

DEINOVE ACHIEVES THE FIRST KEY MILESTONE IN THE DEINOL PROJECT AND RECEIVES €1.6 MILLION FROM OSEO

Oseo has validated the first key milestone in the DEINOL project (on the production of second-generation ethanol using Deinococcus bacteria) with Deinove and its partners. As a result, Oseo has paid Deinove a second tranche of €1.6 million in funding.

Paris (France), May 30th, 2011 – [DEINOVE](#) (Alternext: ALDEI), the world's leading specialist in *Deinococcus* bacteria for biofuels, green chemistry and antibiotics, today announced the receipt of a €1.6 million payment from Oseo (the French state innovation agency). This corresponds to the second tranche of Oseo's financial support for the DEINOL project (granted as part of the agency's Strategic Industrial Innovation programme) and takes the total amount received by the company to just under €3 million. The payment was triggered by achievement of the first key R&D milestone in the Deinol project - the selection of a robust, thermophilic *Deinococcus* base strain for use in the ethanol production process.

"We are delighted to announce that the technical progress made within the DEINOL Project has been officially validated by Oseo. Accordingly, the agency has paid us the second tranche of project funding. This will help us to finance the project through to the next milestone - the launch of lab-scale pilot tests with the candidate strain, scheduled for 2012", commented CEO Jacques Biton. "In 18 months, we have been able to select our bacterial chassis - a robust, thermophilic Deinococcus whose enzyme profile is now being engineered for optimal biomass digestion and ethanol production."

The goal of the DEINOL project is to open up (by 2014) new pathways for cellulosic ("second-generation") ethanol production by deinococci in existing industrial installations. The €21.4-million project will receive a total of €8.9 million from Oseo. As project leader, Deinove will receive a total of €6 million. The other partners in the Deinove-led project are Tereos (the European leader in ethanol production), its subsidiaries BENP Lillebonne and Syral (Europe's leading producer of starch and sweeteners and one of the world's leading ethanol companies) and two academic labs (the joint CNRS/University of Montpellier 1 laboratory CPBS and the joint INSA Toulouse/CNRS/INRA laboratory LISBP). Deinove's approach is based on leveraging the exceptional biomass digestion capacities of bacteria from the genus *Deinococcus*.

The DEINOL project is divided in two major phases:

- The R&D phase (led by Deinove and its academic partners) runs from July 2010 to the end of 2012 and comprises the following series of steps:
 - o selection of the best candidate *Deinococcus* strain.
 - o candidate strain optimization.
 - o process development in a lab-scale pilot.
- Once these milestones have been achieved, Tereos will then take over from Deinove and the academic partners for the process industrialization phase. Industrial pilot tests will be performed over a 12-month period starting in early 2013 and the project should complete with testing the Deinol process in a large-scale demonstration trial at the Lillebonne plant in early 2014.



About DEINOVE

The greentech company Deinove (Alternext Paris: ALDEI) is dedicated to the development and commercial exploitation of innovative technological processes for the production of biofuels and other compounds of industrial or pharmaceutical interest, by exploiting the deinococci's exceptional natural properties. Deinove successfully floated on the Alternext stock market in April 2010. The company intends to leverage its proprietary bacterial strains, technologies and processes by outlicensing to industrial partners. Deinove has partnered with leading sugar, ethanol and starch company TEREOS in order to develop the DEINOL project, which aims at producing cellulosic ethanol in existing industrial facilities.

Deinove currently has 25 staff and operates several collaborative R&D programmes with the CNRS (Montpellier and Marseilles), the University of Paris V, INSA Toulouse and the VTT-Technical Research Centre of Finland. It was incorporated in late 2006 under the joint impetus of Philippe Pouletty MD (Managing Partner at the private equity firm Truffle Capital) and Professor Miroslav Radman (Professor of Cell Biology at Paris-Descartes University, a member of the French Academy of Science and winner of the 2003 INSERM Medical Research Prize). Professor Radman elucidated the genetic mechanism behind the extraordinary natural properties of the bacterium *Deinococcus* (biodiversity and robustness) on which Deinove's innovation strategy is based. The company's headquarters are in Paris and it operates a lab in Montpellier (Cap Alpha Technopark), southern France.

Disclaimer:

This press release and the information contained herein do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in Deinove ("the Company") in any country. This press release contains forward-looking statements that relate to the Company's objectives. Such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties. Potential risks and uncertainties include, without limitation, whether the Company will be successful in implementing its strategies, whether there will be continued growth in the relevant market and demand for the Company's products, new products or technological developments introduced by competitors, and risks associated with managing growth. Unfavourable developments in connection with these and other risks and uncertainties described, in particular, in Chapter 4 of the Company's prospectus prepared in connection with its IPO and on which the French Autorité des Marchés Financiers ("AMF") granted its visa no. 10-014 on March 25 2010, could cause the Company to fail to achieve the objectives expressed by the forward-looking statements above.

Updates are available on the company's website <http://www.deinove.com>

**About OSEO's Strategic Industrial Innovation Programme**

The Strategic Industrial Innovation Programme – or ISI, due to its French acronym – promotes the emergence of European champions. It supports innovative, ambitious, collaborative projects, which are industry-oriented and led by intermediate companies and SMEs, all advancing state-of-the-art technologies. When successful, these projects have a very promising outcome, as they aim at commercializing the innovations arising from technological breakthroughs, which would not be otherwise carried out without public funding. Funds are allocated in the form of grants and loans, ranging from 3 to 10 M€.

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