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Velocys Recognized for Intellectual Property Leadership

Review of Microreactor Patents Shows High Level of Activity and Emerging Trends

PLAIN CITY, Ohio, May 27, 2008 – Velocys Inc. and its parent organization, Battelle Memorial Institute, were recognized as two of three leading patent holders in the emerging field of microreactor technology, which is also known as microchannel process technology or simply microchannel technology. With 135 and 129 patents respectively, Battelle and Velocys ranked second and third behind pharmaceutical giant Merck, which has 144 published microreactor technology patents.

According to the authors, Volker Hessel, Christoph Knobloch and Holger Löwe, all of which are associated with Institut für Mikrotechnik Mainz (IMM) in Germany, “During the last five years, the number of patent publications in the field of microreactor engineering has increased steadily and seems now to approach a more constant level” and “The majority of patents are initiated by German, US, and Japanese inventors.” Patenting in this emerging field peaked in 2004 when about 350 patents were published. The steadying of patent activity is attributed to saturation and a shift to more process oriented patent publications.

The combined Velocys-Battelle portfolio has 264 patents, nearly twice as many as Merck. Other notable organizations on the list include, two pioneering German research institutes Karlsruhe and IMM, which ranked fourth (with 54 patents) and ninth (39 patents) respectively, as well as major chemical and industrial companies Uhde (fifth), Siemens (sixth), Degussa (seventh), Bayer (tied-ninth) and Clariant (tenth).

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About Velocys

Velocys, Inc. is changing the way the world produces energy, chemicals and biofuels with revolutionary microchannel technology. Velocys, a subsidiary of Battelle Memorial Institute, was launched in 2001 and has developed a portfolio of 78 issued US patents and received \$100 million of investment from industry leading partners, including Dow Chemical, Toyo Engineering and MODEC. Velocys is headquartered near Plain City, Ohio. For more information, visit www.velocys.com.