7. Period of Performance
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401	01/29/2010 through 03/31/2011

8. Type of Agreement	9. Authority	10. Purchase Request or Funding Document No.
☐ Grant ☒ Cooperative Agreement ☐ Other	109-58, Energy Policy Act 2005 111-5, Recovery Act (2009)	11EE000946

11. Remittance Address	12. Total Amount	13. Funds Obligated
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Govt. Share: $24,331,431.00 Cost Share REDACTED EXEMPTION 4 Total : $	This action: $0.00 Total : $24,331,431.00

14. Principal Investigator	15. Program Manager	16. Administrator
Craig Smith Phone: 239-498-2000	Carol Christine Sterner Phone: 303-275-4720	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401-3393

17. Submit Payment Requests To	18. Paying Office	19. Submit Reports To
OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	

20. Accounting and Appropriation Data

IBR

21. Research Title and/or Description of Project

RECOVERY ACT: INTEGRATED PILOT - SCALE BIOREFINERY FOR PRODUCING ETHANOL FROM HYBRID ALGAE

For the Recipient		For the United States of America	
22. Signature of Person Authorized to Sign		25. Signature of Grants/Agreements Officer Signature on File	
23. Name and Title	24. Date Signed	26. Name of Officer Michael A. Schledorn	27. Date Signed 12/03/2010

Working Copy

NAME OF OFFEROR OR CONTRACTOR
ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	DUNS Number: 800399904 The purpose of this modification is to delete and replace the Statement of Project Objectives (Attachment 2). All other terms and conditions remain unchanged. In Block 7 of the Assistance Agreement, the Period of Performance reflects the beginning of the Project Period through the end of the current Budget Period, shown as 01/29/2010 through 03/31/2011. For multiple Budget Periods, see Special Terms and Conditions, Provision 4, "Award Project Period and Budget Periods." The total amounts reflected in Blocks 12 and 13 of the Assistance Agreement do not include the Federally Funded Research and Development Center (FFRDC) funding amount of $424,480, which will be funded directly. DOE Award Administrator: Molly Hames E-mail: molly.hames@go.doe.gov Phone: 303-275-4864 DOE Project Officer: Christy Sterner E-mail: christy.sterner@go.doe.gov Phone: 303-275-4720 Recipient Business Officer: Katie McFadden E-mail: Katie.McFadden@Algenolbiofuels.com Phone: 239-498-2000 Recipient Principal Investigator: Craig Smith E-mail: craig.smith@algenolbiofuels.com Phone: 239-498-2000 "Electronic signature or signatures as used in this document means a method of signing an electronic message that-- (A) Identifies and authenticates a particular person as the source of the electronic message; (B) Indicates such person's approval of the information contained in the electronic message; and, (C) Submission via FedConnect constitutes electronically signed documents." ASAP: NO Extent Competed: COMPETED Davis-Bacon Act: YES Continued ... Fund: 05794 Appr Year: 2009 Allottee: 31 Report				

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	OF
	DE-EE0002867/004	3	3

NAME OF OFFEROR OR CONTRACTOR

ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Entity: 200835 Object Class: 41000 Program: 1004173 Project: 2004000 WFO: 0000000 Local Use: 0000000 TAS Agency: 89 TAS Account: 0331				

STATEMENT OF PROJECT OBJECTIVES
Algenol Biofuels Inc.
Recovery Act: Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae

A. PROJECT OBJECTIVES

1. Demonstrate the commercial potential of DIRECT TO ETHANOL™ technology by building a pilot-scale DIRECT TO ETHANOL™ integrated biorefinery.

2. Operate a pilot-scale DIRECT TO ETHANOL™ integrated biorefinery that uses approximately 2 tonnes per day of carbon dioxide from industrial emissions as the feedstock for making ethanol.

3. Implement an integrated biorefinery project that will immediately create or save more than 300 well-paying high-tech jobs in Florida.

4. Assess the economic and environmental impact of a new breakthrough energy technology that could eventually create billions of dollars of economic value and thousands of new well-paying jobs while consuming large quantities of carbon dioxide from industrial emissions, displacing petroleum, and moving the U.S. toward energy independence.

5. Assemble a consortium of private industry, federal laboratories, and academic institutions that will contribute to the development, construction, operation and optimization of Algenol's pilot-scale integrated biorefinery and can contribute to future improvements in DIRECT TO ETHANOL™ technology.

B. PROJECT SCOPE

The DOE Office of Energy Efficiency and Renewable Energy (EERE) has established performance goals. Among these goals are to: 1) dramatically reduce, or even end, dependence on imported oil; and 2) spur the creation of the domestic bio-industry. To that end, the Office of the Biomass Program is offering to fund integrated biorefinery projects under this FOA entitled "Demonstration of Integrated Biorefinery Operations." The FOA lists three main criteria for selection: 1) technical merit and rationale; 2) credible economics and competitive advantages that justify an award; and 3) knowledge and experience in project management.

Algenol and its collaborators have collectively prepared a project that is responsive to the selection criteria as detailed below.

Exemption 4

Exemption 4

C. TASKS TO BE PERFORMED

Exemption 4

Exemption 4

Exemption 4

Exemption 4

PMC 128.1
08-2010

U.S. Department of Energy
Project Management Center

FINANCIAL ASSISTANCE AWARD
INDEX and CHECKLIST
(BUYER USE ONLY)

Award #:	**DE-EE0002867 / 004**	**Program:**	The Office of the Biomass Program
Recipient Name:	**Algenol Biofuels, Inc.**		
FOA #:	**DE-FOA-0000096**		
Specialist:	**Molly Hames**	**Phone:**	303-275-4864
Contracting Officer:	**Michael Schledorn**	**Phone:**	303-275-4993
Project Officer:	**Christy Sterner**	**Phone:**	303-275-4720

Action Item	*Indicate Completion of Action Item by inserting a date in the applicable box below*	
1	Verify Recipient's Registration and Delinquent Federal Debt Status with the Central Contractor Registration (CCR) (http://www.ccr.gov)	CCR Registration Valid through: 04/05/2011; file copy under tab AWD-001
2	Verify Recipient's registration with FedConnect (goto P:\STRIPES\Fedconnect Reports)	Registration Confirmed on: 12/02/2010
3	Vendor Supplier/Site Information Form; send completed PMC 128.8a to 'GO ASAP Enrollment' mailbox	Sent on: N/A; file copy under tab AWD-001

STRIPES Index #	Supporting Document		Form #	applicable	not applicable	Supporting Document Naming Convention	pdf. required
AWD-001	Award Index and Checklist		PMC 128.f	X		**AWD-001 AWDChecklist**	
	AWD-001a	Vendor Supplier/Site Information Form	PMC 128.8a		X		
	AWD-001b	CCR Registration	n/a	X			
AWD-002	Selection Statement		n/a		X	**AWD-002 SelStat**	.pdf
AWD-003	Determination of Non-Competitive Financial Assistance (DNFA) Documentation (include Request for Review PMC.112.2)		PMC 109.x		X	**AWD-003 DNFADocs**	batch .pdf
AWD-004	HCA Approval (Total Project Value greater than $25M and less than $50M) (include Request for Review PMC.112.2)		n/a		X	**AWD-004 HCAApvl**	.pdf
AWD-005	HQ Business Clearance Documentation (Total Project Value greater than or equal to $50M)						
	AWD-005a	HQ Business Clearance Worksheet	PMC 107.1		X	**AWD-005 HQBusClrDocs**	batch .pdf
	AWD-005b	HQ Business Clearance Transmittal Letter(s)	PMC 107.2		X		
	AWD-005c	HQ Business Clearance; Correspondence received from HQ	n/a		X		
AWD-006	Congressional Affairs Notification		DOE F 4220.10		X	**AWD-006CongNotification**	
AWD-007	Successful Application Documentation (Prime)						
	AWD-007a	Application for Federal Assistance (Final SF-424 & Project Narrative)	SF-424		X	**AWD-007a AppDocs (PRIME)**	batch .pdf
		SF-424 (A or R&R) Budget Information	SF-424 (A or R&R)		X		
		Budget Justification	PMC 123.1		X		
		Disclosure of Lobbying Activities	SF-LLL		X		
		Cost Share Commitment Ltrs from Third Parties	n/a		X		
		Justification move SOPO Tasks into BP1	n/a	X			
AWD-008	National Environmental Policy Act (NEPA) Documentation						
	AWD-008a	NEPA Checklist	EF-1		X	**AWD-008 NEPADocs**	batch .pdf
	AWD-008b	NEPA Review	EF-2		X		
	AWD-008c	NEPA Determination	EF-2a		X		
AWD-009	Pre-Award Information Sheet		PMC 121.1		X	**AWD-009 PreAwardInfo**	.pdf
AWD-010	Dun&Bradstreet Risk Assessment		PMC 460.2		X	**AWD-010 D&BAssessment**	.pdf
AWD-011	Combined Technical Evaluation / Negotiation Memorandum		PMC 120.2	X		**AWD-011 TechEvalNegMem**	.pdf
AWD-012	Intellectual Property Law Division (IPLD) Documentation						

STRIPES Index #	Supporting Document		Form #	applicable	not applicable	Supporting Document Naming Convention	pdf. required
	AWD-012a	IPLD Petition for Advance Waiver of Patent Rights	PMC 133.2		X	AWD-012 IPLDDocs	batch .pdf
	AWD-012b	IPLD Pre-Award Review Request	PMC 133.3		X		
	AWD-012c	IPLD Recommendation	e-mail		X		
AWD-013	Cost Share Determination Documentstion						
	AWD-013a	Cost Share Determination	PMC 112.2		X	AWD-013a CostShareDet	.pdf
	AWD-013b	Cost Share Waiver	PMC 142.2		X	AWD-013b CostShareWaiver	.pdf
AWD-014	Cost / Price Documentation						
	AWD-014a	Financial Information	PMC 410.1		X	AWD-014 CostPriceDocs	batch .pdf
	AWD-014b	Indirect Rate Agreement or Rate Proposal	n/a		X		
	AWD-014c	Response from C/P Analyst regarding Indirect Rates	PMC 420.3		X		
AWD-015	Excluded Parties List System (EPLS) Query (https://www.epls.gov)		n/a	X		AWD-015 EPLS	
AWD-016	Pre-Award Cost Request and Authorization		n/a		X	AWD-016 PreAwdCostAuth	.pdf
AWD-017	Justification for Use of Conditional Availability of Funds Provision		PMC 132.2		X	AWD-017 JustificationCondAvail	.pdf
VD-018	Correspondence to Recipients (use this section for correspondence not issued at FOA level)		n/a	X		AWD-018 Correspondence	.pdf
AWD-019	Internal Review(s)						
	AWD-019a	Request for Review (Review of Award Package)	PMC 112.2	X		AWD-019a RvwAwdPkg	.p
AWD-020	Deviations						
Cover Page	Assistance Agreement Form		n/a	X			
Body	Special Terms and Conditions		n/a		X		
Attachment 1	Intellectual Property Provisions		n/a		X		
Attachment 2	Statement of Project Objectives		n/a	X			
Attachment 3	Federal Assistance Reporting Checklist and Instructions		DOE F 4600.2		X		
Attachment 4	Budget Information		n/a		X		
Attachment 5	Congintency Appendix		n/a		X		

CCR Search Results

Not to be used as certifications and representations. See ORCA for official certification.

Registration Status: Active in CCR; Registration valid until 04/05/2011.
DUNS: 800399904
DUNS PLUS4:
CAGE/NCAGE: 5JLG6
Legal Business Name: ALGENOL BIOFUELS INC.
Doing Business As (DBA):
Division Name:
Division Number:
Company URL: http://www.algenolbiofuels.com/

Physical Street Address 1: 28100 BONITA GRANDE DR STE 200
Physical Street Address 2:
Physical City: BONITA SPRINGS
Physical State: FL
Physical Foreign Province:
Physical Zip/Postal Code: 34135-6220
Physical Country: USA

Mailing Name: ALGENOL BIOFUELS INC.
Mailing Street Address 1: 28100 BONITA GRANDE DR STE 200
Mailing Street Address 2:
Mailing City: BONITA SPRINGS
Mailing State: FL
Mailing Foreign Province:
Mailing Zip/Postal Code: 34135-6220
Mailing Country: USA

Business Start Date: 05/15/2006
Delinquent Federal Debt: No

CORPORATE INFORMATION

Type of Organization

Corporate Entity, Not Federal Tax Exempt
(State of Incorporation is DE)

Business Types/Grants

2X - For-Profit Organization
95 - Research and Development
V2 - Grants

DISASTER RESPONSE INFORMATION

Bonding Levels

Construction Bonding Level, Per Contract (dollars):

Construction Bonding Level, Aggregate (dollars):

Service Bonding Level, Per Contract (dollars):

Service Bonding Level, Aggregate (dollars):

Geographic Areas Served

No geographic areas specified

GOODS / SERVICES

North American Industry Classification System (NAICS)

541711 - Research and Development in Biotechnology

Product Service Codes (PSC)

Federal Supply Classification (FSC)

SMALL BUSINESS TYPES

SDB, 8A and HubZone certifications come from the Small Business Administration and are not editable by CCR vendors.

Business Types Expiration Date

--- ---

North American Industry Classification System (NAICS)

The small business size status is derived from the receipts, number of employees, assets, barrels of oil, and/or megawatt hours entered by the vendor during the registration process.

NAICS Code	Description	Small Business	Emerging Small Business
541711	Research and Development in Biotechnology	Yes	No

CCR POINTS OF CONTACT

Government Business Primary POC

Name: PATRICK AHLM

Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200

Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200

City: BONITA SPRINGS

State: FL

Foreign Province:

Zip/Postal Code: 34135-6220

Country: USA

U.S. Phone: 239-498-2000

Non-U.S. Phone: 239-444-6313

Fax: 239-948-4996

Government Business Alternate POC

Name: PATRICK AHLM

Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200

Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200

City: BONITA SPRINGS

State: FL

Foreign Province:

Zip/Postal Code: 34135-6220

Country: USA

U.S. Phone: 239-498-2000

Non-U.S. Phone: 239-444-6313

Fax: 239-948-4996

Construction Bonding Level, Per Contract (dollars):

Construction Bonding Level, Aggregate (dollars):

Service Bonding Level, Per Contract (dollars):

Service Bonding Level, Aggregate (dollars):

Geographic Areas Served

No geographic areas specified

GOODS / SERVICES

North American Industry Classification System (NAICS)

541711 - Research and Development in Biotechnology

Product Service Codes (PSC)

Federal Supply Classification (FSC)

SMALL BUSINESS TYPES

SDB, 8A and HubZone certifications come from the Small Business Administration and are not editable by CCR vendors.

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NAICS Code	Description	Small Business	Emerging Small Business
541711	Research and Development in Biotechnology	Yes	No

CCR POINTS OF CONTACT

Government Business Primary POC

Name: PATRICK AHLM

Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200

Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200

City: BONITA SPRINGS

State: FL

Foreign Province:

Zip/Postal Code: 34135-6220

Country: USA

U.S. Phone: 239-498-2000

Non-U.S. Phone: 239-444-6313

Fax: 239-948-4996

Government Business Alternate POC

Name: PATRICK AHLM

Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200

Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200

City: BONITA SPRINGS

State: FL

Foreign Province:

Zip/Postal Code: 34135-6220

Country: USA

U.S. Phone: 239-498-2000

Non-U.S. Phone: 239-444-6313

Fax: 239-948-4996

Past Performance Primary POC

Name: PATRICK AHLM
Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200
Address Line 2:
City: BONITA SPRINGS
State: FL
Foreign Province:
Zip/Postal Code: 34135-6220
Country: USA
U.S. Phone: 239-498-2000
Non-U.S. Phone:
Fax: 239-948-4996

Past Performance Alternate POC

Name: KATHLEEN MCFADDEN
Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200
Address Line 2:
City: BONITA SPRINGS
State: FL
Foreign Province:
Zip/Postal Code: 34135-6220
Country: USA
U.S. Phone: 239-498-2000
Non-U.S. Phone:
Fax: 239-948-4996

Electronic Business Primary POC

Name: PATRICK AHLM
Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200
Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200
City: BONITA SPRINGS
State: FL
Foreign Province:
Zip/Postal Code: 34135
Country: USA
U.S. Phone: 239-498-2000
Non-U.S. Phone: 239-444-6313
Fax: 239-444-6313

Electronic Business Alternate POC

Name: TONYA DUBOIS
Address Line 1: 28100 BONITA GRANDE DRIVE, SUITE 200
Address Line 2: 28100 BONITA GRANDE DRIVE, SUITE 200
City: BONITA SPRINGS
State: FL
Foreign Province:
Zip/Postal Code: 34135-6220
Country: USA
U.S. Phone: 239-498-2000
Non-U.S. Phone:
Fax:

November 2, 2010

U.S. Department of Energy
Golden Field Office
1617 Cole Blvd
Golden, CO 80401-3393

RE: ALGENOL BIOFUELS INC
PHASE 1 – NO COST EXTENSION - JUSTIFICATION
GRANT #DE-EE0002867

Dear Ms. Sterner and Ms. English,

As per your request on our most recent conference call, please see below for the justification for the extension of funds in Phase 1 of the above referenced grant.

1.) Algenol has used the cash basis of reporting under the DOE contract. As of 9/30, Algenol has had a number of vendors and sub-recipients that have not invoiced for expenses incurred through 9/30. These funds have been moved to the "Extension" WBS elements.

2.) Due to the technical and educational requirements of the scientists working on the project, the hiring took longer than anticipated.

3.) Due to the above, we achieved a higher productivity level from our existing staff.

4.) More frugal and less than anticipated travel.

Please let me know if you have any questions or need additional information.

Regards,

Katie McFadden, CFO

Algenol Proposed DOE Extended Phase I Activities

ALGENOL

- Timing: 10/1/10-12/31/10 activity
- $ REDACTED EXEMPTION 4 Total BP-1 unused budget as of 9/30/10
- $ Total (gross) proposed budget extension 10/1/10-12/31/10
- $3,803,420 – DOE share of unused budget as of 9/30/10
- $3,794,394 – DOE share of proposed budget extension through 12/31/10 activity
- <u>Shifted WBS elements:</u>
  -
  -
  -
  -
  -
  -

REDACTED
EXEMPTION 4

Attachment A: Resource Loaded Project Plan

ID	WBS	Task Name	Duration	Start	Finish	2009			
						Qtr 1	Qtr 2	Qtr 3	Qtr
1	**A**	Exemption 4							
2	A.1								
3	**A.2**								
4	**A.2.1**								
5	**A.2.1.1**								
6	A.2.1.1.1								
7	A.2.1.1.2								
8	A.2.1.1.3								
9	A.2.1.1.4								
10	**A.2.1.2**								
11	A.2.1.2.1								
12	A.2.1.2.2								
13	A.2.1.2.3								
14	A.2.1.2.4								
15	A.2.1.2.5								
16	**A.2.2**								
17	A.2.2.1								
18	A.2.2.2								
19	A.2.2.3								
20	A.2.2.4								
21	**A.2.3**								
22	A.2.3.1								
23	A.2.3.2								
24	A.2.3.3								
25	A.2.3.4								
26	A.2.3.5								
27	A.2.3.6								
28	**A.2.4**								
29	A.2.4.1								
30	**A.2.4.2**								
31	A.2.4.2.1								
32	A.2.4.2.2								
33	A.2.4.2.3								
34	A.2.4.2.4								
35	**A.3**								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
36	**A.3.1**	Exemption 4							
37	A.3.1.1								
38	A.3.1.2								
39	A.3.1.3								
40	A.3.1.4								
41	A.3.1.5								
42	A.3.1.6								
43	A.3.1.7								
44	A.3.1.8								
45	A.3.1.9								
46	A.3.1.10								
47	**A.3.1.11**								
48	A.3.1.11.1								
49	A.3.1.11.2								
50	**A.3.2**								
51	A.3.2.1								
52	A.3.2.2								
53	A.3.2.3								
54	**A.3.3**								
55	A.3.3.1								
56	A.3.3.2								
57	A.3.3.3								
58	**A.4**								
59	**A.4.1**								
60	**A.4.1.1**								
61	A.4.1.1.1								
62	A.4.1.1.2								
63	A.4.1.1.3								
64	**A.4.1.2**								
65	A.4.1.2.1								
66	A.4.1.2.2								
67	A.4.1.2.3								
68	**A.4.1.3**								
69	A.4.1.3.1								
70	A.4.1.3.2								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
71	A.4.1.3.3	Exemption 4							
72	**A.4.1.4**								
73	A.4.1.4.1								
74	A.4.1.4.2								
75	A.4.1.4.3								
76	**A.4.1.4.4**								
77	A.4.1.4.4.1								
78	A.4.1.4.4.2								
79	**A.4.1.5**								
80	A.4.1.5.1								
81	**A.4.1.5.2**								
82	A.4.1.5.2.1								
83	A.4.1.5.2.2								
84	**A.4.1.6**								
85	**A.4.1.6.1**								
86	A.4.1.6.1.1								
87	A.4.1.6.1.2								
88	A.4.1.6.1.3								
89	A.4.1.6.1.4								
90	**A.4.1.6.2**								
91	A.4.1.6.2.1								
92	A.4.1.6.2.2								
93	A.4.1.6.2.3								
94	**A.4.1.7**								
95	A.4.1.7.1								
96	A.4.1.7.2								
97	A.4.1.7.3								
98	A.4.1.7.4								
99	A.4.1.7.5								
100	A.4.1.7.6								
101	**A.4.2**								
102	**A.4.2.1**								
103	**A.4.2.1.1**								
104	A.4.2.1.1.1								
105	A.4.2.1.1.2								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
106	A.4.2.1.1.3	Exemption 4							
107	A.4.2.1.1.4								
108	**A.4.2.1.2**								
109	A.4.2.1.2.1								
110	A.4.2.1.2.2								
111	A.4.2.1.2.3								
112	A.4.2.1.2.4								
113	**A.4.2.1.3**								
114	A.4.2.1.3.1								
115	A.4.2.1.3.2								
116	A.4.2.1.3.3								
117	A.4.2.1.3.4								
118	**A.4.2.1.4**								
119	A.4.2.1.4.1								
120	A.4.2.1.4.2								
121	A.4.2.1.4.3								
122	A.4.2.1.4.4								
123	**A.4.2.1.5**								
124	A.4.2.1.5.1								
125	A.4.2.1.5.2								
126	**A.5**								
127	**A.5.1**								
128	A.5.1.1								
129	**A.5.2**								
130	A.5.2.1								
131	A.5.2.2								
132	A.5.2.3								
133	**A.5.3**								
134	A.5.3.1								
135	A.5.3.2								
136	A.5.3.3								
137	A.5.3.4								
138	**A.6**								
139	A.6.1								
140	A.6.2								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
141	A.6.3	Exemption 4							
142	A.6.4								
143	A.6.5								
144	A.6.6								
145	**A.7**								
146	A.7.1								
147	A.7.2								
148	A.7.3								
149	A.7.4								
150	**A.8**								
151	A.8.1								
152	A.9								
153	**A.10**								
154	A.10.1								
155	A.10.2								
156	A.11								
157	**B**								
158	**B.1**								
159	B.1.1								
160	B.1.2								
161	B.2								
162	B.3								
163	**B.4**								
164	B.4.1								
165	B.4.2								
166	B.4.3								
167	**B.5**								
168	**B.5.1**								
169	**B.5.1.1**								
170	B.5.1.1.1								
171	B.5.1.1.2								
172	B.5.1.1.3								
173	**B.5.1.2**								
174	B.5.1.2.1								
175	B.5.1.2.2								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
176	B.5.1.2.3	Exemption 4							
177	B.5.1.2.4								
178	**B.5.1.3**								
179	B.5.1.3.1								
180	B.5.1.3.2								
181	B.5.1.3.3								
182	B.5.1.3.4								
183	B.5.1.3.5								
184	B.5.1.3.6								
185	**B.5.1.4**								
186	B.5.1.4.1								
187	B.5.1.4.2								
188	**B.5.1.5**								
189	B.5.1.5.1								
190	B.5.1.5.2								
191	B.5.2								
192	B.5.3								
193	**B.6**								
194	B.6.1								
195	B.6.2								
196	B.6.3								
197	B.6.4								
198	B.6.5								
199	**B.7**								
200	**B.7.1**								
201	B.7.1.1								
202	B.7.1.2								
203	**B.7.2**								
204	B.7.2.1								
205	B.7.2.2								
206	B.7.2.3								
207	**B.7.3**								
208	B.7.3.1								
209	B.7.3.2								
210	B.7.3.3								

ID	WBS	Task Name	Duration	Start	Finish	2009 Qtr 1	Qtr 2	Qtr 3	Qtr
211	B.7.3.4	Exemption 4							
212	B.7.3.5								
213	**B.7.4**								
214	B.7.4.1								
215	B.7.4.2								
216	B.7.4.3								
217	B.7.4.4								
218	B.7.4.5								
219	**B.7.5**								
220	**B.7.5.1**								
221	B.7.5.1.1								
222	B.7.5.1.2								
223	B.7.5.1.3								
224	B.7.5.1.4								
225	B.7.5.1.5								
226	**B.7.5.2**								
227	B.7.5.2.1								
228	B.7.5.3								
229	B.7.5.4								
230	B.7.5.5								
231	B.7.5.6								
232	B.7.5.7								
233	**B.7.6**								
234	**B.7.6.1**								
235	B.7.6.1.1								
236	B.7.6.1.2								
237	B.7.6.1.3								
238	B.7.7								
239	**B.8**								
240	**B.8.1**								
241	B.8.1.1								
242	**B.8.1.2**								
243	B.8.1.2.1								
244	**B.8.2**								
245	B.8.2.1								

ID	WBS	Task Name	Duration	Start	Finish	2009			
						Qtr 1	Qtr 2	Qtr 3	Qtr
246	B.8.2.2	Exemption 4							
247	**B.9**								
248	B.9.1								
249	**B.10**								
250	B.10.1								
251	**B.11**								
252	B.11.1								
253	B.11.2								
254	**C**								
255	**C.1**								
256	C.1.1								
257	**C.2**								
258	C.2.1								
259	C.2.2								
260	C.2.3								
261	C.2.4								
262	C.3								
263	C.4								
264	C.5								

PMC 120.1
(2/08)

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE

FINANCIAL ASSISTANCE COMBINED COST/TECHNICAL EVALUATION AND NEGOTIATION MEMORANDUM

SECTION I - GENERAL INFORMATION

This technical evaluation/negotiation memorandum will be prepared jointly by the assigned DOE/Golden OCPM AND OAFA personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned OCPM and OAFA personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

1. Recipient: Algenol Biofuels Inc.

2. Grant/Cooperative Agreement No.: EE0002867 Modification No. 004
   Requisition No: 11EE000946
   Project Title: Recovery Act: Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae

3. Type of Action: ☐ New Award ☐ Renewal ☐ Continuation ☒ Revision
   Description of this Action: (NOTE: Indicate what is addressed by this Action only):
   The purpose of this action is to revise the scope for Budget Period 1 (BP1) for Algenol Biofuels' project entitled, "Recovery Act: Pilot-Scale Integrated Biorefinery for Producing Ethanol from Hybrid Algae" (DE-EE0002867). Some tasks from BP2 are being moved to BP1. The budget (approved in modification 002) remains unchanged although tasks are being added.

4. Award type, as determined at Procurement Strategy Meeting (for new awards): ☐ Grant ☒ Cooperative Agreement
   If Cooperative Agreement, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award.):
   The Substantial Involvement Provision is not changing from what is currently in the award.

5. New/Revised Project Period for this Award: From: 01/29/2010 To: 12/31/2014
   New/Revised Budget Period 1 for this Award: From: 01/29/2010 To: 03/31/2011
   New/Revised Budget Period 2 for this Award: From: 04/01/2011 To: 12/31/2014

6. Compliance Assessment (skip if new award):
   a. Deliverables
      The Recipient is current in submitting required reports: ☒ Yes ☐ No
      If no, identify the delinquent report(s), indicate what action(s) have been taken to remedy the situation, and identify what further action(s) are necessary, if any:
   b. Financial
      The Recipient is current in meeting the cost share requirement: ☒ Yes ☐ No
      If no, indicate what action(s) have been taken to remedy the situation and validate why this new action should proceed:

7. Check the applicable box for Funding Appropriation: ☒ Energy and Water ☐ Other _____

8. Check the applicable box for Statutory Authority:
   ☒ 109-58, Energy Policy Act 2005
   ☐ 110-140, Energy Independence and Security Act 2007
   ☒ 111-5, Recovery Act (2009)
   ☐ Other: _____

9. Per 10 CFR 600, the preferred payment method for State/Local Governments, Institutions of Higher Education, Hospitals, or Other Non-Profit Organizations is **Advance**. The preferred Payment Method for For-Profit organizations is **Reimbursement**. If the preferred payment method is not planned for a new award, provide an explanation below. Also explain below if the payment method for the award is being changed by this action.

The recipient is receiving ARRA funds and will continue to be on the ACH payment method to monitor their funds to ensure costs outside of Budget Period 1 are not charged to the award.

10. Is the proposed Recipient on the debarred or suspended list? Yes ☐ No ☒
Are any of the proposed subrecipients/subcontractors on the debarred or suspended list? Yes ☐ No ☒
Is the Project Director on the debarred or suspended list? Yes ☐ No ☒
If yes for either response above, award cannot be made without obtaining a waiver. See attached waiver.
The review was conducted on the Internet on 12/02/2010 (Include Printout in permanent STRIPES file)
(Date)

11. A risk determination has been completed on the PMC Form 460.2 Yes ☐ N/A ☒

12. Negotiation:

	Government Negotiator(s)		Recipient Negotiator(s)	
	Name	**Organization**	**Name**	**Position**
1.	Molly Hames	Contract Specialist	Dr. Craig Smith	COO
2.	Christy Sterner	Project Officer	Pat Ahlm	Assistant Project Manager
3.	Christine English	Navarro Project Engineer	Dax Denman	Assistant Project Manager

SECTION II – NEGOTIATION SUMMARY

1. Please record any significant application or budget submissions that resulted in a revised budget in the Negotiation History Table below (including SF424A, budget justifications, e-mails, etc.):

Application/Budget Submission	Reference Document(s)	Date of Submission	Summary of Change
N/A			The previously approved budget (002) is not changing.

2. Complete Budget Table below (only include the original budget and final negotiated costs – the Percent of Total Negotiated Budget will calculate automatically)
Note: List proposed amounts by category even if there are no differences in the dollar amount.

Element of Cost	BP1 Approved Costs	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
			Proposed Rate	Negotiated Rate
Exemption 4	Exemption 4			
TOTAL				
Program Income	$0	0%		
DOE Share (non-FFRDC)	$9,896,607	Exemption 4		
DOE Share (FFDRC)	$424,480			
Total DOE Share	$10,321,087			
Non-Federal Cost Share	Exemption 4			

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: 10%
Actual Total Adjustment based on Budget Table Above: 0%
Total Project Costs have not changed from Selection Statement – these are BP1 costs only.
Is the original budget the same as the negotiated budget: ☒ Yes ☐ No - The Budget is not changing from the current approved budget (002).

If No, please check all boxes that apply:
☐ Change in the Project Scope
☐ Changes due to Time Delays
☐ Math Errors in Budget
☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☐ Indirect/Fringe Rates incorrectly applied
☐ Other (explain) _____

4. Briefly describe and explain any substantial change(s) to the original Statement of Project Objectives submitted by the recipient:

Project Officer Commentary: The purpose of this action is to add tasks to BP1 that were previously slated for BP2. The addition of the six tasks does not result in a budget change – no funds need to be added to BP1 to perform the additional tasks. All but one of the additional tasks are continuing efforts from existing BP1 tasks. The 'new' task, Initiate Architect/EPC firm, is really extending the original task of finding an architectural firm and EPC contractor, to initiating and finalizing agreements with both. The table below includes a task by task discussion relating the additional task elements to existing BP1 efforts and the rationale for maintaining the existing budget with no changes.

Additional Task Element	Existing Related Task	Rationale for Budget Not Changing
A.12, A.12.1: On-going demo of organism performance at 4500L scale in saltwater, outdoors	A.2.2.3 Preliminary work at 4500L Scale (subtask under A.2.2 – Demonstrate growth in salt water across scales)	Work was included in original scope related to demo at 4500L scale. Availability of resources and associated funding allows the additional task of continuing this work to be pursued in BP1 rather than BP2.
A.13: Initiate architect/EPC firm	A.5 Architect Search and Site Selection, Design and Construction Planning, Employee Recruiting	In the original scope, funds were allotted for finding, reviewing, and selecting an architectural firm and EPC contractor. There are funds remaining in this task that can now be used to put contracts in place with both and begin initial work covered under BP1 and NEPA.
A.14: Compile final design specifications	Related to all unit op tasks: A.3.1.11.2; A.4.1.1.3; A.4.1.2.3; A.4.1.3.3; A.4.1.4.4.2; A.4.1.6.1.4; A.4.1.6.2.3; A.4.1.7.6; A.4.2.1.1.4; A.4.2.1.2.4; A.4.2.1.3.4; A.4.2.1.4.4	All engineering and design tasks included generation of preliminary design specifications. It was originally agreed that final design would occur early in BP2 (as close to 100% as possible within the NEPA regulations). Remaining funds associated with the engineering and design can be used in BP1 to further the design to as close to final as possible (prior to BP2).
A.15: On-going recruitment of Plant Manager, Engineer, and Project Manager	A.5.3 Personnel Recruiting (A.5.3.1; A.5.3.2; A.5.3.3; A.5.3.4)	Recruitment has taken longer than expected and the much of the funds originally allotted for this effort are available to continue the effort.
A.16: Continued flexible film photobioreactor evaluation	A.3: Flexible Film Photobioreactor Development	As with many of the other tasks, this effort was begun under the original scope and budget. There are funds remaining in this effort from the original BP1 budget that can further this effort through the additional task, using existing personnel.
A.17: Program Management BP1	A.9 Program Management of Extended DOE Phase 1 Activities	It makes sense that if there were funds remaining from the original tasks noted above, there would be program management activities and funds available for continuing these efforts.

As noted in the Table above, funds were originally allocated to the 'beginning' or 'preliminary' activities associated with each of these 'continuing' activities. Therefore, the budget in itself has not changed. More of the originally planned activities will be pursued with this extended scope for BP1 than originally planned under the current scope and budget. It