



LiquidPiston Inc. Secures Seed Capital

HARTFORD, Conn – July 23, 2007 – LiquidPiston, Inc. today announced that it closed its first venture capital investment round with Adams Capital Management and Northwater Capital. The company is developing a new Internal Combustion Engine (ICE) that exploits heretofore untapped thermodynamic design space in one of the industrial age's oldest and largest markets.

A runner up in MIT's 2004 Entrepreneurship Competition, LiquidPiston has come a long way from its early beginnings in inventor Nik Shkolnik's garage. Earlier this year, the company announced a \$70,000 Phase I grant from the Army Small Business Innovation Research (SBIR) program. The father-son team led by immigrant physicist Nikolay and his son Alexander Shkolnik, a graduate student in MIT's department of Electrical Engineering & Computer Science, will use this latest \$1.25 million seed round of venture capital to build and test a working prototype.

"The potential of this technology is tremendous, and the interest we are seeing from both the public and private sectors is very encouraging," said Dr. Ed Crow, retired senior vice president of Pratt & Whitney and an advisor to LiquidPiston. "With this latest round of investment, LiquidPiston is on its way to achieving its goal of revolutionizing the \$250 billion market for internal combustion engines."

With an architecture that is inherently scaleable from lawnmowers to locomotives and efficiencies that may someday put the 100 mile per gallon automobile within reach, LiquidPiston hopes to breathe new life into the ICE business, which is coming under increasing pressure due to both environmental and energy security concerns. Founder Nik Shkolnik noted, "Most of this technology could have been manufactured in the 1920's, but our new engine would have been impossible to design without today's advanced computer-aided simulation and design tools."

Aside from significant improvements in fuel efficiency, LiquidPiston's approach to ICE design has the potential to result in a substantially higher power-to-weight ratio, fewer moving parts leading to higher reliability and lower maintenance costs, and significantly lower emissions.

About LiquidPiston

LiquidPiston, Inc. develops rotary internal combustion engines based on an innovative thermodynamic cycle, increasing average-load efficiency to above 50%, which reduces fuel consumption by as much as threefold over conventional engines. LiquidPiston engines are quiet, compact and powerful, with a lower total carbon footprint for environmental sustainability. To learn more, visit www.liquidpiston.com.

About Adams Capital

Established in 1994, Adams Capital Management (ACM) is a national venture capital firm with \$807 million under management. ACM is a lead Series A investor that is noted for its industry and operations expertise in the information technology, networking infrastructure and semiconductor industries. ACM's discontinuity-driven investment strategy targets emerging growth companies with disruptive technologies that yield innovative products with the potential to define and dominate their product categories. ACM is a proud sponsor of the MIT \$100k Entrepreneurship Competition. For more information visit www.acm.com.

About Northwater Capital

Northwater Capital Inc. is a leading investment management company, wholly owned by its employees. Northwater manages over US \$9.5 billion in assets, applying innovative investment strategies and sophisticated proprietary software in assisting major institutions to build optimal portfolios. In particular, Northwater applies the sciences of advanced finance and systems engineering toward the objective of delivering highly diversified market returns plus robust alpha. For more information please see www.northwatercapital.com.

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