

**FOR IMMEDIATE RELEASE**

**21 January 2008**

Energy Ventures III LP invests in Direct Drive Systems.

Cerritos, California based Direct Drive Systems Inc. (DDS), has secured a B Round financing of \$12,000,000 lead by Energy Ventures III LP.

DDS which was established in 2005 manufactures high speed permanent magnet motors and generators up to 8MW that have applications in a variety of industries including compression and pumping. Its highly efficient variable speed motors and generators, which can be directly coupled to turbo machinery without the need for a gearbox, are smaller, lighter and less maintenance intensive than conventional machinery.

DDS is a member of the Calnetix Group of Companies which also includes Calnetix (high speed motors and generators), Vycon (energy storage flywheels), Turbogenix (ORC waste heat recovery generators) and Elliott Microturbines (high speed micro turbines).

Vatche Artinian, CEO of Direct Drive Systems, said “Energy Ventures is one of the world’s leading venture capital firms in the oil and gas sector. DDS is very pleased to have Energy Ventures III LP as a shareholder, and believes that Energy Ventures’ experience in this sector will help grow our business and create substantial value.”

Helge Tveit, Partner of Energy Ventures, said, “Direct Drive Systems has technology that has broad application across the energy industry. The opportunity to invest in both the technology and in a very experienced management team represents a very compelling value proposition to Energy Ventures III LP.”

**Energy Ventures**

Energy Ventures is a leading venture capital firm specializing in the upstream oil and gas technology arena. Energy Ventures advises three oil and gas venture funds with a combined capital base in excess of US\$400 million. Energy Ventures has offices in Stavanger, Aberdeen and Houston. Target companies are located in the North Sea and North America with significant international potential. Investment drivers include new technologies and their application to enhance performance, raise productivity, reduce cost and open new markets.

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