

Department of Defense to Use FlexEnergy
Project to Turn Landfill Gas into Sustainable Off-Grid Power

FlexEnergy is a SAIL II portfolio company

FlexEnergy announced this month that its Powerstation™ technology will allow the Department of Defense's (DoD) Fort Benning, GA base to convert its landfill gas, an unconventional energy source, into renewable energy. FlexEnergy will deliver two powerstations in collaboration with Southern Research Institute (SRI) through the DoD's ESTCP (Environmental Security Technology Certification Program).

"The DoD is at the forefront of deploying breakthrough technologies. The installation of the Flex Powerstation™ at

Fort Benning, GA enables the Army to generate its own continuous, clean, renewable energy from an on-base landfill," said Joseph Perry, CEO of FlexEnergy.

Currently, a successful Powerstation™ operates at the Lamb Canyon Landfill in Riverside County, CA. The smaller, 10-ton test unit has the capability to produce enough electricity to power 30 homes in the community. Once installed at Fort Benning, the 250 kW Powerstation™ can potentially provide electricity for 250 homes.

FlexEnergy will showcase its Powerstation™ February 28 - March 2 at the second annual ARPA-E Energy Innovation Summit in Washington, D.C.

FlexEnergy

The Summit, co-hosted by the Department of Energy's Advanced Research Projects Agency - Energy (ARPA-E) and the Clean Technology and Sustainable Industries Organization (CTSI), features cutting-edge cleantech organizations that are helping to determine the future of energy. FlexEnergy's plug-and-play system was selected for its ability to oxidize gases containing as little as 1.5 percent methane, a greenhouse gas with 20-25 times the environmental impact of carbon dioxide.

Dow Kokam To Advise Fleet Managers and Manufacturers

Dow Kokam is a SAIL I & II portfolio company

Dow Kokam, a leading large-format battery systems producer, will be the "Advanced Battery Expert" for FleetAnswers (FA).

The company will use its 10 years of experience in the advanced large format battery industry to provide insight for fleet managers and commercial vehicle manufacturers interested in vehicle electrification. Chuck

Reardon, vice president of Dow Kokam, will represent the company in answering questions submitted by members of FA about battery technology, opportunities and solutions for commercial vehicles.

FA provides a secure platform for fleet professionals to network and share industry information and knowledge. The FA network consists of the industry's top decision

makers responsible for utility, municipal and corporate fleets with over 300,000 vehicles and a collective annual budget of more than \$3 billion.

"We have chosen Dow Kokam as the 'Advanced Battery Expert' because of its thorough understanding of the fleet industry and its ability to provide simple, clear and useful information to members of the FleetAnswers community," said Chris Shaffer, partner at FA.

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News Briefs:

- FlexEnergy labeled as leading cleantech company in orange county in Hemispheres Magazine (Feb 2011)
- Peter Polydor joins the C100 network of Canadians abroad consisting of high level management and venture capital professionals (March 2011)

Dow Kokam Partners to Create Skilled Jobs

Dow Kokam is a SAIL I & II portfolio company

Dow Kokam's advanced battery plant is under construction, and this month, the process of hiring hundreds of workers took another step forward. Dow Kokam announced its partnership with Delta College and Michigan Works to train future employees.

The construction of the Dow Kokam battery plant is progressing at a fast pace, and the company says future employees will have to train the same way. "We are ready to start hiring operating technicians to go to work for Dow Kokam in June of this year," said David Pankratz from Dow Kokam.

This plant will make superior lithium polymer batteries for electric and hybrid vehicles,

starting about a year from now. Dow Kokam will need employees sooner than that, so Delta College is starting another of its popular fast-start programs where students have been taking crash courses in chemical processing and solar manufacturing.

Now, advanced battery manufacturing will be added to the course list.

"In the past, we have been able to hire 80 to 90 percent of the graduates of that program," Pankratz said.

Twenty-four people will be chosen for the first class, which will be delivered over a 10-week period. The cost is a little more than \$5,000.

"We have funded about 90 percent of the people that run through those Delta fast-

start programs," said Ed Oberski of Michigan Works.

Oberski says the funding for the advanced battery program could be in jeopardy, though. The U.S. House has passed a budget that will eliminate Workforce Investment Act funding, but he hopes the money will be in the final budget.

"When they learn of the impact of eliminating the Workforce Investment Act, they won't let that happen," Oberski predicted.

Meanwhile, Pankratz says the company's original projection of creating 700 jobs over the next few years is still on track. "The industry and the marketplace, and particularly in the light industrial vehicles, really seems to be growing well."



Hybrids and Electrics Rise in Popularity

With rising gas prices, automakers and dealers are starting to see an uptick in sales of their most-fuel-efficient vehicles, including hybrids and electrics.

Toyota's Prius, which has a commanding lead in market share among hybrids, saw a 69.9% sales increase this month compared with February of last year, Autodata reported. Among others, Honda's Civic hybrid had a 53.8% sales increase, and sales of Ford's Fusion hybrid were up 11.7%. Dealers say they believe customers are starting to take notice of gas prices in making their buying decisions, though numbers still are small.

"It's just starting," says Adam Lee, chairman of 20-dealership Lee Auto Malls in Maine. "We are not seeing a dramatic increase in sales (of hybrids and small cars), but we will." The number of potential car buyers researching hybrids at the Edmunds.com information site nearly doubled to 400,000 from November to the end of January, in tandem with the gas price run-up.

"We've had kind of a slow, steady increase in prices that has helped automakers prepare," says Jessica Caldwell, Edmunds.com senior analyst. Four out of five consumers in a Kelley Blue Book survey say that gas prices are influencing

vehicle choices, up 11 percentage points from January.

Automakers say they are far more ready with fuel-efficient traditional cars, in addition to alternative-power vehicles, to handle soaring gas prices than they were in 2008, when average prices peaked at \$4.11 a gallon.

"We are fairly well positioned for it," says Al Castignetti, Vice President for Nissan in the U.S. With small cars, plus a bevy of new, smaller crossovers, "I have such a broad array of product offerings."

Ford Motor points to now having four models that get more than 40 miles per gallon.



Coca-Cola Foundation Opens WaterHealth Center

WaterHealth is a SAIL I portfolio company

To commemorate its tenth anniversary, the Coca-Cola Africa Foundation (TCCAF) announced a partnership this month with WaterHealth International (WHI) to provide drinking water in Ghana. TCCAF and WaterHealth International jointly funded the construction of a water distribution center in Pakro, a community in the Akuapim South District of Ghana.

This comes as a great relief to the people of Pakro - a community of over two

thousand people whose only source of drinking water was the River Densu. Speaking at the commissioning of the plant, the Chairman of the Foundation, Mr. Bill Egbe stressed on Coca Cola's commitment to support communities in Ghana and Africa. He further stressed on the importance of maintaining the facility so it would serve the community for many years to come.

The Minister of Water Resources, Works and Housing, Mr Alban S.K. Babgin who commissioned the water center, reiterated

the government's commitment to partner with firms such as Coca Cola and WaterHealth to provide for such communities with good social amenities.

He said "nearly fifty one percent of Ghanaians do not have access to clean drinking water. That is why government committed to partnering with firms to improve the situation."

TCCAF's key areas of concentration include access to clean water, preventive healthcare, education and entrepreneurship.



CNS Response Announces Agreement with Medco

CNS Response is a SAIL I portfolio company

CNS Response, Inc. has entered into a collaborative agreement with Medco Research Institute, LLC, to assess the pharmacoeconomic benefits of its online Referenced-EEG® (rEEG) database. Medco Research Institute is the research arm of Medco Health Solutions, Inc., the market leader in pharmacy benefits management.

"Our collaborative agreement with Medco provides another opportunity for an outside, third party to assess the benefits of rEEG as an information tool to assist physicians in treating patients with mental health issues," said Mike Darkoch, executive vice president of CNS Response. "This project will include a pharmaco-economic study of rEEG patients over the past ten years, many of whom received medications

dispensed by Medco."

"Trial and error pharmacotherapy has become the dominant treatment model for people who have failed on two or more medications, with enormous implications for healthcare costs," said CNS Response CEO George Carpenter. "While medical professionals already indicate that our reports help them reduce trial and error, we expect the depth of Medco's data resources and analytic expertise to yield additional insights on the efficacy of rEEG from a clinical and economic perspective."

Developed by CNS Response, rEEG is an online reference database that offers medical professionals objective, personalized statistical data on their patients' neurophysiology. While most physicians in other disciplines are able to base their treatment decisions on

objective data gathered from EKGs, MRIs, blood tests and similar procedures, such advances have not previously been available to medical professionals treating mental illness. The data provided by CNS Response enables medical professionals to better understand an individual patient's neurophysiology, thereby reducing medication trial and error.

In a recent study published by the *Journal of Psychiatric Research*, physicians who used rEEG achieved a 65 percent success rate in treating patients with depression, compared to a 39 percent success rate with the control group. Those results were even more significant because the subjects in the study, selected through a randomized process, had failed an average of four previous treatments for depression.





SAIL Venture Partners (www.sailvc.com) is a leading cleantech venture capital firm with a global vision of technologies, markets and opportunities. We invest in cleantech companies with proven technologies, visionary leadership and exciting growth potential. We have invested in a number of today's leading cleantech companies including: The Cleantech Group, Xtreme Power, Ice Energy, Dow Kokam, Enerpulse, Activeion, SNTech, FlexEnergy, Paragon Airheater Technologies, M2 Renewables and WaterHealth International. SAIL has offices in California, New York, and Washington D.C. and a global network of investors and advisors.



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- PRNewswire
- Cleantech Group
- Reuters
- Marketwire
- Forbes
- Ghana News
- USA Today
- Bloomberg
- Bloomberg Businessweek

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Speaking of SAIL

March 24 - Irvine, CA

Alan Sellers will be speaking at the Profit + Planet Conference put on by the UCI Merage School of Business. His panel will speak on the value of strategic partnerships.

March 22 - Business News Network (Canada)

Hank Habicht will be interviewed on Business News Network, the leading television source on business in Canada. He will discuss the SAIL strategy towards water and our current portfolio in the space.
10:50am EST (7:50am PST)

March 14 - Huntington Beach, CA

Mike Hammons will be speaking at the IMN Public

Funds Summit. He will speak on the profit potential in growth capital.

March 3 - Toronto, Canada

Peter Polydor will keynote a Price Waterhouse Cooper CEO Roundtable. He will discuss the state of cleantech venture capital and how CEOs can best approach investors.

March 1 - New Orleans, LA

Walter Schindler will be speaking at OPAL Investment Education Symposium. He spoke on opportunities within private equity and venture capital.

Feb 15 - Los Angeles, CA

Hank Habicht addressed the Global Action Forum at the Beverly Hills Hilton on water

in emerging markets.

Feb 15 - San Jose, CA

Dave Jones was a panelist at Water Tech Week 2011. His panel focused on "what it takes to get a water deal done."

Feb 10 - Irvine, CA

Mike Hammons was the key note speaker at the UCI Merage School of Business's Speaker Series. He focused on the investment strategy of SAIL and how to access venture capital.

Feb 2 - New Orleans, LA

Walter Schindler was the key note speaker at the Tulane Freeman School of Business's Speaker Series. He spoke on venture capital and the status of the cleantech industry.