

FOR IMMEDIATE RELEASE

Foster-Miller, Inc. and Carbon Nanotechnologies, Inc. Awarded Office of Naval Research Grant for Conductive Sealants

WALTHAM, MA, HOUSTON, TX - October 26, 2004 - Foster-Miller, Inc. and Carbon Nanotechnologies, Inc. announced today that they have received a \$3.96 million contract from the Office of Naval Research in Washington, DC, to develop a new class of military aircraft sealants based on Single Wall Nanotube (SWNT) technology.

The two companies and their subcontractors will develop, demonstrate and produce a range of carbon nanotube-based conductive caulks, sealants and gaskets to replace the current inventory of products containing conventional metallic fillers. Through practical use of cutting edge nanotechnology, these products hold the promise of greatly reducing the weight and high maintenance requirements of the military's most advanced aircraft.

"It's exciting to be bringing the well-publicized promise of nanotechnology to products that help sustain our military's technical superiority," said Dr. Jack DeMember, Director of Business Development for Materials Technology at Foster-Miller. "These products will clearly provide the springboard to more new innovations in both military and consumer goods." Bob Gower, CEO of Carbon Nanotechnologies adds, "This project is another step towards bringing carbon nanotechnology to market and further reinforces the importance of our established research and product development relationship with Foster-Miller.

About Foster Miller

Foster-Miller has been helping clients improve their competitive position through innovative engineering, design and development for almost 50 years. Foster-Miller specializes in bridging the gap between research and the marketplace by developing new products and production lines. The company is home to more than 300 engineers and scientists working in the fields of robotics, advanced materials, custom machinery, power systems, biotechnology and aerospace.

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About Carbon Nanotechnologies, Inc.

Carbon Nanotechnologies, Inc. (CNI) was founded in early 2000 to commercialize the scientific breakthroughs in carbon nanotechnology made at Rice University under the direction of Nobel prize-winning scientist Dr. Richard Smalley. CNI is the world's leading producer of single wall and other small diameter carbon nanotubes and works closely with partner companies to rapidly commercialize new and improved products based on these revolutionary materials. The company now has more than 450 customers worldwide working on numerous applications including conductive polymers, flat panel displays, fuel cells, composites and nanoelectronics. The company's intellectual property portfolio consists of over 100 patents and applications ranging from the synthesis and processing of these materials through to many of their key applications. Twenty six of these patent applications have been issued or allowed to date. CNI has

also completed several pilot plants at its Kellogg Brown & Root location in Houston, TX and by the end of 2004, expects to complete a demonstration plant designed to have a capacity of approximately 100 pounds per day.

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