

**For Immediate Release**

August 1<sup>st</sup>, 2012

**First Fuel Cell Investment for Canadian IP Fund in  
Pasadena, CA Based SAFCell, Inc.**

Northwater Intellectual Property Fund, managed by Northwater Capital Management Inc. (Toronto, Canada) has invested in SAFCell, Inc. (Pasadena, CA) to fund the commercialization of *solid acid fuel cells* (SAFC) for portable and auxiliary power applications.

SAFCell will use funds to convert its prototype SAFC stacks into commercial-grade units that are compatible with widely available fuels like methanol, propane and diesel. SAFCell will also continue integration efforts with existing system partners, while simultaneously reaching out to new partners. As such, the first commercial SAFC stacks should arrive in parallel with first demonstration SAFC systems. Such systems, based around the fuel flexibility, durability and lower cost of the SAFC technology, should revolutionize first portable and auxiliary power, and then larger mobile and stationary power markets.

“We found a company and technology that has both huge growth potential in a range of power generation markets, and an IP portfolio that will maintain a competitive advantage for the duration of the product development cycle,” said Northwater CEO David Patterson. “This is a completely new fuel cell technology that originated at Caltech, and it’s very promising,” said Patterson.

Fuel cell systems convert energy from fuels into electrical power. At the core of each fuel cell is a special material, called the electrolyte, which allows the production of electricity through efficient electrochemical processes, as opposed to typical fuel combustion. The composition of the electrolyte differentiates one fuel cell type from another. SAFCell’s technology is based on a new class of solid electrolytes called solid acids.

Northwater Intellectual Property Fund capitalizes on the riches produced by intellectual endeavor by investing in companies that have a competitive advantage due to their possession of copyrighted, patented, or trademarked material or trade secrets.

SAFCell, Inc. develops scalable solid acid fuel cell stacks for applications requiring tens of watts to tens of kilowatts. Operating at mid-range temperatures around 250°C, SAFCell’s stacks tolerate fuel impurities that pose obstacles to other fuel cell technologies. This allows SAFCell stacks to run more easily on commercially available gas fuels (e.g., propane and methane) or liquid fuels (e.g., methanol, ethanol, and diesel), greatly reducing the overall fuel cell system complexity and cost.

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