



## *News Release*

**Contact:** Avista Labs: Sandra Saathoff (509) 228-6553 [ssaathoff@avistalabs.com](mailto:ssaathoff@avistalabs.com)  
EPVC: Carl Eibl, Managing Director & COO (858) 731-0230 [ceibl@epvc.com](mailto:ceibl@epvc.com)

**FOR IMMEDIATE RELEASE:**  
September 17, 2003  
8:30a.m. EDT

### **Avista Labs Secures Additional Equity Financing *Enterprise Partners Venture Capital invests \$5 million***

**Spokane, Wash.:** – Avista Labs, the leading provider of reliability-based fuel cell solutions for backup power applications, has secured an additional US \$5.0 million in equity financing from Enterprise Partners Venture Capital (EPVC), based in San Diego, California. EPVC joins an incumbent syndicate consisting of Avista Corp, Buerk Craig Victor, Chrysalix Energy, and Wall Street Technology Partners.

Mr. Naser Partovi, Managing Director of EPVC, will join the Avista Labs Board of Directors. Mr. Partovi brings extensive background in telecommunications along with the financial strength of EPVC, the largest early stage venture capital group in Southern California. Mr. Partovi joined Enterprise Partners in 2000. He has over 20 years of management and operating expertise in the telecommunications and optical networking markets. Prior to joining the firm, Naser was Vice President of Strategy and Business Development for *Nortel's* optical networks business. In this role, Naser was responsible for investments in startup companies, acquisition of optical companies and a broad range of partnerships.

Naser Partovi commented, "I am very excited about the potential of fuel cell technology in particular and more specifically the innovations introduced by Avista Labs to produce reliable backup power. I am encouraged with the customer traction they have achieved."

Avista Labs President and CEO, Mike Davis stated, "Naser Partovi and EPVC are an excellent addition to our current investors, bringing substantial knowledge and contacts in our key telecommunications markets. EPVC will greatly improve our ability to expand our telecommunications customer base and accelerate our product rollout. The timing is also good as we recently received additional certifications for our products in North America and Europe and also extended our contract with the Federal General Services Administration to include our 1kW product and enclosure. This additional funding provides sufficient resources to fully fund our business plan."

**more**

## **Page 2 Avista Labs Secures Additional Equity Financing**

Davis continued, “The recent blackout clearly reminds us of the importance of backup power systems. Outages will always occur for various reasons. When outages occur, the backup power systems that keep our safety and communications functions going are crucial. In a substantial number of backup power applications, our products provide significantly longer backup run times and a better environmental and economic solution than the batteries currently being used. Today, we can supply a hydrogen fuel cell solution for telecommunications customers that provides 8 to 48 hours of backup power with better economics than a battery system that is limited to 8 hours or less of operation. Today, our systems are providing backup power for aviation systems, state radio systems and are beginning testing with leading telecommunications providers.”

### **About Enterprise Partners Venture Capital:**

Enterprise Partners is the largest venture capital firm in Southern California, with more than \$1 billion in assets. The firm provides capital and strategic guidance to early stage and emerging growth companies in networking and telecommunications, enterprise software, semiconductors and computing, life sciences, and the convergence of those technologies across a broad array of markets.

### **About Avista Labs:**

Avista Labs is a leader in the development and marketing of modular Proton Exchange Membrane (PEM) fuel cell products. The company markets a variety of commercially available fuel cells using its patented Modular Cartridge Technology®. Avista Labs products are available domestically and internationally for commercial and industrial backup applications in the 50 Watt to 6 kilowatt range. Avista Labs fuel cells are certified to US and international safety and performance standards. [www.avistalabs.com](http://www.avistalabs.com) .

This press release contains "forward-looking statements." These forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause Avista Labs' actual results, performance, or achievements to be materially different from any future results, performance or achievements express or implied by such forward-looking statements. The forward-looking statements made in this press release are based on assumptions and judgments of management regarding future events and results. These assumptions and judgments may prove to be inaccurate as a result of a number of factors, many of which are beyond Avista Labs' control, and its actual results may differ materially from the results contemplated in these forward-looking statements.