

PATRICK-MURRAY ADMINISTRATION ANNOUNCES EXPANSION OF INNOVATIVE WIND TURBINE COMPANY

With \$3 million in financing from the Massachusetts Clean Energy Center, "transformative" energy technology-grant winner, FloDesign will open new office, create jobs in Massachusetts

BOSTON - Thursday, April 8, 2010 - As part of the Patrick-Murray Administration's Massachusetts Recovery Plan, Governor Deval Patrick today announced that Wilbraham-based FloDesign Wind Turbine Corp., developer of a U.S. Department of Energy-recognized "transformative" wind energy technology, will expand its operations in Massachusetts. The company is establishing a new corporate headquarters and product development center in the historic Waltham Watch Factory in addition to maintaining its aerodynamic research center in Wilbraham. The company also intends to assemble its first wind turbines in Massachusetts.

"FloDesign has been recognized for its 'transformative' technology by U.S. Energy Secretary Steven Chu, and I am pleased to see this innovative Massachusetts company choosing to stay and grow right here, creating jobs and helping Massachusetts show the nation and the world the way toward a clean energy economy," said Governor Patrick.

"As our Administration continues to position the Commonwealth for long-term economic growth, we have pulled together attractive resources and tools to offer innovative companies, who are committed to expanding their clean energy business in Massachusetts," said Lieutenant Governor Timothy Murray. "We want to see these companies succeed and grow here, and our strategic investments are helping companies like FloDesign accomplish these goals."

To help facilitate this expansion, the Massachusetts Clean Energy Center (MassCEC) has approved a \$3 million financing package for FloDesign. The package includes a five-year \$700,000 forgivable loan, contingent on the company maintaining its corporate headquarters and primary R&D facility in Massachusetts, creating or retaining 150 jobs in the next three years and maintaining those jobs for an additional two years. In addition, the package includes a \$600,000 convertible grant, which gives MassCEC an equity stake in FloDesign should the company receive additional financing, and \$1.7 million from MassCEC's Renewable Energy Trust to defray a portion of the cost of installing the company's first "shrouded" wind turbines at state or local public entities and non-profit organizations.

"In a very competitive process, the Commonwealth developed a financing package that allows FloDesign to accelerate its job growth in Massachusetts," said FloDesign CEO Lars Andersen. "We have a lot of hard work ahead of us, and are excited to have strong partners in Governor Patrick and the MassCEC."

Founded in 2007, FloDesign Wind has developed a high-efficiency shrouded wind turbine design based on mature jet engine technology, which promises to deliver more than three times the amount of energy as traditional wind turbines for the same size rotor. FloDesign Wind's innovative wind energy technology was originally developed by founders Dr. Walter M. Presz Jr. and Dr. Michael J. Werle, and is protected by over 170 patents and patent applications worldwide.

With rotors half the size of a traditional turbine and lower tower height, FloDesign wind turbines could be installed at locations, like airports, that can be problematic for conventional wind turbines. Massport has already sent a formal expression of interest in deploying FloDesign's wind turbine technology, with assistance from MassCEC's Renewable Energy Trust.

"Massport embraces technology that helps the environment and we are very excited about the prospect of bringing this cutting edge wind energy technology to test it in an airport environment," said Thomas J. Kinton Jr. CEO and Executive Director of the Massachusetts Port Authority. "We look forward to working with FloDesign to understand the technology fully and push for the necessary regulatory approval from the FAA so that we can install one or more turbines at a Massport airport in a pilot program."

"The financial package provided by MassCEC advances three goals Governor Patrick sees as important to expanding the clean energy industry. It will keep an innovative clean energy company right here in Massachusetts, it will help public entities benefit from this advanced renewable energy technology and it will give FloDesign Wind real-world experience to learn from," said Secretary of Energy and Environmental Affairs Ian Bowles, who chairs MassCEC's board of directors.

In 2008, FloDesign won the MIT Clean Energy Entrepreneurship Prize as well as the Ignite Clean Energy Competition. Since that time, the company has raised over \$40 million of venture capital financing in two rounds. In 2009, the company was also awarded an \$8.3 million grant as part of the U.S. Department of Energy's highly competitive Advanced Research Projects Agency - Energy (ARPA-E) program, which supports the development of "transformational" energy technologies.

In the first round of ARPA-E grants, funded by the American Recovery and Reinvestment Act, Massachusetts companies and institutions won the largest share of awards of any state and the greatest number of grants to start-up companies like FloDesign.

"With the support of Governor Patrick and Secretary Bowles, MassCEC's innovative and comprehensive financial investment program is creating the right incentives for clean energy companies to choose the Commonwealth," said MassCEC Executive Director Patrick Cloney. "FloDesign had plenty of other states pursuing them, but the company's decision to stay in the Commonwealth shows that Massachusetts has everything a clean energy company needs to succeed."

"I commend the Patrick-Murray Administration for acknowledging the important innovative work that FloDesign Wind Turbine Corporation is doing to develop clean energy alternatives and solutions. I think it is a testament to the city of Waltham that once again, given its rich history as the birthplace of the industrial revolution, we are on the cusp of new technologies moving Massachusetts into the future," said Representative Peter Koutoujian.

"This announcement is great news for my district. FloDesign's expansion means more jobs for Massachusetts. I credit the Governor and the Massachusetts Clean Energy Center for making this wise investment in good jobs in a growing sector," said Representative Angelo Puppolo.

Created by the Green Jobs Act of 2008, the Massachusetts Clean Energy Center (MassCEC) has as its mission to foster the growth of the Massachusetts clean energy industry by providing seed grants to companies, universities, and nonprofit organizations; funding job training and workforce development programs; and, as home of the Massachusetts Renewable Energy Trust, supporting the installation of renewable energy projects throughout the state.

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