



LiquidPiston Raises \$5M for Engine Development

BLOOMFIELD, Conn – January 26, 2011 – LiquidPiston, Inc. – Continuing its drive to build the most compact, efficient Internal Combustion Engine (ICE) in history, LiquidPiston, Inc. announced the closing of a \$5M Series B investment round. Northwater Capital and Adams Capital Management were joined by unnamed angel investors from the high-tech industrial community attracted by the striking potential of the company's new designs.

Progressing through a series of concept prototypes, LiquidPiston's most recent M2.5 engine is the first naturally aspirated rotary engine to fire on both gasoline and diesel fuels. Embodying patented High Efficiency Hybrid Cycle (HEHC) design concepts pioneered by LiquidPiston's founders Nikolay and Alec Shkolnik, LiquidPiston has put the ICE industry on a new learning curve, targeting unprecedented levels of efficiency and power density. The HEHC thermodynamic cycle has a 74% thermal efficiency limit, significantly higher than Otto or Diesel cycles which most engines operate on.

Sidestepping the insatiable capital demands and decade long design-in cycles of engines targeting automotive primary propulsion, LiquidPiston's sub-50 horsepower designs are tailored for markets that are easier and quicker to enter, including portable gensets, Auxiliary Power Units (APUs), and Electric Vehicle (EV) range extenders. "It's really quite astounding how far the LiquidPiston engineering team has come on such a small amount of capital," said David Patterson, CEO of Northwater Capital. "We believe this next phase of development will deliver clear proof points to our prospective corporate partners that HEHC engines are ready for commercialization."

Speaking from the company's new test cell facilities just outside Hartford, CT, cofounder and inventor Nikolay Shkolnik reflected on the challenges of trying to bring radical change to such a mature industry. "Many unproven technologies with immature ecosystems are attracting attention right now, but it will be decades before combustion engines and ecosystems that support them surrender their prominent role in our economy. So much can be gained by making ICEs smaller, lighter, more fuel efficient, and hence more ecologically friendly. It would be a pity to falsely presume that combustion engines can't be made even better."

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.

###

Contacts

BIGfish Communications
Meredith Frazier
617-713-3800
meredith@bigfishmarket.com