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Battelle Ventures Leads \$4-million Series A Financing of BioVigilant Systems Inc., Maker of Biodetectors

Princeton, N.J., May 23, 2006 – Battelle Ventures, L.P., has led the \$4-million Series A financing of BioVigilant Systems, Inc., the inventor of instantaneous microbial detection (IMD™) technology and developer of IMD instruments that detect microbes and bio-agents in air and liquid. Innovation Valley Partners (Battelle Ventures' affiliate fund); Pearl Street Venture Funds; and Community Investment Corporation of Tucson, Arizona, participated in the round.

BioVigilant Systems has been operating since November 2002, funded by \$2.4 million in start-up financing and headquartered in Tucson, Arizona's "Optics Valley." The company currently offers the IMD-A instrument for instantaneous microbial detection of airborne contaminants for applications in homeland security and pharmaceuticals manufacturing, and plans to introduce the IMD-L instrument for liquid sampling in pharmaceuticals by the end of 2006.

Explains BioVigilant Systems President Daniel Joseph: "Our instruments can *instantaneously* detect the presence of extremely small particles and determine, on a particle-by-particle basis, the size of each particle, the total quantity of each size of particle, and if each particle is biologic or inert. These results are provided on a real time and continuous basis. This 'instantaneous microbial detection,' a phrase we coined to distinguish us from the competition, is enabled by our patented optical technology."

Joseph continues: "Particles enter the instruments and are funneled to what's called an 'interrogation area,' where they interrupt a laser beam. The scattered light and intrinsic fluorescence of each particle is captured and measured by separate sensors. The way the light 'scatters' determines the size of each particle, and the presence or absence of fluorescence at certain wavelengths tells us if a particle is biologic or inert and if it meets the set alarm criterion. All this is accomplished in real time."

Says Battelle Ventures General Partner Ralph Taylor-Smith, who has joined the BioVigilant Systems Board of Directors: "Most other analytical methods, such as PCR (or polymerase chain reaction, which is used by the U.S. Postal Service to detect anthrax, for example) and biological cell culture, can take from a day to more than a week to go from sample to results.

"The most common analysis or test method is the conventional plate culture method, whereby airborne samples are periodically taken and grown, and require two to nine days for results," he continues. "Newer, 'rapid methods' can reduce that testing time, but are cumbersome and expensive. And for critical applications in homeland security or pharmaceutical clean-room manufacturing, even a day time-lapse in microbial detection is a major disadvantage."

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He notes that in the event of a biological attack, test results might not come back before disease symptoms occur and, potentially, after lives are already lost. Similarly, he says, in pharmaceutical manufacturing, if microbial contamination occurs, then affected batches of medical drugs could be continuously produced until test results were obtained, resulting in potential losses of millions of dollars due to drug contamination and/or product liability. “So,” he says, “knowing the size and biologic/inert status of particles in *real time* is of significant importance.”

Besides the advantages of real-time detection, he says, “The IMD instruments are small and lightweight with low power consumption, allowing remote and wireless deployment, additional key advantages in the homeland-security sector.”

BioVigilant Systems, he continues, “has elicited enthusiastic response from industry experts and government-sector and pharmaceutical industry prospects, including several who have earmarked funds for testing to validate performance.”

On the pharmaceutical side, he says, Nelson Laboratories, a provider of laboratory services for such regulated industries as pharmaceutical and medical device manufacturing, is currently testing IMD instruments for several major industry clients. Additional testing and evaluation is currently being performed at Bayer Healthcare LLC.

On the government side, he says, the company already has relationships with a number of large defense contractors, such as Lockheed Martin, General Atomics and General Dynamics. Through them, he says, the company is involved in critical-asset-protection projects for mass transit, port security, federal buildings and military-base protection.

Proceeds from the funding round, adds Company President Joseph, will support testing activities; product development, which includes plans to incorporate biological specie identification into its instruments’ capabilities; establishing manufacturing facilities; and ramping up sales and marketing efforts.

About Battelle Ventures

Battelle Ventures, L.P., is a national \$150-million venture fund that invests in technology companies at many early stages of development. The fund, which is based in Princeton, N.J., actively seeks to invest in companies in the following five key areas: life sciences; information technology; homeland security; energy; and advanced materials/nanotechnology. Battelle Ventures enhances and adds value to its portfolio companies by leveraging the technologies and expertise of Battelle Memorial Institute and the National Laboratories it manages or co-manages for the U.S. Department of Energy. For more information about Battelle Ventures, go to www.battelleventures.com. For more information about BioVigilant Systems, go to www.biovigilant.com.

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