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## **Battelle Ventures Leads \$4.5-Million Oversubscribed Series B Round Of W. Va. Precision Forestry Company ImageTree Corp.**

*Deal marks fund's foray into environment sector of cleantech investing*

**PRINCETON, N.J.**, Oct. 30, 2007 – Battelle Ventures, LP, has closed its first deal in the environment sector, having led the \$4.5-million oversubscribed Series B round of funding for precision forestry company ImageTree Corp. With last week's announcement of three deals in energy-related start-ups, this brings to six the number of companies in the fund's expanding energy & environment portfolio.

“ImageTree provides accurate and consistent assessment of forest assets to optimize timberland investment and management practices,” explained Battelle Ventures General Partner Mort Collins. “Its patented process, which combines remote sensing, automated software, and advanced mathematics and analysis, is the lynchpin for superior site-specific economic, environmental and sustainable forest decision making.

“We are in a period of widespread changing ownership of forested properties, affecting tens of millions of acres of institutionally owned and industrially managed forestland in the United States alone,” Collins continued. “Timber companies are divesting or monetizing forestland assets to focus on manufacturing and increase shareholder returns. Billions of dollars of assets now under institutional management need to be rationalized at a premium.

“Using such technologies as light detection and ranging (LiDAR), color infrared (CIR) and hyperspectral imagery, as well as global positioning systems, ImageTree's unique precision forestry process provides unmatched data to inform superior silvicultural and harvest decision making and confident investor reporting.”

A new investor in the Morgantown, W. Va., company, Battelle Ventures was joined in the round by PA Early Stage Partners, ImageTree's sole Series A investor; the West Virginia Jobs Investment Trust Board; The Conservation Fund's Natural Capital Investment Fund; and Innovation Valley Partners, Battelle Ventures' affiliate fund.

Scott Nissenbaum, partner, PA Early Stage Partners, said: “Today, forest inventory is predominantly a manually intensive, time-consuming and costly process. Simply stated, it's basically on-the-ground quantification and qualification of a property, through what's known as ‘field cruises.’

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“But with ImageTree,” Nissenbaum continued, “conservation, government and institutional investment organizations, such as TIMOs and REITs, can reduce by up to 80 percent an inventory cycle that typically takes five years to complete and cut forest-management costs by 30 percent or more.”

Explained ImageTree CEO Mark Redlus: “Typically, only one percent of a forest is actually sampled, then projections are made to estimate the composition and value of the whole forest. There is a struggle for consistency and accuracy, and it is common for illogical changes to show up in estimates made several years apart.

“This is the challenge the forest industry faces as the fast-growing, previously non-timber class of forestland owners demands better, more precise inventory data on which to make operational and investment decisions, including narrowing or eliminating the price-to-market gap driven by inaccurate inventories,” he added. “ImageTree is the only company that can extract the type of forestland detail necessary for precision forestry.”

Redlus said that the infusion of capital would support sales and marketing efforts, help scale operations to meet growing demand, and fund ongoing research and development. He noted that the company is leveraging industry and academic relationships, including those with the University of Georgia’s Warnell School of Forestry, Yale University’s Global Institute for Sustainable Forestry and the Davis College of Agriculture, Forestry and Consumer Sciences at West Virginia University.

Collins, who has joined the ImageTree Board of Directors, noted that Battelle Ventures can leverage its unique position as a bridge between its portfolio companies and the facilities that sole limited partner Battelle Memorial Institute manages or co-manages for the U.S. Departments of Energy and Homeland Security.

“Through the fund’s unique relationship, we suspect there will be many other applications for the technology, inside AND outside of forestry,” he said. “We are confident that any number of synergistic projects can be identified.

“But, right now, ImageTree has the solution for an industry with a 21<sup>st</sup>-Century financial model based on a 20<sup>th</sup>-Century process.”

### **About Battelle Ventures**

Battelle Ventures is a \$220-million national fund that invests in companies at many early stages of development, from companies looking for seed or start-up capital through pre-revenue and post-revenue companies raising later rounds of financing. The fund focuses on three areas of investment: energy & environment, health care & life sciences, and security, and seeks companies who have multiple-market opportunities. Battelle Ventures has a \$35-million affiliate fund, Knoxville, Tenn.-based Innovation Valley Partners, which has a proportionate interest in each portfolio company and invests alongside the fund in each deal. Besides ImageTree, energy & environment portfolio companies are: Aldis, Ampulse, Planar Energy Devices, SmartSynch and Superprotonic. For more information about Battelle Ventures, go to [www.battelleventures.com](http://www.battelleventures.com). For more information about ImageTree, go to [www.imagetreecorp.com](http://www.imagetreecorp.com).

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**About PA Early Stage Partners**

PA Early Stage Partners is a 10-year-old, \$235-million family of venture funds based in Wayne, Pa. The fund invests in early-stage technology and life-sciences companies that have strong intellectual capital, proven leadership, breakthrough concepts and unique positioning. Its geographic focus is the corridor from New York to Washington, D.C., out to Pittsburgh, Pa. For more information, go to [www.paearylstage.com](http://www.paearylstage.com).

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