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**ActaCell Engages With AVL To Develop Initial Design For Its Lithium-Ion Battery Technology; Medium And Heavy-Duty Truck Market Identified As Best Fit**

*Next Steps Include Pilot-Scale Manufacturing with US-based Partner*

**AUSTIN, Texas – September 28, 2010** – ActaCell announced today that it is working closely with AVL, the world’s largest privately owned and independent company for the development of gasoline, diesel, alternative fuel, electric and hybrid powertrain systems. The company engaged AVL to test ActaCell’s lithium-ion battery technology in a number of independent, simulated settings to determine viability and efficiency for commercialization purposes.

Based on positive test results, the two companies have identified the Power or Strong Hybrid Electric Vehicle (HEV) market, primarily comprised of medium and heavy-duty trucks, as the initial best fit for ActaCell’s technology. The collaboration included developing a specific automotive grade, large format lithium-ion cell and module design to accommodate ActaCell’s innovative battery technology. Next steps include pilot-scale manufacturing and demonstration vehicle testing of the cell and module with select medium and heavy-duty truck companies.

ActaCell’s lithium-ion battery technology is designed into thin pouch cells. Twelve cells are incorporated together to create a module. Eight modules are then packaged together to make a complete vehicle pack.

“We’re very excited to reach this next stage of development for ActaCell’s technology,” said Bill Ott, chief executive officer of ActaCell. “And we’re very pleased with the results. The rigorous tests run by AVL have helped us move forward on two fronts: We’ve determined that the medium and heavy-duty truck markets are very well suited to our technology. And we’ve created a highly efficient design that works well at both the individual cell level and in battery modules created from those cells. Next steps for us include sourcing pilot-scale quantities of this cell with a US manufacturing partner to build complete battery pack solutions and run real-world tests of our technology in medium and heavy-duty HEVs.”

“We’re very excited to be a part of what ActaCell is doing,” said Ray Corbin, president of AVL Powertrain, Inc. “Automotive technology is moving in a new direction, with electric vehicles garnering significant attention both within the industry and with mainstream consumers. We are optimistic, based on what we’ve seen from ActaCell, that they will be a part of the modern automotive equation.”

The overall results from the tests performed by AVL in a simulated environment showed tremendous promise for the future of ActaCell’s battery technology. The ActaCell battery module was tested in five categories at multiple temperatures: Constant Current Discharge, Hybrid Pulse Power Characterization, Efficiency, Simulated Drive and Thermal Performance.

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“Overall, we feel the results of the test were very promising indeed,” said Bruce Falls, director of engineering for AVL’s California Technology Center. “The ActaCell battery module delivered high power and efficiency and demonstrated a capability of maintaining performance with either air or liquid cooling. The technology appears to perform well in these initial tests.”

ActaCell is commercializing a new lithium-ion battery technology that will deliver superior power and cycle life at a low cost with safety as the number one priority. ActaCell is leveraging the work done by Professor Arumugam Manthiram and his team in the Materials Science Lab at the University of Texas at Austin. Professor Manthiram is a world-renown scientist with more than 20 years of experience in the lithium-ion battery area. To date, ActaCell has received \$6.1 million in funding.

**About AVL**

AVL is the world’s largest privately owned and independent company for the development of gasoline, diesel, alternative fuel, electric and hybrid powertrain systems. The company offers combined solutions of powertrain engineering, simulation software, testing and instrumentation systems. AVL’s North American Headquarters is located in the Detroit suburb of Plymouth, Michigan.

**About ActaCell, Inc.**

ActaCell is an Austin-based technology company developing Li-Ion technologies for motive applications. The initial innovation is focused on HEV/Power applications with subsequent efforts in high capacity materials for battery electric vehicles. The company has a world-class team and facilities in place along with a partnership with UT Austin’s Materials Sciences and Engineering program.

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ActaCell Battery Cell



ActaCell Module Comprised of 12 Cells