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## **Battelle Ventures Leads \$7.4-million Series D Financing of PowerZyme, Developer of a New Portable Power Source**

*Marks the fund's third investment, its first in energy sector*

**Princeton, N.J., Dec. 13, 2004** – Battelle Ventures, L.P., a \$150-million independent venture fund, has led the \$7.4-million Series D financing of PowerZyme, Inc., developer of the first high-performance enzyme-catalyzed portable power source. It is the fund's third investment and its first in the energy sector.

A first-time investor in PowerZyme, Battelle Ventures was joined in the round by other new PowerZyme investors Calvert Funds and Zon Capital Partners. All of the Monmouth Junction, N.J.-based company's earlier-round institutional investors also participated, including Commons Capital; Micro-Generation Technology Fund, managed by Areté Corp.; RockPort Capital Partners; and SAM Private Equity.

“Every living thing has an enzyme-driven ‘power plant’ in each cell, and PowerZyme is developing its power source by adapting the principles perfected in nature for more than two billion years,” explains Battelle Ventures General Partner Kef Kasdin. “PowerZyme’s power source uses completely new and more-efficient cell chemistries than current portable power sources,” she continues.

Adds Don Sculli, PowerZyme’s CEO: “While we are still early stage and operating in a competitive field of companies trying to improve on the lithium battery, PowerZyme presents a unique approach to achieving longer-lasting, lighter-weight portable power that will help to close the widening power gap in an increasingly mobile society.” He notes that the pre-revenue company has “broad patent coverage in the use of enzymes in the production of power” and that its trade secrets “have far-reaching applications across diverse industries.”

Sculli says that the PowerZyme power source will have the potential to affect a wide range of consumer products, including cameras and camcorders, PDAS, notebooks and laptop computers, cell phones and smart phones with Wi-Fi capabilities, and such entertainment devices as music and game players. Initial uses also could include such industrial applications as bar-code scanners, and such military applications as field communications.

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With this infusion of capital, PowerZyme has raised more than \$15 million since 1999, after it was spun off from Sarnoff Corporation. Critical milestones reached to date include: securing initial proof of principle; the development of extensive intellectual property; the granting of core patent rights; and the production of a working prototype. The money that was raised in this round of funding will be used to accelerate product and business development, says Kasdin, who has joined PowerZyme's board of directors.

“When we introduced Battelle Ventures about a year ago, we said that one of our key areas of investment would be energy,” Kasdin continues, explaining that in July Battelle Ventures announced its first deal, related to homeland security, and in September announced its second deal, in the area of life sciences. Those deals involved investments in two Silicon Valley companies: SafeView, a developer of a nonintrusive security screening system; and Genospectra, a provider of dynamic cellular analysis tools.

Kasdin notes that the fund's main focus is to commercialize the technologies that emerge from Battelle Memorial Institute (BMI) and the National Laboratories that BMI manages or comanages for the U.S. Department of Energy. She says that: PowerZyme and BMI are engaged in a project to accelerate development of the PowerZyme power source; SafeView is an exclusive Battelle licensee that is commercializing patented 3-D holographic-imagery technology that came out of a program at the Pacific Northwest National Laboratory; and synergies are being explored between Genospectra and various laboratories.

### **About Battelle Ventures**

Battelle Ventures works closely with Battelle Memorial Institute (BMI), its sole limited partner, to identify emerging technologies at BMI and the U.S. Department of Energy's National Laboratories that BMI manages or comanages. The fund is independent, and not a corporate venture arm of the nonprofit research organization. Battelle Ventures' experienced managers are not employed by BMI, and make all the investment decisions. The fund targets the areas of energy, homeland security, life sciences, information technology and materials, and seeks to invest in companies at many stages of development, from those looking for seed or start-up capital through pre-revenue companies raising later rounds of financing.

For more information about Battelle Ventures, go to [www.battelleventures.com](http://www.battelleventures.com). For more information about PowerZyme, go to [www.powerzyme.com](http://www.powerzyme.com).

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