

Alphabet Energy Attracts \$1 Million from Claremont Creek Ventures and the CalCEF Clean Energy Angel Fund

Startup Commercializing Breakthrough Waste Heat Recovery Technology

Paul Straub, Principal at Claremont Creek Ventures Joins Alphabet's Board

Berkeley, Calif. (May 3, 2010) – Alphabet Energy Inc., an early-stage company commercializing an inexpensive waste heat recovery technology developed at the Lawrence Berkeley National Laboratory, announced today that it has received \$1 million in seed financing from Claremont Creek Ventures (CCV) and the CalCEF Clean Energy Angel Fund.

The financing will be used to manufacture commercial prototype devices on existing semiconductor infrastructure at the year-old company.

The startup, housed at the UC Berkeley Haas School of Business incubator, had previously received \$320,000 in Small Business Innovation Research grants from the U.S. Army and Air Force and the Department of Energy. It also raised a similar amount in angel funding in 2009 from leading energy investors with deep experience in power generation projects and industrial installations, and won several awards from the Clean Tech Open, including the People's Choice Award, the California Sustainability Award, and national runner-up.

Alphabet Energy's goal is to become the leader in the potential \$200 billion world market for sales of core technology for the conversion of waste heat into electricity, which has the ability to offset as much as 500 million metric tons of carbon per year. Alphabet's break-through thermoelectric materials can be used to turn heat directly into electricity in applications such as metals refining, cement and glass production, power generation, automotive and aerospace, and military. The company's proprietary thermoelectric technologies are the only known solution which lends itself to massive scale by utilizing an abundant materials and existing manufacturing

know-how. The output range of power generation systems incorporating Alphabet's thermoelectrics can range from microwatts to megawatts. Thermoelectric materials are semiconductors that, when placed in a temperature gradient, generate electricity in the solid state—with no moving parts.

“Alphabet has massive growth potential in the emerging waste heat recovery market, one that is low-hanging fruit for efficiency-based cost savings in our economy,” said Tom King, the lead angel investor in Alphabet and a partner at US Renewables Group. “The company is bringing to market an unbeatable technology that has the clear potential to lead the sector.”

Paul Straub, a principal at Claremont Creek Ventures will join Alphabet Founder and CEO Matthew L. Scullin on the company's board of directors. Alphabet fits neatly into CCV's focus on energy technology driving efficiency. “There is no question that the United States and the rest of the world have to embrace energy efficiency solutions, and Alphabet has enormous potential to be the first broadly-deployed commercial thermoelectric technology to save billions of dollars worth of electricity in the field of waste heat recovery,” Straub said. Co-investor Susan Preston, General Partner of the CalCEF Clean Energy Angel Fund added, "In Alphabet energy we saw the potential to go beyond simple energy efficiency. Every time we use energy we create waste heat. Alphabet's extremely low cost technology enables recycling of that wasted energy in a range of applications previously thought either uneconomical or beyond the performance of conventional heat exchangers. Alphabet potentially creates a massive market."

The company has the ability to grow cost-efficiently, Dr. Scullin added, because its break-through technology has enabled its team to draw from “lean” startup and manufacturing practices that preclude the need for the company to build its own manufacturing facility. “This will accelerate our time to market with enormous capital efficiency and enable Alphabet to

become the go-to solution for a variety of industries with massive quantities of wasted energy that can be turned into electricity.”

About Alphabet Energy Inc.

Alphabet is commercializing a breakthrough, inexpensive waste heat recovery technology developed at the Lawrence Berkeley National Laboratory. It will offer the most inexpensive and scalable heat recovery technology on the market to tap into the potential \$200 billion market for the conversion of waste heat into electricity, with the possibility of offsetting as much as 500 million metric tons of carbon per year. For more information, visit www.alphabetenergy.com and follow us on Twitter at www.twitter.com/alphabetenergy.

About Claremont Creek Ventures

Claremont Creek Ventures turbocharges the uncommon startup. As a seed and early stage venture firm, it embraces emerging technologies that accelerate companies’ success in the energy management and conservation, healthcare IT, and security markets. Utilizing its proprietary life-cycle venturing program, CCV partners with East-Bay corridor-based entrepreneurs and institutions, including UC Berkeley, Lawrence Livermore Labs and UC Davis. It has more than \$300 million in capital under management in two funds. In addition to Alphabet Energy, CCV energy management sector investments include EcoFactor, Adura Technologies, Clean Power Finance, and Sentilla. For more information, visit www.claremontvc.com.

About the CalCEF Clean Energy Angel Fund

The CalCEF Clean Energy Angel Fund is a first-in-kind venture capital fund dedicated to making market-based returns in seed-and early-stage clean energy companies. The Fund deploys deep industry networks and experience to target capital-efficient companies focusing on renewable energy, energy efficiency, energy storage, and related products and services. In addition to Alphabet, the Fund is invested in HID Laboratories, a provider of next generation energy efficient lighting solutions, and Allopartis Biotechnologies, a biofuel and green chemistry production optimization company. For more information visit www.calcefangelfund.com.

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