



LiquidPiston awarded SBIR grant from U.S. Army

HARTFORD, Conn – January 3, 2007 – LiquidPiston, Inc. the developer of a new internal combustion engine, announced today that the Army Small Business Innovation Research (SBIR) program has awarded the company a Phase I grant for \$70,000. The grant will be used for engine research and development to be performed over 6 months, with an additional \$50,000 3-month Option. Upon the successful completion of Phase I, LiquidPiston may be awarded up to an additional \$750,000 for Phase II. "It is wonderful that the Army has recognized our engine's energy efficiency and power density potential," said Nikolay Shkolnik, company co-founder and LiquidPiston engine inventor. "This award will allow us to continue in full force, developing a compact engine that will require up to 50% less fuel at full load than other internal combustion engines, while at the same time reducing pollutant emissions up to 75%."

"In addition to the many uses for the Army, our engine's scalability and flexibility to operate on many fuel types will in the future allow it to address over \$275B in engine markets," commented Seymour Friedel, LiquidPiston CEO.

About the Army SBIR Program

The Department of Defense's (DOD) Small Business Innovation Research program "funds early-stage R&D projects at small technology companies -- projects which serve a DoD need and have the potential for commercialization in private sector and/or military markets. The program, funded at approximately \$1.164 billion in FY 2006, is part of a larger (\$2.3 billion) federal SBIR program administered by eleven federal agencies."

"As part of its SBIR program, the DoD issues an SBIR solicitation three times a year, describing its R&D needs and inviting R&D proposals from small companies -- firms organized for profit with 500 or fewer employees, including all affiliated firms. Companies apply first for a six-month to nine-month phase I award of \$70,000 to \$100,000 to test the scientific, technical, and commercial merit and feasibility of a particular concept. If phase I proves successful, the company may be invited to apply for a two-year phase II award of \$500,000 to \$750,000 to further develop the concept, usually to the prototype stage. Proposals are judged competitively on the basis of scientific, technical, and commercial merit. Following completion of phase II, small companies are expected to obtain funding from the private sector and/or non-SBIR government sources (in "phase III") to develop the concept into a product for sale in private sector and/or military markets." (SBIR website)

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.

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