

Envia Systems Awarded Grants from U.S. Department of Energy ARPA-E Program and California Energy Commission to Develop Next Generation Batteries for Electric Cars

HAYWARD, CA – March 16, 2010 – Envia Systems announced today that it was awarded a \$4 million grant from the U.S. Department of Energy's (DOE) newly formed Advanced Research Projects Agency-Energy (ARPA-E) and \$1 million from the California Energy Commission (CEC). The grants are an important catalyst for Envia's development strategy focused on producing battery technology that will enable more fuel efficient vehicles.

"We are very pleased to receive grants from the Department of Energy and California Energy Commission as it reinforces the strength and importance of Envia's technology," said Subhash Dhar, Chairman and CEO of Envia Systems Inc. "Just as these grants were created to drive advancements in energy that will transform the global landscape, Envia's breakthrough battery systems will revolutionize the highest-density energy Lithium-ion storage technology. These awards will help to dramatically accelerate our development and time to market."

Envia's technology for high energy density, low cost next generation Lithium-ion batteries will deliver the higher performance necessary for energy storage in Electric Vehicles and Plug-In Hybrid Electric Vehicles. Envia uses unique nano silicon-carbon composite anodes and high capacity manganese composite cathodes to create batteries with energy density triple that of existing electric vehicle batteries. Envia recently received an R&D 100 Award for developing a PHEV battery with the highest energy density.

The DOE and CEC grants support Envia's commitment to building technology leadership in the emerging industry for next-generation batteries in the United States. Advanced battery technology will help to revitalize the automotive industry by enabling more fuel efficient vehicles, reducing dependence on oil, and increasing energy security. Envia's battery technologies will also offer benefits to other technology applications where low-cost, high-density energy storage solutions are needed.

This ARPA-E solicitation for funding attracted over 3,600 applicants, from which 37 companies, including Envia, were granted awards. ARPA-E was originally established under the America Competes Act of 2007. In April 2009, President Obama announced \$400 million in initial funding for ARPA-E through the American Recovery and Reinvestment Act.

About Envia Systems

Envia Systems is a technology leader in high performance, low cost Lithium Ion energy storage solutions. Based in Hayward, California, Envia's patented cathode technology enables its batteries to deliver previously unattainable levels of energy capacity, safety and life. These systems will be used by manufacturers developing Electric Vehicles and Plug-in Hybrid Electric Vehicles. For more information, please visit www.enviasystems.com.