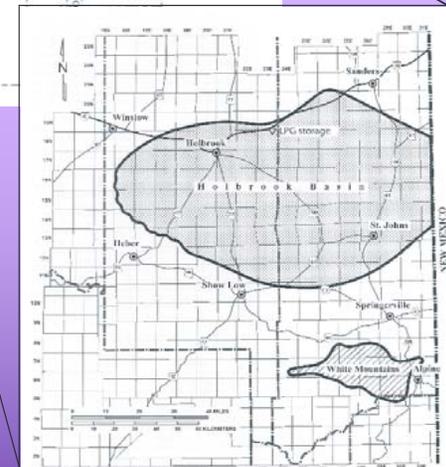
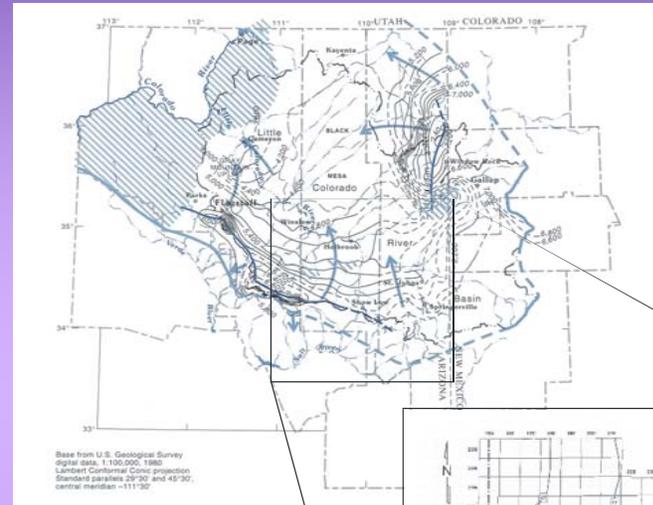
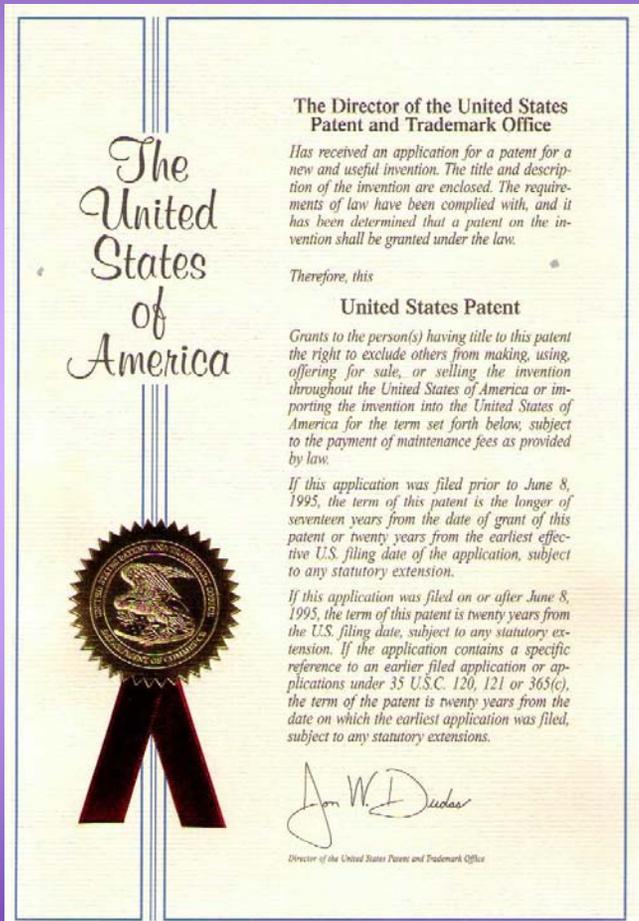




Unique Products from Microalgae

Patented Process



“It’s the WATER and a lot more Disruptive Innovation”

Lab & Production Facilities



Potential Products

Nutritional and Personal Care	Renewable Energy	Aquaculture	Transgenic Products
Food Supplements & Additives	Biodiesel	Live Microalgae Concentrate	Vaccines
Food and Cosmetic Dyes	Alcohols	Live Macroalgae Human Food	Therapeutic Proteins
Cosmetic Additives	Hydrogen	Live Macroalgae Fish Food	Diatom Micro/Nano Structures

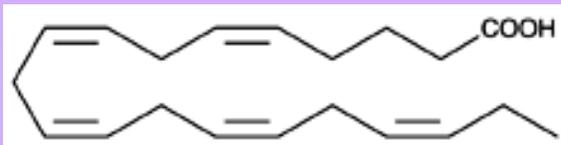
Initial Products

EPA

Eicosapentaenoic acid

20:5 ω -3

C₂₀H₃₀O₂

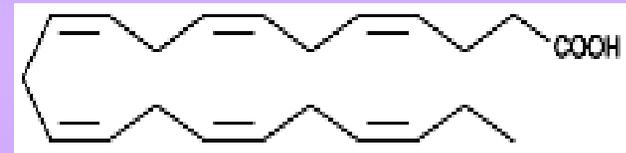


DHA

Docosahexaenoic acid

22:6 ω -3

C₂₂H₃₂O₂

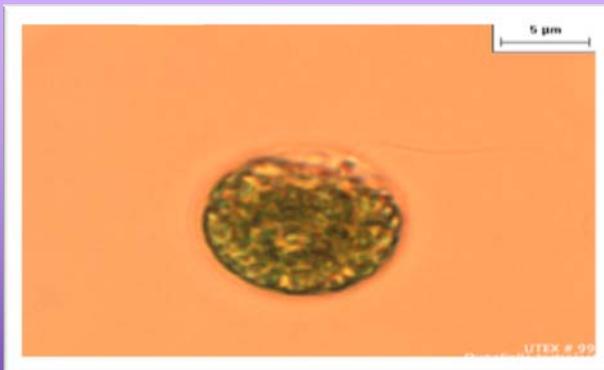


- Proprietary Dried Algae
- Omega-3 Fatty Acids
- Additional Products to follow

Technology



- Free of Mercury & Other Contaminants



- Clean & Green

Opportunity



Potential Customers

Bluebonnet



Competitors



Competitive Advantages

- IP
- Ultra Pure
- Inexpensive land & labor
- Huge scale
- Potential products



Bacillariophyceae



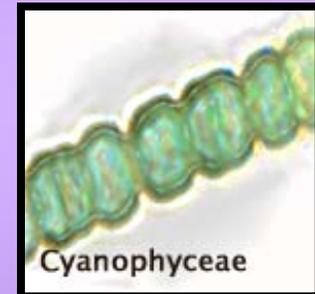
Chlorophyceae



Rhodophyceae & Cyanidiophyceae



Chrysophyceae



Cyanophyceae



Phaeophyceae



Chlorarachniophyceae

Future Opportunities

- Potential strategic partners

- Stemtech Health Sciences

- StemEnhance™



- Valensa International

- ZANTHIN®



- Transgenic discussions



- Biodiesel discussions



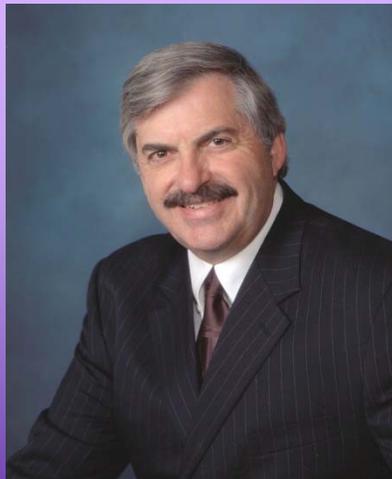
Management Team



Andrew Ayers – CEO



Glen Galster – President



Keith Guelpa



Bob Thompson

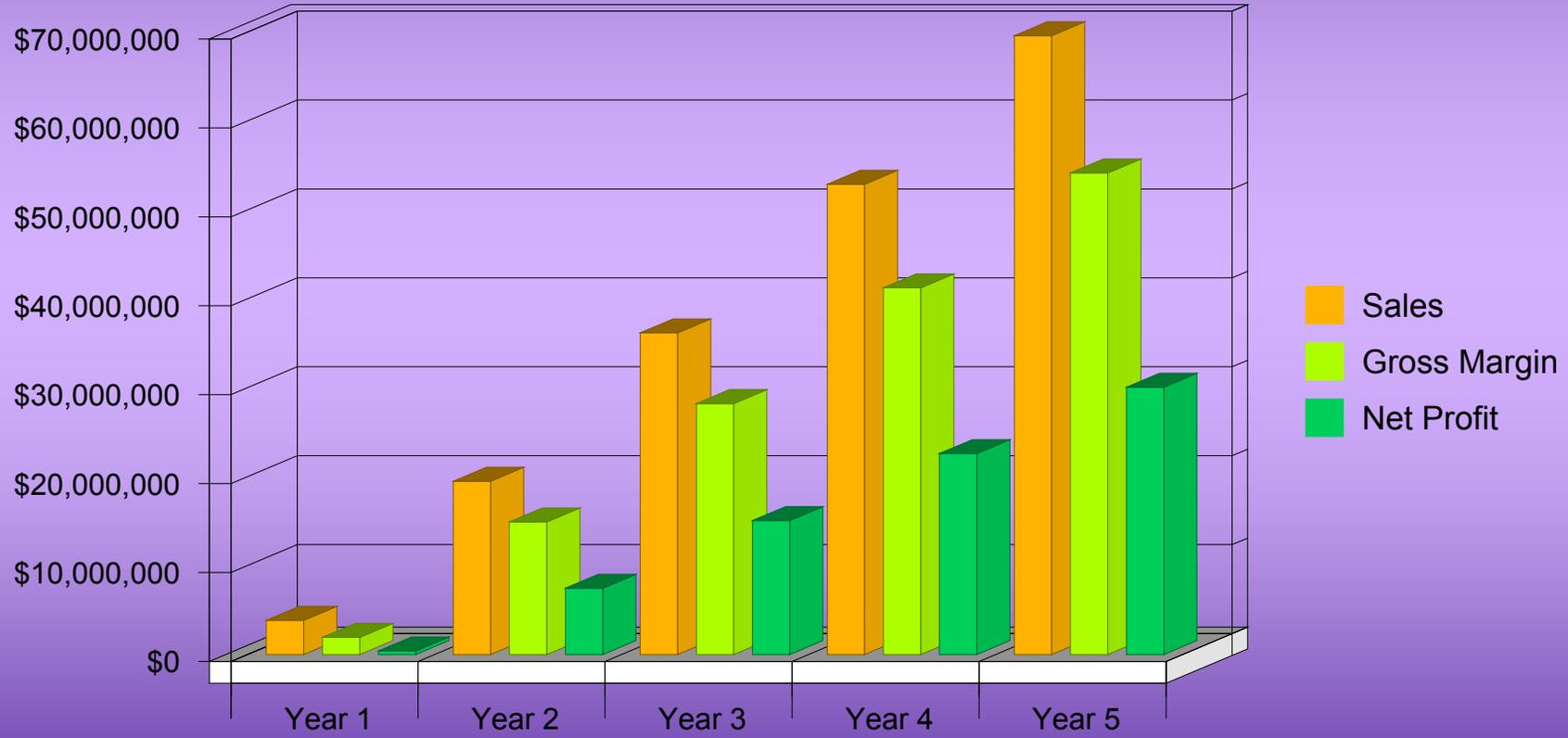


Rakesh Amin

Board Members

Financials

Five-Year Financial Highlights



Dried Algae & EFAPure™ Omega-3 Fatty Acid Projected Revenues

Angel Investment Tax Credit

- AZ Residents Only
- 35% of Investment!



ARIZONA DEPARTMENT OF COMMERCE
Our Job is JOBS!

Angel Investment Program Certificate of Eligibility as a Qualified Small Business

Businesses that are interested in being designated as a "Qualified Small Business" for purposes of the Small Business Capital Investment Incentive Program (Angel Investment Program) must be certified by the Arizona Department of Commerce pursuant to A.R.S. §41-1518.

The statute requires that a qualified small business:

1. Maintains a portion of its operations in Arizona
2. Has at least two principal non-administrative full-time equivalent employees who are Arizona residents
3. Is in the early stages of development and is not principally engaged in statutorily precluded activities as provided in A.R.S. §41-1518(K)(6)
4. Does not engage in activities that involve human cloning or embryonic stem cell research
5. Does not have assets exceeding \$2 million, exclusive of intellectual property and qualified investments
6. Has not received aggregated qualified investments in excess of \$2 million by all qualified investors in all years

Effective July 6, 2006 through July 4, 2007 investments in Algal Technologies, Inc. may generate tax credits of up to 35% of the investment amount for qualified investors. This certification is valid for one calendar year and may be renewed annually. Assuming the above requirements are met each year, certification of eligibility can be issued until June 30, 2011.

Based on the information provided by the applicant, the Arizona Department of Commerce hereby certifies that

Algal Technologies, Inc.

9895 Old Route 66, Holbrook, AZ, 86025

is a Qualified Small Bioscience Business located in Rural Arizona



Issued this 12th day of September, 2006


Gilbert Jimenez, Director
Arizona Department of Commerce



ARIZONA DEPARTMENT OF COMMERCE
JANET NAPOLITANO GOVERNOR
Our Job is JOBS!
GILBERT JIMENEZ DIRECTOR

FOR IMMEDIATE RELEASE:
Date: September 13, 2006
<http://www.azcommerce.com>

CONTACT: David Drennon
602-771-1163

FIRST "ANGEL INVESTMENT" CERTIFICATIONS MADE

The Small Business Capital Investment Tax Incentive Program, better known as Angel Investment, has recorded its first certifications for eight small businesses. This paves the way for the investors in the businesses to qualify for tax credits. The authorization of tax credits for the investors will begin later this month.

"We must invest in innovation that creates the high-wage jobs necessary to our economy in the 21st century," says Governor Janet Napolitano. "This program does so by assisting early-stage small businesses in attracting the much needed capital to expand operations and bring new ideas, products and services to market."

The eight companies receiving certification are: Med Apps, Inc., Global Building Systems, Inc., Interactive Alchemy, Inc., Infusion Software & Consulting, Algal Technologies, Inc., H Chek, Inc., OpenTech Alliance, Inc., and Ethix Media, LLC.

The Angel Investment Tax Credit, signed into law by Governor Janet Napolitano, made \$20 million available in tax credits beginning July 1, 2006 through June 30, 2011. The program was recommended by the Governor's Council on Innovation and Technology.

"In today's highly competitive global business environment, investment in our innovative companies is critical," says Gilbert Jimenez, Director of the Arizona Department of Commerce.

Historically, Arizona's equity investment has shown to be significantly lower compared to nationwide equity investment. Furthermore, promising Arizona companies may be financed by out-of-state investors and risk relocation to other states.

The Angel Investment Tax Credit Program addresses the need for funding benefiting Arizona's emerging companies. The Program provides \$20 million in income tax credits to investors, which translates to nearly \$70 million in investments in Arizona's early stage companies.

"Qualified investors" who make an investment in "qualified small businesses" can receive an Arizona income tax credit equal to 30% of the investment. The tax credit percentage increases to 35%, if the investment is made in a company located in rural Arizona or in a "bioscience enterprise".

To date, the Arizona Department of Commerce has received 19 requests for certifications of small businesses and 15 applications for tax credits from investors under the Angel Investment Tax Credit Program. The investments total \$675,577, and will result in \$221,952 tax credits if authorized.

The "Angel Investment" tax credit can be used to offset Arizona taxes over a 3-year period. Small businesses and investors have to be certified by the Arizona Department of Commerce; complete guidelines and application forms can be found at www.azcommerce.com, click on "Business Assistance," and then "Technology in Arizona." Questions may be e-mailed to smallbusinessangel@azcommerce.com.

1700 WEST WASHINGTON STREET • SUITE 600 • PHOENIX, AZ 85007 • USA
PHONE 602-771-1100 • FAX 602-771-1200 • <http://www.azcommerce.com>

Use of Funds

- \$3 Million Production Ramp-up Round

