



Venture Capital Funding Quarterly

Alternative Energy • Clean Technology Energy • Environmental

4th Quarter, 2012 – United States

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Summary

During the fourth quarter of 2012, a total of 55 companies received \$407 million in disclosed venture capital funding, representing an 8% decrease in the number of companies being funded and a 40% decrease in total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

All four sectors showed deal funding volume decreases, while the Alternative Energy and Environmental industries showed an increase in the number of companies receiving funding increase versus the previous quarter.

Funding Activity

Alternative Energy

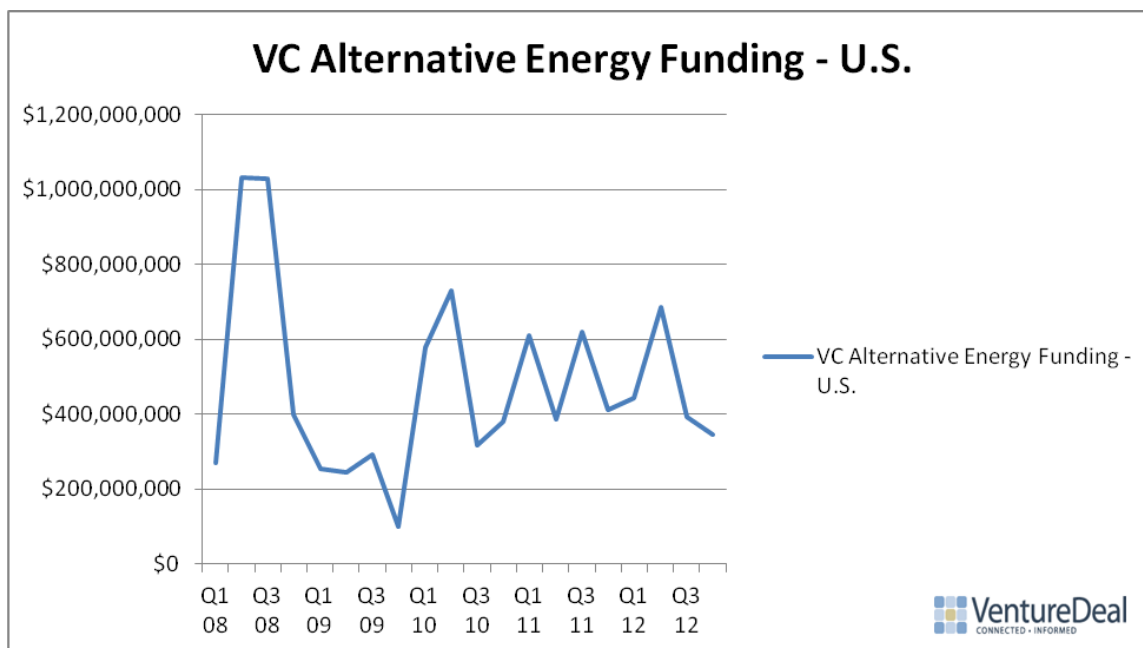
Alternative Energy companies, which include solar, biofuels, wind power, hydrogen and other non-fossil fuel energy developers, continued to receive the largest share of funding of the four industry sectors. 41 companies received \$346 million in venture capital financing, which represented a 58% increase in the number of companies being funded and a 12% decrease in funding amounts versus the third quarter of 2012.

In the biofuel space, [Proterro](#) secured \$3.5 million from a syndicate of investors. Proterro is developing technology that makes sucrose instead of extracting it, thus lowering the cost of production for its use in biofuels and bio-based chemicals. The company said it would use the financing to accelerate its partnership outreach efforts and build its first demonstration scale plant.

In the solar space, [OneRoof Energy](#) of San Diego, California secured \$2.5 million in venture capital debt financing according to an SEC regulatory filing. OneRoof owns and operates solar energy generation systems focused on the residential market.

In the wind energy space, [Sauer Energy](#) garnered \$15 million from a strategic investor. The company has developed small-scale wind turbine systems that are suitable for roof mounting on homes or small buildings. Sauer said the funds would be used to expand its manufacturing capabilities to meet customer demand.

Chart 1



Clean Technology

Clean Technology deal volume plummeted by showing a 97% decrease to just \$5 million in total funding among 5 companies, a 75% decrease in the number of companies funded versus the previous quarter.

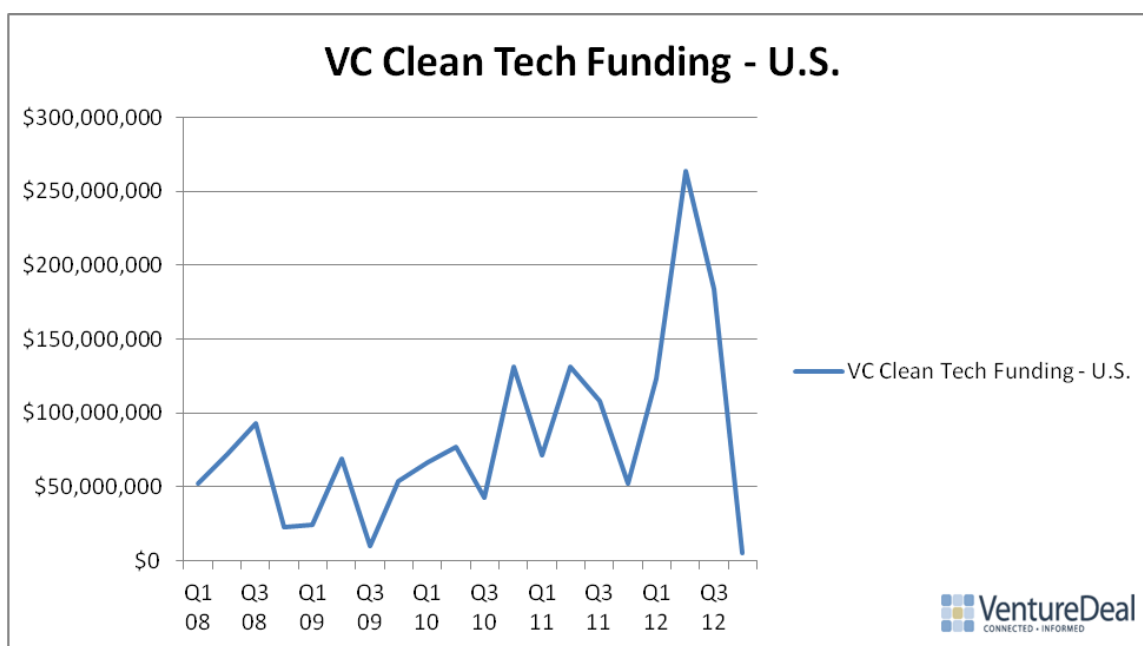
[Enerpulse](#) collected \$2.3 million from investors including traditional and alternative energy investor [Altira Group](#). The company develops environmentally friendly products through the application of pulse power technology.

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In the water purity space, [HydroNovation](#) secured \$1.5 million in new venture capital debt funding, according to an SEC regulatory filing. The company has adapted industrial techniques for making high purity water for pharmaceutical and medical applications for residential, commercial, food and beverage water treatment and conditioning uses.

[OSM Environmental](#) received \$750,000 to continue commercializing its patented environmentally friendly spill cleanup products, which it says are much more absorbent than traditional clay-based options. The company did not say how the funding proceeds would be used.

Chart 2



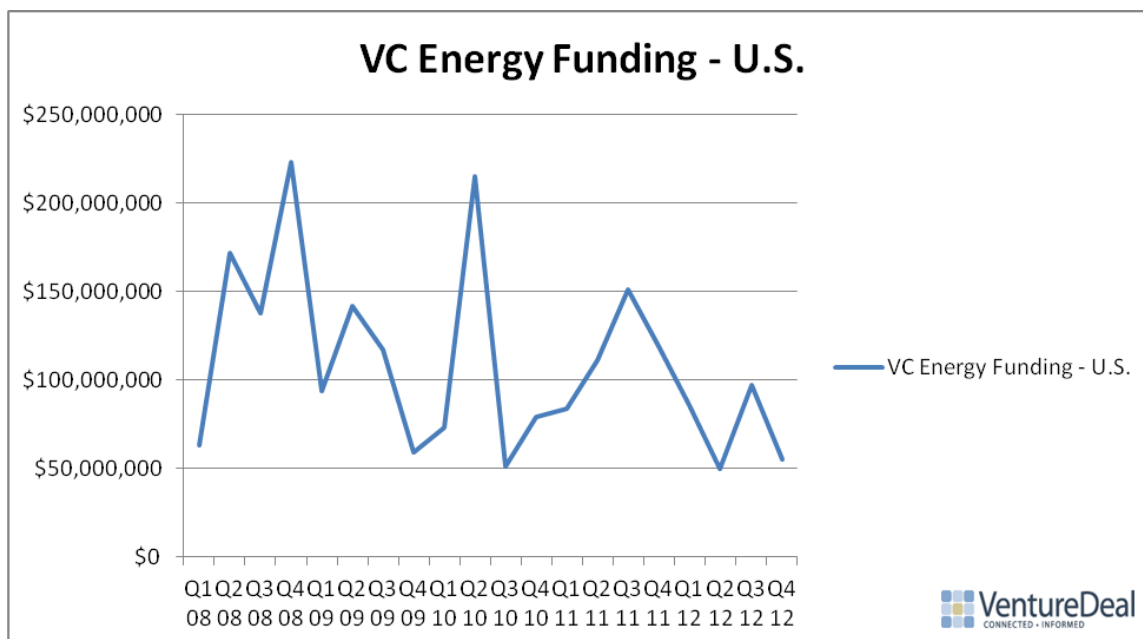
Energy

Venture-backed Energy company fundings decreased by 43% to \$5 million, compared to \$97 million in the previous quarter. The number of companies funded decreased from 12 in the previous quarter to 7.

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[Enevate](#) raised the largest funding round of the quarter, receiving \$24 million. The company has developed what it considers to be next-generation rechargeable battery technologies that improve upon existing lithium-ion technology. The round included Chinese venture capital fund [Tsing Capital](#) in the investor syndicate.

Chart 3



Environmental

The Environmental sector had three transactions for the quarter, one more than in the previous quarter, thus continuing its relatively low activity level.

Wayne, Pennsylvania-based [Finite Carbon](#) raised \$200,000 in additional financing, according to an unpublished report. The company has developed a single source solution for creating and monetizing carbon credits. [TL Ventures](#) made the investment.

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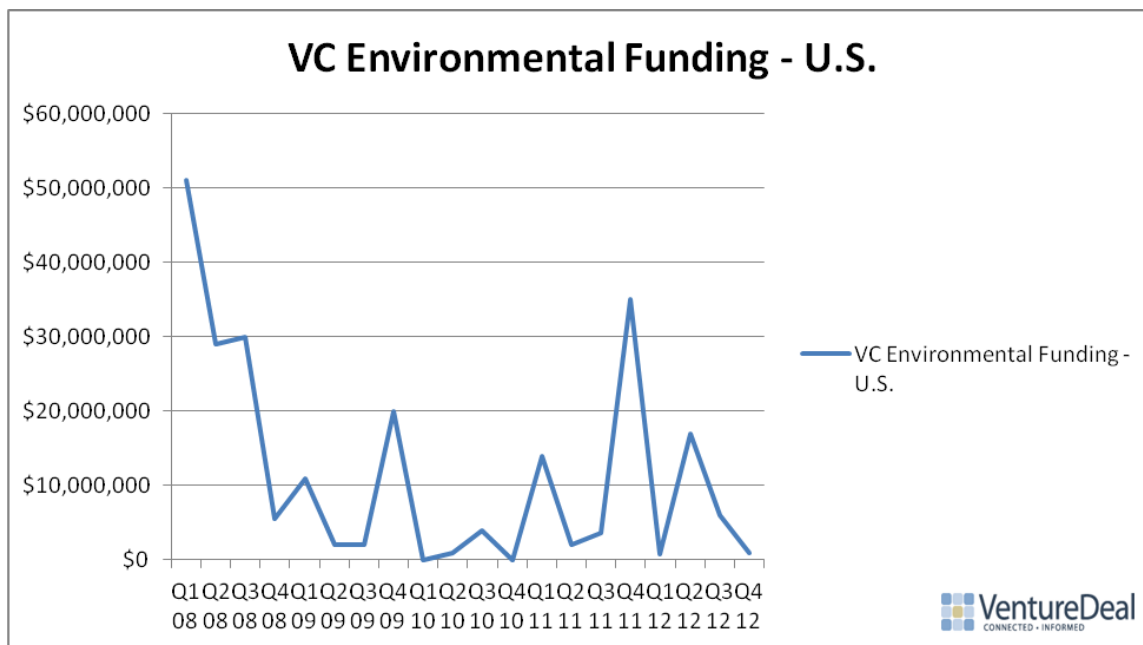
Chart 4


Table 1

Venture Funding Activity – 4th Quarter 2012

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$346 million	- 12%	41	+ 58%
Clean Technology	\$5 million	- 97%	5	- 75%
Energy	\$55 million	- 43%	7	- 42%
Environmental	\$1 million	- 83%	3	+ 50%
Total	\$407 million	- 40%	55	- 8%

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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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