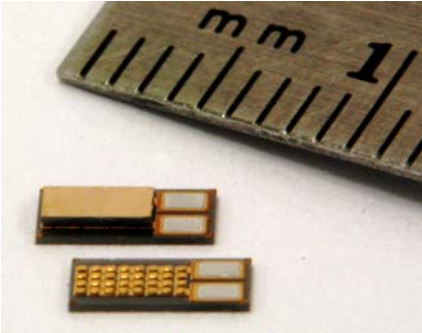


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eTEGs with and without unified header

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Thin-film thermoelectric power generators (eTEG) convert waste heat into usable energy...

NEXTREME IS AWARDED NC GREEN BUSINESS FUND GRANT TO ENHANCE EFFICIENCY OF THERMOELECTRICS

DURHAM, N.C. (June 30, 2008) — Nextreme Thermal Solutions, the leader in microscale thermal and power management products for the electronics industry, has been awarded a grant from the North Carolina Green Business Fund to enhance the efficiency of thin-film thermoelectrics used to convert waste heat into electricity.

Efficiency of power conversion is becoming increasingly important across all market segments, including IT, automotive, and industrial manufacturing. As energy costs continue to skyrocket, the efficiency of power delivery systems is becoming a critical attribute to the overall product value. One way to improve electrical efficiency is to extract waste heat from the system and convert a larger portion of that heat into usable energy. This value proposition means that highly efficient thermoelectric components have the potential to play a central role in electronic systems in the future.

The North Carolina Green Business Fund, directed by the North Carolina Board of Science and Technology, awards grants to North Carolina organizations in support of competitively assessed projects focused on attracting and leveraging private sector investments, and on entrepreneurial growth in environmentally conscious clean technology, renewable energy products and businesses.

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Nextreme Announces Grant to Enhance Thermoelectrics, Page 2

Nextreme's thin-film embedded thermoelectric generator (eTEG™) generates electricity via the Seebeck effect, where electricity is produced from a temperature differential applied across the device. The Nextreme advantage is a very thin, nano-engineered material that delivers a Seebeck coefficient 150% greater than conventional thermoelectric material.

A unique aspect of Nextreme's materials is that they can be engineered at a nano-scale, providing improvement options not available in traditional thermoelectric manufacturing processes. The grant from the North Carolina Green Business Fund will be used to optimize the Nextreme thin-film growth process with the goal of doubling the power output of a single device from 250mW to 500mW.

The ability of Nextreme's thin-film thermoelectric materials to convert waste heat to electrical energy in such a thin, nanoscale form factor positions it uniquely to address market opportunities that standard bulk thermoelectric devices and other energy harvesting or reclamation systems cannot address.

"We are already demonstrating our devices in a number of specialty applications where heat is available and power is required," said Nextreme CEO Jesko von Windheim. "Increasing Nextreme's power conversion efficiency will open up a whole new scale of market opportunities."

Nextreme is currently working with customers in the powering of remote sensors that can monitor equipment and human activities without the use of batteries by simply using energy sources available and harvesting the waste heat to power the sensors. Other applications include thermal batteries that can be used to power implantable medical devices and capturing waste heat from exhaust manifolds to improve fuel efficiency in automobiles.

Nextreme's thin-film thermoelectric products are manufactured in volume with the Thermal Copper Pillar Bump process, an established electronic packaging approach that scales well into large arrays. The Thermal Copper Pillar Bump process integrates thin-film thermoelectric material into the solder bumped interconnects that provide mechanical and electrical connections for today's high performance/high density integrated circuits. Unlike conventional solder bumps, thermal bumps function as solid-state heat pumps on a microscale. The stack-up of a thermal bump, including the thin-film material, solder and electrical traces, is only 100µm (microns) high and has a diameter of 238µm. The thermal bumping process can be implemented at the package-, die- or wafer-level, and is used today to fabricate Nextreme's discrete modules.

For more information, contact Nextreme at 3908 Patriot Dr., Suite 140, Durham, NC 27703-8031; call (919)-597-7300; e-mail info@nextreme.com; or go to www.nextreme.com.

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Nextreme Announces Grant to Enhance Thermoelectrics, Page 3

About Nextreme Thermal Solutions™, Inc.

Nextreme Thermal Solutions designs and manufactures microscale thermal and power management products for the semiconductor, photonics, consumer, automotive and defense/aerospace industries. The company has embedded cooling, temperature control and power generation capabilities into the widely accepted copper pillar bumping process used in high-volume electronic packaging. Nextreme's breakthrough addresses the most challenging thermal and power management constraints in electronics today, and delivers the only fully-scalable technology solution by leveraging the existing, high-volume flip chip manufacturing infrastructure. By minimizing the need for manufacturing changes and focusing on developing a seamless design-in solution, Nextreme will change the future of thermal and power management for the entire electronics industry.

Nextreme is managed by an experienced start-up team and world-renowned experts in electronic packaging, thermal management and pillar bump technology. The company has 38 employees and is based near Research Triangle Park, North Carolina.

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For additional information or to request the electronic image, please email bgaddy@btbmarketing.com or call 919-872-8172.