

PRESS RELEASE

Dyadic International and Abengoa Bioenergy New Technologies Settle Litigation and Enter into License Agreement for the Production of Cellulosic Ethanol

May 13, 2009

JUPITER, Fla., Dyadic International, Inc., a global biotechnology company, announced today that it has settled all outstanding litigation with Abengoa Bioenergy New Technologies, Inc., and that the two companies have entered into a non-exclusive license agreement.

Under the settlement agreement, in lieu of Abengoa Bioenergy paying an upfront license fee to Dyadic, all outstanding claims between the parties will be dismissed with prejudice. The parties also entered into reciprocal releases covering certain other claims. Additional terms were not disclosed.

The non-exclusive license agreement grants Abengoa Bioenergy certain patent rights and know-how owned by Dyadic relating to its patented C1 Technology Platform for the large-scale production of enzymes for use in manufacturing biofuels (including cellulosic ethanol and butanol), power and/or chemicals. The license agreement provides for facility fees and royalties to be paid to Dyadic upon commercialization. Additional terms were not disclosed.

The license agreement is an expansion of the relationship between Abengoa Bioenergy and Dyadic which started on October 26, 2006 when the parties entered into an R&D Agreement and a Securities Purchase Agreement under which Abengoa purchased \$10 million of Dyadic's Common Stock. The parties have satisfied all of their obligations under the October 26, 2006 R&D Agreement and the R&D Agreement has been terminated.

Gerson Santos-Leon, Abengoa Bioenergy's Executive Vice President, commented, "Over the past two and a half years, we have closely collaborated with Dyadic's scientists to improve the performance and lower the enzyme production cost of Dyadic's C1 Technology. This license is consistent with the original objectives of our investment and collaboration with Dyadic to produce low cost enzyme systems for cellulosic ethanol production. We look forward to leveraging this asset to commercialize Abengoa Bioenergy's cellulosic ethanol conversion process to lower the transportation sector carbon footprint, lower our dependence on foreign oil and meet the President's goal to commercialize new green technologies."

Mark Emalfarb, Dyadic's CEO, commented, "We are very pleased to further solidify our relationship with Abengoa Bioenergy, one of the world's largest alternative energy companies and leaders in the development of cellulosic ethanol. Dyadic intends to continue improving its C1 and other patented and proprietary technologies and to leverage those technologies through collaborations with additional partners in the field of alternative energy as well for pharmaceutical and other industrial applications."





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About Dyadic

Dyadic International, Inc. is a biotechnology company that uses its patented and proprietary technologies to conduct research and development activities for the discovery, development, and manufacture of products and enabling solutions to the bioenergy, industrial enzyme and pharmaceutical industries.

Cautionary Statement for Forward-Looking Statements

Certain statements contained in this press release are "forward-looking statements." These forward-looking statements involve risks and uncertainties that could cause Dyadic's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by law, Dyadic expressly disclaims any intent or obligation to update any forward-looking statements.

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our enzymes; nature at work

