

Dow Kokam to Expand Midland Battery Park

Construction of Battery Pack Assembly Plant to start this summer

Dow Kokam is a SAIL II portfolio company

Dow Kokam (DK) announced today that it has authorized the design and construction of a Pack Assembly Plant on the Midland Battery Park site in Midland, MI. The design is currently in process for the estimated 60,000 square foot facility, which will produce advanced energy storage systems, and will use DK lithium-ion cells manufactured at the Midland Battery Park facility. Construction of the Pack Assembly Plant is scheduled to begin Mid-July 2012, with production slated for the first quarter of 2013.

“We are excited to expand our manufacturing capability in Michigan to meet current and future market demand.” said Ravi Shanker, CEO of DK. “With a complete cell and pack offering, DK will provide lithium-ion advanced energy storage systems that achieve advantages in energy, power, lifetime, safety and cost.”

DK’s battery pack is an advanced energy storage solution incorporating: a secure casing for the cells and the battery management system, which monitors and manages power distribution, system communications, and the voltage and temperature of each cell. The battery pack is designed to maximize energy



and power performance in a variety of operating conditions or temperatures, within the transportation, defense, industrial and stationary storage industries.

The Pack Assembly Plant will be built on the site of the Midland Battery Park, which will commence operations this summer. To date, more than 700,000 construction man-hours have been required for production of the Midland Battery Park, with greater than 90 percent worked by Michigan residents.

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Suicide Rates Drop Dramatically with CNS Response

CNS Response is a SAIL I portfolio company

CNS Response announced the publication of a major study in which physicians using its PEER Report achieved better results for their patients than the current standard practice of trial and error medication selection. The data also showed a reduction of patient suicidality and lower health care costs.

The findings were published in the June 2012 issue of *Neuropsychiatric Disease and*

Treatment, the journal of the International Neuropsychiatric Association (INA). The paper focused on 230 evaluable patients treated between 2003 and mid-2011 at an outpatient psychiatric clinic; most of the patients had failed at least two previous medication regimens. Among the findings:

Of the patients needing medications, 87 percent achieved significant improvement when their treatment was guided by objective data provided through CNS Response’s PEER

Report;

Surprisingly, 27 patients, or 11 percent, did not need any medications.

In addition, suicidality occurrences (including thoughts of suicide or suicide attempts) decreased by 87 percent.

The important findings will help inform and guide military use of the PEER Report in a pending pilot program with Walter Reed National Military Medical Center.

Quick Updates

- ❖ U.S. Military announces it remains committed to Cleantech to reduce fossil fuel costs and help save lives
- ❖ FlexEnergy featured on OC Metro Minute with Steve Churm
- ❖ Peter Polydor joins Occidental College Board of Governors

Xtreme Power Gets \$10M Charge-Up for Storage

Xtreme Power is a SAIL I & SAIL II portfolio company

Xtreme Power, the startup with a battery technology being deployed in the tens of megawatts to back up wind farms and power grids, has raised a \$10 million pre-Series D bridge round of funding, according to a filing with the U.S. Securities and Exchange Commission.

The new round includes nine unnamed investors, according to the filing. Previous investors in the company include SAIL Venture Partners, Bessemer Venture Partners, Dow Chemical, Fluor, Dominion Power, Spring Ventures, BP and Posco.

Xtreme has raised a bit more than \$50 million since its

2004 founding, including a \$29 million Series C round in 2010, a \$5 million Series B round in 2009 and a \$2 million Texas state grant in 2007, according to the company's website. The company didn't disclose details about the funding.

Xtreme has deployed batteries to back up wind power projects in Hawaii, Texas and Alaska, as well as smaller-scale projects backing up community solar power in Texas and others. The company had 55 megawatts of systems under contract and 22 megawatts installed as of April, as compared to such lithium-ion grid battery competitors as A123, which has more than 100 megawatts of grid-scale energy storage systems

installed.

Xtreme's solid-state battery chemistry, derived from technology originally developed by Ford Aerospace in the 1990s, can compete with lithium-ion in terms of energy and power density, while using dry materials that sit like stacked bricks in operations centers.

They're also inert, meaning they're not subject to fires or explosions, and run at room temperature, Xtreme says. That's important, in comparison to highly volatile lithium-ion chemistries, as well as the high-temperature sodium sulfur batteries made by Japan's NGK that make up the lion's share of grid batteries deployed today.



Orange County Fastest Growing Cleantech Region in California

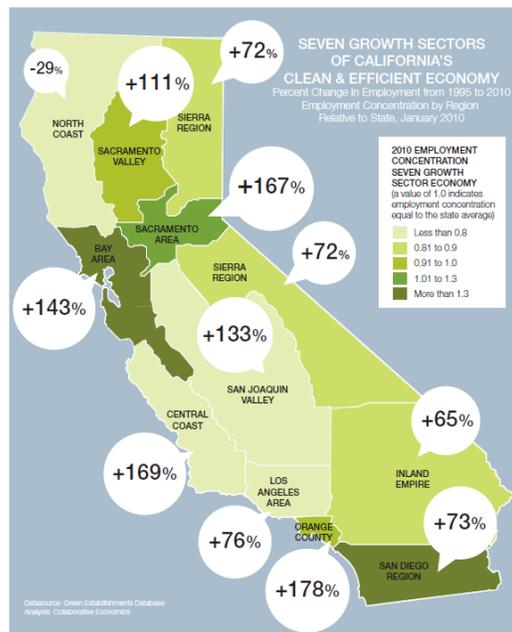
In the 2012 Environmental Defense Fund's (EDF) "Seven Growth Sectors Driving California's Clean and Efficient Economy" report, OC's cleantech growth was clocked at 178% between 1995-2010. That meant OC's growth was the fastest rate of any region in California. Among other findings, the report found over 5,250 "green jobs" in Orange County, and that the figure is likely higher since the study was conducted.

The number one growth sector for OC was "Energy Generation" is the largest growth sector in Orange County (i.e., 48% of the total seven-sector employment in 2010) and has continued to

consistently grow. Between 1995 and 2010, more than 2,800 jobs have been added to this sector. Between 2009 and 2010, Energy Generation

grew three percent, adding over 120 jobs to the region.

(A chart detailing the "Seven Growth Sectors" can be found on page 4)



Xtreme Begins Installing World's Biggest Battery Storage Unit

Xtreme Power is a SAIL I & SAIL II portfolio company

Duke Energy's 95-turbine wind farm in Notrees will soon be home to the biggest battery storage unit for any wind farm in the world.

The 36-megawatt Xtreme Power battery storage facility will store electricity from its Notrees wind farm at all times.

"This project is one-of-a-kind – it'll be the largest of its kind when it's finished," Duke Energy Plant Manager Casey Hayes said. "This project has been talked about on the White House floor."

Duke Energy matched a \$22 million grant from the U.S. Department of Energy to pursue the wind farm.

Electric Reliability Council of Texas Spokeswoman Robbie Searcy explained that electricity is a "real-time commodity," meaning blackouts can occur when grids experience an unfavorable balance between the amount of electricity it

receives and the amount of electricity it distributes.

"In the industry, a 'blackout' means a total loss of control," Electric Reliability Council of Texas Spokeswoman Robbie Searcy said.

In the case of a wind farm, whose electricity is generated by wind that can't be controlled, Searcy said being able to store excess energy is key.

"Wind blows in West Texas mostly at night, but peak energy usage hours are during the hottest times during the hottest days. This battery storage facility will help utilize the power generated at night," Searcy said.

When it is complete, energy will be stored in the facility and can be used as it is needed. Another 36 MW battery storage facility gathers both solar and wind energy in Zhangbei, Hebei Province, China. Duke Energy's battery storage facility gathers the same amount of electricity



solely from wind energy.

Energy will be stored and used from a building on Duke Energy's wind farm campus in Notrees. The building will house 28,800 batteries, one of which is 28 inches long, five inches tall and five inches wide and weighs 58 pounds.

The facility is being built and will be maintained by Xtreme Power, who also operates a 15 MW battery storage facility in Kohuku, Hawaii. Lead Operations and Maintenance Technician Bobby Lewis used to work at Xtreme Power's control center in Kyle and will now help operate the facility in Notrees.



SAIL Advisory Board Member Joins Chesapeake Energy Board

CNS Response is a SAIL I portfolio company

Chesapeake Energy Corp. chose current SAIL Advisory Board member and former Conoco Inc. Chief Executive Archie W. Dunham to head its retooled board of directors, as the embattled natural-gas giant made good on a pledge to change its leadership in response to intense shareholder pressure.

In selecting Mr. Dunham, Chesapeake is handing the reins to a seasoned energy

executive and a veteran corporate director as it weathers a liquidity crisis and governance controversies. Mr. Dunham was also born and raised in Oklahoma, ensuring that Chesapeake, which has emerged as a major business and civic force in Oklahoma City, will continue to be run by natives of the state.

Mr. Dunham, 73, capped a long career in energy as chief executive of Conoco Inc., which he steered into a \$15 billion merger with Phillips

Petroleum Co. in 2002, and served as chairman of ConocoPhillips until 2004.

Chesapeake co-founder and Chief Executive Aubrey McClendon, who had served as chairman, will remain CEO and continue to serve on the board.

"I was attracted by the clear mandate to provide strong oversight," Mr. Dunham said in a statement.

Mr. Dunham was one of five new directors named to the board Thursday.





SAIL Capital Partners (www.sailcapital.com) is a leading cleantech investment firm with a global vision of technologies, markets and opportunities. We invest in cleantech companies with proven technologies, visionary leadership, measurable impact and exciting growth potential. We have invested in a number of today's leading cleantech companies including Xtreme Power, Ice Energy, The Cleantech Group, Dow Kokam, Enerpulse, Activeion, SNTech, FlexEnergy, Paragon Airheater Technologies, M2 Renewables, Clean Technology Solutions, CNS Response and WaterHealth International. SAIL has offices in California, Toronto, New York, New Orleans and Washington D.C. as well as a global network of investors and advisors.



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Sources:

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- Greentech Media
- Odessa American
- CleanTechOC
- CNS Response

SEVEN GROWTH SECTORS DRIVING CALIFORNIA'S CLEAN AND EFFICIENT ECONOMY

ENERGY GENERATION	Renewable energy generation (all forms of solar, wind, geothermal, biomass, hydro, marine & tidal, hydrogen, co-generation)	Associated equipment, controls, and other management software and services
	Research & Testing in renewable energy	Renewable energy consulting services
ENERGY EFFICIENCY	Energy conservation consulting and software	Alternative energy appliances (solar heating, lighting etc.)
	Building efficiency products (cables, glass, machinery etc.)	Energy efficiency meters & measuring devices
	Energy efficiency research	
CLEAN TRANSPORTATION	Alternative fuels (biodiesel, hydrogen, ethanol, fueling infrastructure)	Motor vehicles & equipment (electric, hybrid and natural gas, components and engines)
	Logistics (traffic monitoring software, transportation efficiencies)	
ENERGY STORAGE	Advanced batteries (Li-Ion, Ultra Capacitors, Charging, Thin Film, Nickel Zinc)	Fuel cells (methanol, PEM, solid oxide, zinc air, systems integrators)
	Battery components & accessories	Hybrid Systems (flywheels) and Uninterruptible Power supply
FINANCE & INVESTMENT	Investment Advisory, asset management and brokerage	New materials for improving energy efficiency
	Project financing & insurance	Emission trading and offsets
ADVANCED MATERIALS	Nano (additives, detectors, sensors, gels, coatings, lubricants, films)	Chemical (composites, polymers)
		Bio (advanced processes, biodegradable products etc.)
ENERGY INFRASTRUCTURE	Transmission (smart grid, sensors & concerns)	Power management, monitoring, metering, quality and testing
		Cable & equipment

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