

PRESS RELEASE



FOR IMMEDIATE RELEASE: December 10, 2009

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PETROALGAE ANNOUNCES STRATEGIC PARTNERSHIP WITH FOSTER WHEELER TO CREATE END-TO-END BIOMASS-TO-FUEL SOLUTIONS

MELBOURNE, Fla. – December 10, 2009 – PetroAlgae Inc. (OTCBB: PALG) announced today that its has signed a Memorandum of Understanding with Foster Wheeler AG's (Nasdaq: FWLT) Global Engineering and Construction Group for engineering services to be performed in conjunction with PetroAlgae's micro-crop technology, which allows for the production of dry biomass at an unprecedented scale.

PetroAlgae intends to work with Foster Wheeler to develop commercial solutions that will allow existing oil refineries to convert micro-crop biomass into fuels that are functionally compatible with petroleum-based fuels in the current market. For refineries, the solutions are expected to provide strong economics from the large-scale processing of PetroAlgae's micro-crop biomass into green fuels. The two firms will create end-to-end market solutions for the large-scale production of green gasoline, diesel, jet fuel and specialty chemicals.

"Foster Wheeler's engineering and refining expertise coupled with our commercial scale biomass technology will provide an opportunity to create end-to-end market solutions for optimizing the conversion of large quantities of biomass into large quantities of green fuels," said Dr. John Scott, chairman of PetroAlgae. "Through this partnership, we expect to further optimize our fuel and petroleum replacement output, more rapidly integrate with current refinery systems and realize the benefit of Foster Wheeler's ability to bring innovation to the process. These solutions offer the promise of transforming sunlight into fuels, thereby providing countries around the world with yet another option on the path to sustainable and clean energy independence."

"Our company has long been a global leader in engineering solutions to some of the world's major energy problems" said Umberto della Sala, president and chief operating officer of Foster Wheeler AG. "We believe we can play a significant role in helping refineries realize the potential of processing biomass into green fuels. We are excited about the opportunity to work with a dynamic organization like PetroAlgae and having the opportunity to develop biomass conversion solutions that will help the refinery industry realize the potential of green fuels."

About PetroAlgae Inc.

PetroAlgae Inc. (OTCBB: PALG) is a leading alternative energy company that licenses a commercial micro-crop technology system to produce clean fuel and food in an environmentally sustainable manner. Through a modular, flexible design construction, PetroAlgae enables a near-continuous growing and harvesting process of a wide variety of micro-crops suited to local climates, ensuring maximum growth rates. PetroAlgae's globally scalable system produces high-value protein as well as a cost-effective alternative to fossil fuels, while absorbing carbon dioxide from greenhouse gas emissions. The Florida-based company expects to establish first-mover advantage in the biofuels industry and offers a path to sustainable and clean energy independence while promoting local job growth.

For further information on PetroAlgae, please visit www.petroalgae.com.

About Foster Wheeler AG

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company employs over 14,000 talented professionals with specialized expertise dedicated to serving its clients through one of its two primary business groups. The company's Global Engineering and Construction Group designs and constructs leading-edge processing facilities for the upstream oil and gas, LNG and gas-to-liquids, refining, chemicals and petrochemicals, power, environmental, pharmaceuticals, biotechnology and healthcare industries. The company's Global Power Group is a world leader in combustion and steam generation technology that designs, manufactures and erects steam generating and auxiliary equipment for power stations and industrial facilities and also provides a wide range of aftermarket services. The company is based in Zug, Switzerland, and its operational headquarters are in Clinton, New Jersey, USA.

For more information about Foster Wheeler, please visit their Web site at www.fwc.com.

Forward Looking Statements: *This news release may contain certain forward-looking statements. Forward-looking statements are based on current expectations and assumptions and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, and many of which are beyond the Company's control. Actual results could differ materially from these forward-looking statements as a result of a number of factors, including the uncertainty of the launch of our commercialization strategy, potential delays and/or other factors that may negatively impact the Company's ability to progress with its strategic alliance with Foster Wheeler AG, the availability of additional capital to support the Company's operations, particularly the launch of its commercialization strategy, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Given these risks and uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and no assurances can be given that such statements will be achieved. The Company and all affiliated parties do not assume any duty to publicly update or revise the material contained herein.*

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