



News Release

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FOR IMMEDIATE RELEASE:

November 4, 2004

8:00a.m. EDT

ReliOn Secures Second Round Financing ***Oak Investment Partners leads \$25 million Series B financing***

Spokane, Wash.: ReliOn, the leading provider of high-reliability fuel cell solutions for backup power applications, announced today that it has secured an additional U.S. \$25 million in equity financing as a result of its Series B funding activities. Leading this Series B round of financing was Oak Investment Partners, of Palo Alto, California, participating alongside ReliOn's existing investors. Oak joins a strong syndicate of Venture Capital investors in ReliOn including Enterprise Partners Venture Capital, Wall Street Technology Partners, Chrysalix Energy, and Buerk Dale Victor, along with ReliOn's former parent corporation Avista Corp.

With the completion of this Series B financing, Bandel Carano, General Partner of Oak Investment Partners, will join ReliOn's Board of Directors. Mr. Carano brings an extensive background of investment experience and expertise in high tech and telecommunications companies along with the financial strength of Oak Investment Partners, a multi-stage investment firm with total investments in excess of \$5.8 billion in committed capital.

"We are pleased to welcome Oak along with the current investors in supporting ReliOn through the next successful phase of its commercial deployment of fuel cell systems," stated Naser Partovi, Managing Director of Enterprise Partners Venture Capital.

Mr. Carano commented, "ReliOn represents a unique opportunity to invest in an alternative energy enterprise with near-term market opportunities in premium power back-up markets that are increasingly demanding longer run-times."

ReliOn President and CEO, John Werderman stated, "We are very pleased with the completion of this Series B financing, and look forward to the contributions that Oak will make to the already strong ReliOn board of directors. Bandel Carano and Oak Investment Partners are an excellent addition to our current investors, bringing substantial knowledge and contacts in our key telecommunications markets. We are now receiving very positive responses from commercial trials with certain early adopter and key-influence customers in the telecom backup power market segment and anticipate follow-on orders with these and other market segment customers.

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This funding will enable us to increase our engineering, sales, and marketing resources and move at a faster pace in the commercialization of our fuel cells.”

About Oak Investment Partners:

Oak Investment Partners is a multi-stage Venture Capital firm with a total of \$5.8 billion in committed capital. Investments are primarily focused on growth opportunities in internet/enterprise software and services, telecommunications equipment and services, data storage, financial services technology, outsourced services, healthcare services and retail. Over a 25-year history, Oak has achieved a strong track record as a stage-independent investor funding more than 350 companies at key points in their lifecycle. Oak has been involved in the formation of companies, funded spinouts of operating divisions and technology assets, and provided growth equity to mid- and late-stage private businesses and to public companies through PIPE investments. A representative list of Oak portfolio companies includes Aquantive, Compaq, Inktomi, InterNAP, Parametric, Pivotal, Polycom, Primus, Seagate, Sybase, Synopsys, Tensilica, Wellfleet, and Wireless Facilities.

About ReliOn:

ReliOn is a leader in the development and marketing of modular Proton Exchange Membrane (PEM) fuel cell products. The company markets commercially available fuel cell products using its patented Modular Cartridge Technology®. ReliOn products are available domestically and internationally for commercial and industrial backup applications in the 500-watt to 5-kilowatt range. ReliOn fuel cells are certified to multiple safety and performance standards. www.relion-inc.com.

ReliOn's Investors:

Oak Investment Partners www.oakvc.com

Enterprise Partners Venture Capital www.epvc.com

Wall Street Technology Partners LP www.wallstreettp.com

Chrysalix Energy Management, Inc www.chrysalix.com

Buerk Dale Victor, LLC www.bdvlc.com

Avista Corp. www.avistacorp.com

This press release contains "forward-looking statements." These forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause ReliOn's 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 ReliOn's control, and its actual results may differ materially from the results contemplated in these forward-looking statements.