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FOR IMMEDIATE RELEASE

Dow Announces Plan to Build and Operate a Pilot-Scale Algae-based Integrated Biorefinery with Algenol Biofuels

MIDLAND, MICH. — June 29, 2009 — The Dow Chemical Company (NYSE: DOW) announced today that it plans to work with Algenol Biofuels, Inc. to build and operate a pilot-scale algae-based integrated biorefinery that will convert CO_2 into ethanol. The facility is planned to be located at Dow's Freeport, Texas site.

This project and the innovative technology involved offers great promise in the battle to help slow, stop and reverse the growth of greenhouse gas emissions," stated Andrew N. Liveris, Dow chairman and chief executive officer. "We are very excited to be part of this ground-breaking alternative energy project, which is a good example of Dow's holistic approach to CO_2 capture and storage by adding value through chemistry."

Algenol's technology uses CO_2, salt water, sunlight and non-arable land to produce ethanol. Dow, National Renewable Energy Laboratory (NREL), the Georgia Institute of Technology (Georgia Tech) and Membrane Technology & Research, Inc. are contributing science, expertise, and technology to the project. Their combined expertise offers new and innovative technology, with the opportunity for creating a breakthrough process for ethanol production.

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Algenol submitted its formal request last week to obtain a grant from the U.S. Department of Energy for financial support to successfully conduct the pilot. Upon approval of the grant, Dow and the other collaborators will work with Algenol to demonstrate the technology at a level to sufficiently prove that it can be implemented on a commercial scale.

In addition to leasing the land for the pilot-scale facility, Dow plans to develop the advanced materials and specialty films for the photobioreactor system. In addition, Dow will also provide the technology and expertise related to water treatment solutions and will provide Algenol with access to a CO_2 source for the biorefinery from a nearby Dow manufacturing facility. The CO_2 will be supplied to the algae in the photobioreactors and will serve as the carbon source for the ethanol produced. The result is a CO_2 capture process which converts industrially derived CO_2 into more sustainable fuels and chemicals.

In line with Dow's sustainability efforts, the project exemplifies the Company's commitment to providing solutions that improve energy efficiency, promote renewable energy and advance the environmental performance of its existing energy sources. According to Rich Wells, Dow vice president, Energy & Climate Change and Alternative Feedstocks, "This is yet another way that Dow is helping to solve world energy challenges with our expertise in sustainable chemistry that is good for the world, and good for business."

About Dow

With sales of $58 billion in 2008 and 46,000 employees worldwide, Dow is a diversified chemical company that combines the power of science and technology with the "Human Element" to constantly improve what is essential to human progress. The Company delivers a broad range of products and services to customers in around 160 countries, connecting chemistry and innovation with the principles of sustainability to help provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. On April 1, 2009, Dow acquired Rohm and Haas Company, a global specialty materials company

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with sales of $10 billion in 2008 and 15,000 employees worldwide. References to “Dow” or the “Company” mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at www.dow.com.

About Algenol

Algenol today possesses the most advanced third generation biofuel technology in the United States. Algenol makes low cost ethanol directly from CO_2 and seawater using hybrid algae in sealed, clear plastic photobioreactors through its unique, patented Direct to Ethanol™ technology — all powered by the sun. Algenol‘s research and development efforts have culminated in a process that produces over 6,000 gallons of ethanol per acre per year, compared to corn at 400. Algenol’s process achieves an energy balance of more than 5 to 1 and a life cycle carbon footprint that is merely 20 percent of petroleum (an 80 percent reduction from petroleum). For more information about Algenol Biofuels, please visit www.algenolbiofuels.com.

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