

Venture Capital Funding Quarterly

Alternative Energy • Clean Technology Energy • Environmental

4th Quarter, 2011 – United States

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Summary

During the fourth quarter of 2011, a total of 47 companies received \$618 million in disclosed venture capital funding, representing a 20% decrease in the number of companies being funded and a 30% decrease in total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

The Alternative Energy, Energy and Clean Technology sectors showed deal funding volume decreases, while the Environmental industry showed a funding amount increase versus the previous quarter.

Funding Activity

Alternative Energy

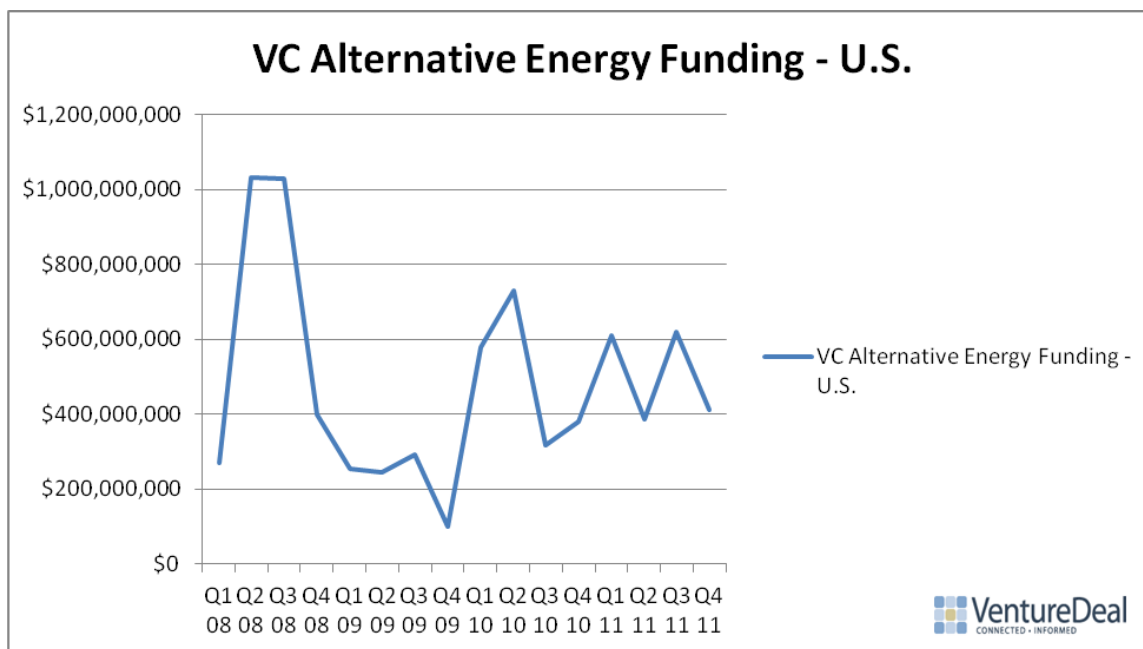
Alternative Energy companies, which include solar, biofuels, wind power, hydrogen and other non-fossil fuel energy developers, continued to receive the largest share of funding of the four industry sectors. 30 companies received \$412 million in venture capital financing, which represented a 23% decrease in the number of companies being funded and a 33% decrease in funding amounts versus the third quarter of 2011.

In the biofuel space, [Fulcrum Bioenergy](#) secured the largest financing of the quarter, raising \$69 million from a syndicate of venture capital and private equity firms. The company operates facilities that convert municipal solid waste and other waste products into renewable transportation fuels.

In the solar space, Reel Solar (no website) garnered \$15.4 million in an unpublished round from noted alternative energy investor Nth Power and others. The company is developing as yet unspecified solar energy technologies and is still in stealth mode.

In the wind energy space, Flagstaff, Arizona-based [Southwest Windpower](#) landed \$1.65 million from the Altira Group. The company says that it is the world's largest producer of small wind generators with output ranges between 400 - 3000 Watts.

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Chart 1


Clean Technology

Clean Technology deal volume continued its previous downward trend by showing a 52% decrease to \$52 million in total funding among 7 companies and a 42% decrease in the number of companies funded versus the previous quarter.

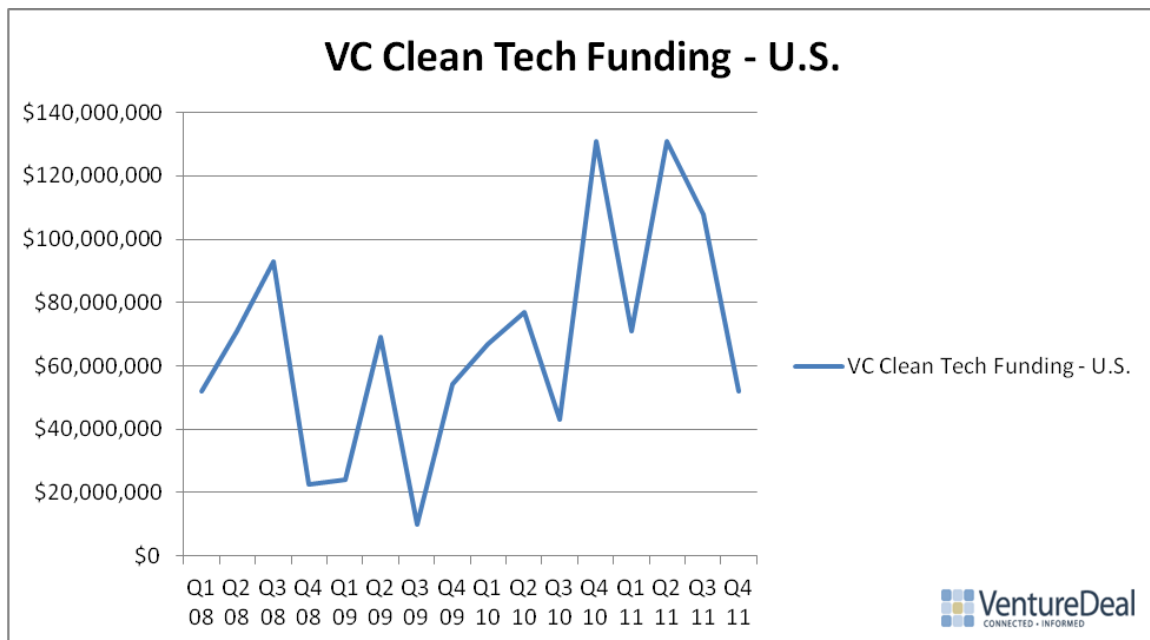
El Segundo, California-based [NanoH2O](#) received \$14.9 million during the quarter from investors including Oak Investment Partners. The company has developed a number of nanotechnologies that enhance current polymer-based membrane performance that helps to reject contaminants and salt for water purification purposes.

In the emissions reductions space, [Eco Power Solutions](#) secured \$1.7 million for its integrated energy recapture and emissions reduction solution. It received funding from the Altira Group.

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Albuquerque, New Mexico-based [Miox](#) raised \$5 million from Sierra Ventures. Miox has created mixed-oxidant technologies that safely disinfect water while not requiring the use of dangerous or difficult to obtain chemicals. The technology was originally developed by the Los Alamos Technical Associates under contract to the U.S. Army.

Chart 2

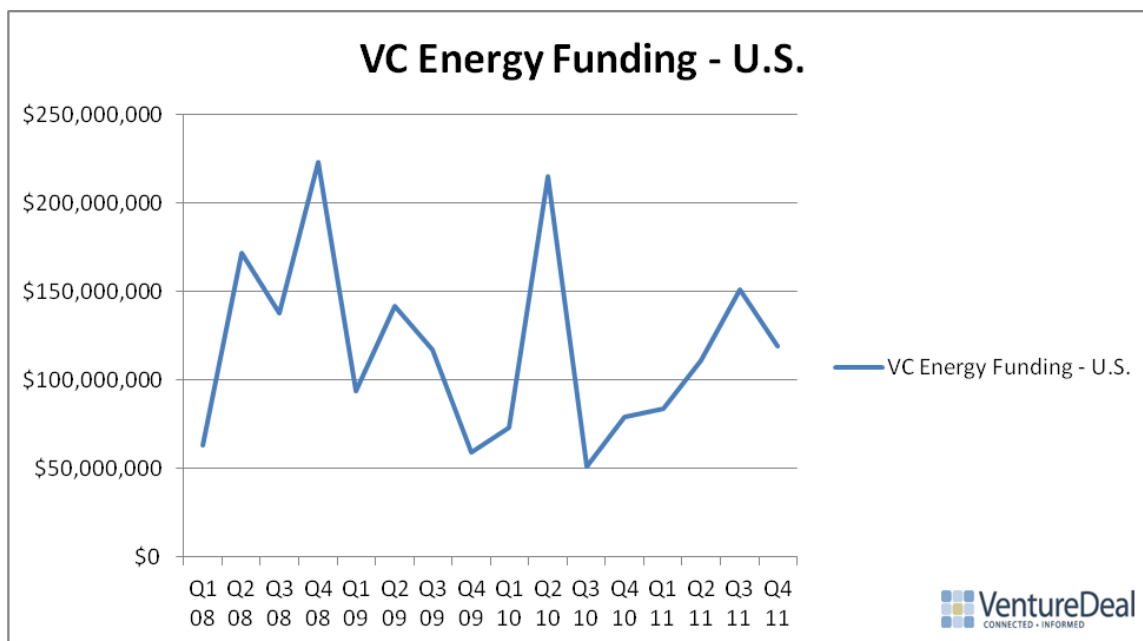


Energy

Venture-backed Energy company fundings decreased by 21% to \$119 million compared to \$111 million in the previous quarter. The number of companies funded increased to 8 when compared to the previous quarter.

Bloomfield, Connecticut-based [LiquidPiston](#) received \$1.5 million in its second round of funding. The company says that it has created a new type of internal combustion engine architecture that "may run as efficient as fuel cells" but potentially at a fraction of the cost.

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Chart 3


Environmental

The Environmental sector had two transactions for the quarter, the same as during the previous quarter, thus continuing its relatively low activity level.

[eRecyclingCorps](#) raised a significant \$35 million financing round from top-tier venture capital firm Kleiner Perkins Caufield & Byers and others. The company said it would use the financing to expand its reach to more carriers and retailers around the world.

Also in the recycling space, [RecycleRewards](#) landed an undisclosed amount of funding from strategic investor [Waste Management](#). As part of the investment, Waste Management said that it will provide access to RecycleRewards' green rewards program to its nearly 20,000,000 North American customers.

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Chart 4

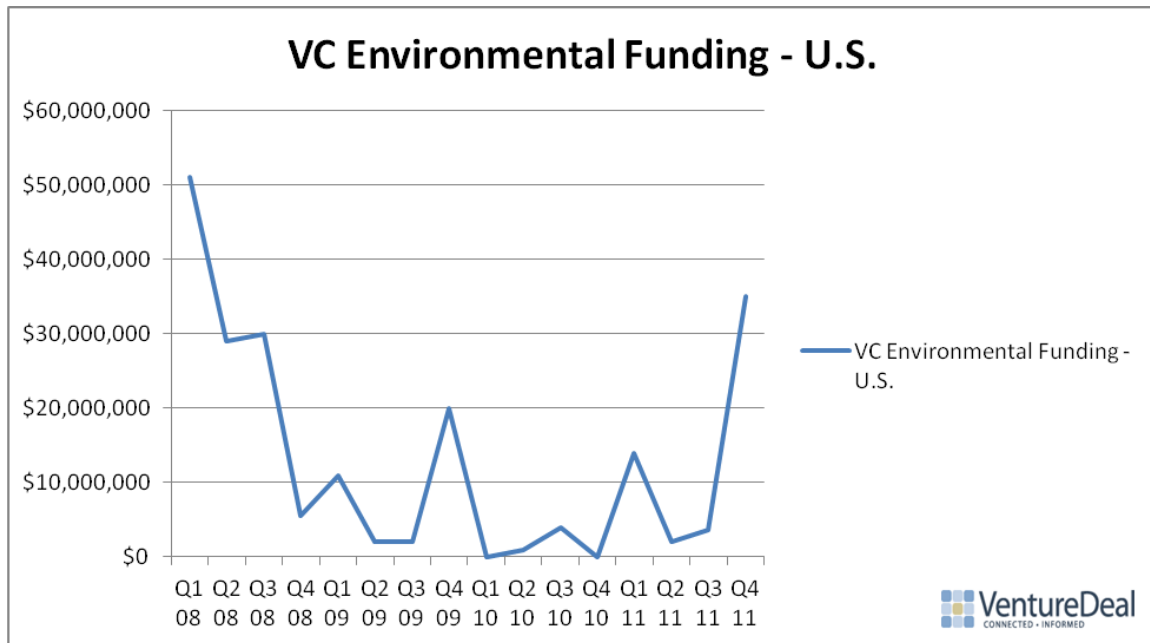


Table 1 On Next Page

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Table 1

Venture Funding Activity – 4th Quarter 2011

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$412 million	- 33%	30	- 23%
Clean Technology	\$52 million	- 52%	7	- 42%
Energy	\$119 million	- 21%	8	+ 33%
Environmental	\$35 million	+ 872%	2	--
Total	\$618 million	- 30%	47	- 20%

Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the VentureDeal.com database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology Companies, venture capital funds and venture capital financing in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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