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Carbon Nanotechnologies Inc (CNI) Achieves Major Milestone With 30 Patents Issued or Allowed Relating to Use of Small-Diameter Carbon Nanotubes

HOUSTON, February 16, 2005 – Carbon Nanotechnologies, Inc (CNI) announced today it has reached a major milestone with 30 issued or allowed patents related to the innovative use of small diameter carbon nanotubes. Today's announcement reinforces CNI's position as the world's preeminent manufacturer and producer of single-wall and other small-diameter carbon nanotubes, a type of fullerene, thought by many scientists and industry leaders to represent a transforming technology to produce and deliver to market superior products.

"Small-diameter carbon nanotubes provide numerous transforming opportunities, and the issuance of these 30 patents provides an extraordinary position for CNI," said Dr. Richard Smalley, Nobel-Prize winning scientist for his discovery of fullerenes and Chairman of CNI. "As the use of small-diameter carbon nanotubes is becoming more prominent in everyday applications, it would be difficult to imagine industries that are not likely to be impacted by this technology."

Small-diameter carbon nanotubes are large molecules of carbon. They are cylindrical in form, about 1-3 nanometers (billionths of a meter) in diameter and hundreds to thousands of nanometers long. At their smallest diameter, they are single-wall carbon nanotubes and have a tensile strength that is 100 times that of high-strength steel and about one-sixth the density of steel. They conduct electricity and heat extremely well, and have multiple applications in real-world products as diverse as electrically-conductive composite materials, high strength fibers, fuel cells, flat-panel displays and electronic and chemical process applications where the nanotubes are doped with metals or are used as catalyst supports.

CNI's 30 issued and allowed patents cover a wide array of application-enabling technology, including process routes considered practical for the production of single-wall and small-diameter carbon nanotubes, and critical ways to create and modify both covalent and non-covalent derivatized single-wall

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carbon nanotubes. Simply put, these patents give broad coverage for small-diameter carbon nanotubes and their end uses.

"CNI views its patent portfolio in three categories: production, enabling and end use applications," said Bob Gower, President and CEO of CNI. "With today's announcement we believe CNI has captured the leadership position in the production and enabling categories. We also have an important position in the end use category and are using that to help customers develop products that will change the world."

CNI has more than 100 patents or patent applications issued or in various stages of prosecution. Most of these patents represent intellectual property conceived and developed by Dr. Smalley, also a Professor at Rice University. During the last 20 years, at Rice University, and with the support of NASA and other Federal agencies, Professor Smalley pioneered the development of a broad range of fullerene technologies, almost all of which have been (or will be) licensed exclusively to CNI by Rice University. The prosecution of these patents and technology licensed from Rice University is a joint effort of CNI, Rice University, and its patent attorneys with the law firm of Winstead Sechrest & Minick P.C. Patent prosecution of technology licensed from other universities and developed internally in CNI is led by the law firm of Williams, Morgan, and Amerson. In addition, Russell Wong of Wong, Cabello, Lutsch, Rutherford and Brucculeri, LLP advises CNI on IP strategies and other matters.

The 30 patents issued or allowed to date have a total of about 1,200 claims, and focus on carbon nanotube manufacturing; technology that enables nanotube applications; and nanotube-containing materials and articles of manufacture. These 30 patents provide an over-arching position in all currently recognized, commercially-viable methods of nanotube production, including the electric arc, laser vaporization, supported catalyst, gas phase, and seeded growth processes.

The remaining 70 patent applications that are pending include about 4,000 additional claims on nanotube compositions, methods of production, and end-use applications.

"CNI's patent portfolio represents a powerful package of innovative technology," said Ross Garsson, a member of Winstead's Nanotechnology Practice and one of the lead attorneys assisting Rice University and CNI in securing the issuance of these patents. "The patent claims that have issued or are issuing are the 'tangible' IP in today's CNI portfolio. There are also a great number of patent applications and claims continuing to move through the system which will give CNI even a stronger market position in the carbon nanotube field."

"CNI's 30 issued or allowed patents provide an exceptional market position for the company as they continue to grow their carbon nanotube product base," said Kelly Kordzik, president of the Texas Nanotechnology Initiative and also chair of Winstead's Nanotechnology Practice. "CNI serves as the perfect model company who has recognized and understood the benefits of protecting its intellectual property and actively built an extremely strong and broad patent portfolio encompassing its emerging nanotechnology market. By doing so, CNI has positioned itself as a dominant industry leader for small-diameter carbon nanotubes."

About Carbon Nanotechnologies Inc.

CNI is a privately held company formed in 2000, based on technology exclusively licensed from Rice University. The company has several pilot plants to produce single-wall and other small-diameter carbon nanotubes in operation at its location in west Houston. CNI has about 500 customers worldwide and has an exclusive relationship with Sumitomo Corporation for marketing and distribution of CNI products in Japan. CNI continues to license technology from Rice University and other universities and to develop additional technology in its own laboratories.

About Winstead Sechrest & Minick P.C.

Winstead Sechrest & Minick P.C. is among the largest business law firms in Texas. With more than 320 attorneys, the firm provides regional, national and international clients access to a broad range of business legal services representing more than 30 practice areas. Winstead has offices in Austin, Dallas, Fort Worth, Houston, San Antonio, and The Woodlands, Texas; and Washington D.C. For detailed information about Winstead, visit winstead.com.

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