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Innovation Valley Partners Joins \$12 million Series C Financing of SmartSynch, a Leader in Wireless Smart Metering Technology

Marks the fund's first new investment since established two months ago

Knoxville, Tenn., Oct. 17, 2005 – Innovation Valley Partners, L.P. (IVP), a \$35 million venture fund backed by local business leaders, has joined the \$12 million Series C financing of SmartSynch, Inc., a leader in wireless smart metering technology, based in Jackson, Miss.

IVP invested alongside Battelle Ventures and joined SmartSynch's existing investors; specifically, Siemens Venture Capital, JPMorgan Partners, Kinetic Ventures, Nth Power, Endeavor Capital, Lime Rock Partners, Cinergy Ventures and GulfSouth Capital.

This marks the fund's first new investment since being established two months ago as the affiliate of Battelle Ventures, a \$150 million fund whose sole limited partner is Battelle Memorial Institute – which co-manages Oak Ridge National Laboratory (ORNL) for the U.S. Department of Energy (DOE) with the University of Tennessee.

“SmartSynch's core platform, the SmartMeter System, promotes energy efficiency by allowing utility customers to meet increasing end-user energy demands within existing infrastructure, and allows utilities to construct rate structures that drive conservation measures at the consumer level,” says Battelle Ventures Senior Associate Tracy Warren, who also represented IVP in the deal.

“ORNL's economic development relationship with the Mississippi Technology Alliance (MTA) led the Lab to SmartSynch,” Warren continues, noting that SmartSynch has sold some 90,000 SmartMeter Systems at more than 40 major utilities in North America. “The MTA had identified the company's work as complementary to a number of ORNL projects in development, and the Lab led Battelle Ventures and IVP to the company.”

“SmartSynch will bring research dollars to ORNL, through its involvement with a number of current projects,” says Alex Fischer, ORNL's director of Technology Transfer and Economic Development. “For instance, we believe that SmartSynch's technology can create a reliability layer on top of the public wireless infrastructure that's being used to operate SensorNet, a system in development for near-real-time detection, identification, and assessment of chemical, biological, radiological, nuclear and explosive threats, and dissemination of related information to emergency management decision makers and first responders.”

That same technology, he adds, can also allow us “to be more engaged in the DOE's GridWise program, a Presidential Initiative to apply new technologies for the creation of the U.S. electric power grid for the 21st century.”

SmartSynch CEO Stephen Johnston says: “We believe that the collaboration with ORNL will be mutually beneficial. Just as our technology can enhance some of the projects in which the Lab is involved, SmartSynch has identified some nascent technologies being developed there that we might license to enhance *our* capabilities. It’s a quadruple win – for the Lab, for us, for the DOE, and for our investors.”

About InnovationValley Partners

Innovation Valley Partners is the \$35 million affiliate fund of Battelle Ventures, L.P., a \$150 million independent fund that invests in early stage technology companies nationwide. Backed by business leaders in Knoxville, Tenn., Innovation Valley Partners participates alongside Battelle Ventures, focusing on companies in the areas of life sciences, information technology, homeland security, energy and advanced materials/nanotechnology. When it was established in August 2005, the firm assumed a proportionate investment in Battelle Ventures’ portfolio.

For information about those portfolio companies, see www.innovationvalleypartners.com; for more information about SmartSynch, see www.smartsynch.com.

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