



LALLEMAND
ETHANOL
TECHNOLOGY

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**XYLOGENICS AND LALLEMAND ETHANOL TECHNOLOGY ANNOUNCE AN
EXCLUSIVE PARTNERSHIP TO DEVELOP AND COMMERCIALIZE NEW YEASTS FOR
IMPROVED FUEL ETHANOL PRODUCTION**

INDIANAPOLIS, IN. and MILWAUKEE, WI. — August 10, 2010 – Xylogenics, Inc., a bioengineering company, and Lallemand Ethanol Technology, a global provider of yeast to the fuel ethanol industry, today announced they have signed an exclusive agreement to develop and commercialize genetically enhanced ethanol producing yeasts for 1st generation fuel ethanol production.

Xylogenics is using its extensive knowledge of yeast genomics in cooperation with Lallemand to engineer a new class of industrial ethanol yeast strains. These enhanced yeasts will increase fermentation yield, reduce fermentation costs and potentially increase ethanol plant fermentation capacity compared with current commercial strains. Lallemand will be responsible for process development, manufacturing and commercialization of the new yeast. Under the terms of the agreement, Xylogenics will receive patent license fees and royalty payments.

“Xylogenics is thrilled to be partnering with Lallemand, a global leader in fermentation technology and we are looking forward to bringing our exciting technology to the market,” said Mike Neibler, Xylogenics CEO. “We are confident that our combined strengths will allow us to move quickly to commercialization and make a positive impact on the fuel ethanol industry economics.”

“We have been working with Xylogenics for some time and this agreement signals that we are confident that Xylogenics technology offers significant benefits for the fuel ethanol industry,” said Bill Nankervis, President of Lallemand Specialties, Inc. and General Manager of Lallemand Ethanol Technology. “Xylogenics and Lallemand are committed to delivering a yeast that will set a new fermentation performance standard and deliver improved profitability to our customers.”

About Xylogenics

Xylogenics, Inc. is a privately-held bioengineering research & development firm based in Indianapolis that develops genetically modified yeast strains to increase the production efficiency of ethanol biofuels. For more information on Xylogenics, visit www.xylogenics.com.

About Lallemand Ethanol Technology

Lallemand Ethanol Technology (LET) is a business unit of the Canadian yeast and bacteria producer Lallemand Inc. Based in Milwaukee, WI, Lallemand Ethanol Technology is the leading supplier of fermentation ingredients and value creating services to the global fuel ethanol and distilled beverage alcohol markets. For more information on LET, please visit www.ethanoltech.com.

About Lallemand Inc.

Lallemand Inc. is a privately held Canadian company specializing in the research, development, production, marketing and distribution of yeast and bacteria. Lallemand has approximately 2,200 employees located in more than 30 countries on all continents. For more information about Lallemand, please visit www.lallemand.com.

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