

Solazyme Produces Fuel Base From Algae

By ADAM SCHRECK 09.06.07, 7:37 PM ET

NEW YORK - Biotechnology company Solazyme Inc. has produced thousands of gallons of a key biodiesel ingredient using algae, the company's chief operating officer said Thursday.

While the privately held biotechnology company is still working to reduce costs, the development suggests industrial-level production using the technique is viable, Chief Operating Officer Jonathan Wolfson said.

Speaking on a biofuels panel at the Cowen and Co. Clean Energy Conference here, Wolfson disclosed little about the South San Francisco, Calif.-based company's production methods but said the company has the potential to "dramatically increase" its existing production levels. More details would be forthcoming in the next two months, he said.

"The technology's probably a lot more advanced than people think it is," he said.

In an interview with The Associated Press, Wolfson said he believes Solazyme could eventually produce the oil to make biodiesel from algae more cheaply than from other potential ingredients, such as rapeseed oil or soy oil.

As the price of oil has risen, biofuels such as ethanol and biodiesel have attracted considerable attention. Agriculture giant **Archer Daniels Midland Co.** (nyse: [ADM](#) - [news](#) - [people](#)) last year broke ground on a 50-million gallon biodiesel plant in North Dakota.

At least one other company, Solix Biofuels Inc., is also working to mass-produce algae-based oil as an ingredient in biodiesel. The Boulder, Colo.-based company said in December it hoped to commercialize its technology within two years.

Other biofuel executives at Thursday's conference said they expect the industry to continue to grow.

Neil Koehler, president and chief executive of **Pacific Ethanol** (nasdaq: [PEIX](#) - [news](#) - [people](#)) Inc., said U.S. could eventually reach 50 billion to 70 billion gallons annually. The Renewable Fuels Association, an ethanol trade group, estimates the U.S. produced 4.86 billion gallons last year.

"We continue to see demand growing very rapidly," Koehler said.

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