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FOR IMMEDIATE RELEASE

JumpStart Invests in MesoCoat – a Nanocomposite Coatings Company

MesoCoat's patented technology is designed to replace chrome coatings used in the aircraft industry

Cleveland, OH, July 22, 2008 – JumpStart Inc., the Northeast Ohio venture development organization that accelerates the growth of innovative early-stage businesses and ideas, recently announced an investment commitment of \$350,000 in MesoCoat, Inc., a wholly-owned subsidiary of Powdermet, Inc. MesoCoat was formed from Euclid-based Powdermet in 2007 to commercialize and further develop its line of proprietary, patented, environmentally-friendly nanocomposite coating materials and application technologies.

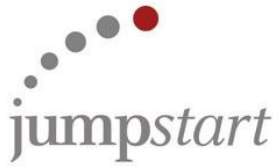
MesoCoat's **PComP™ (Particulate nanoComposite Powders)** product line combines extremely high wear resistance with high toughness, ductility, and corrosion resistance in a single layer coating system. These nanocomposite coatings provide higher performance at lower cost as compared to hard chrome and nickel plating or carbide thermal spray coatings in aerospace, oil and gas, and heavy equipment markets. The company's nanocomposite coatings are provided as a free-flowing powder feedstock and can be applied using existing thermal spray coating equipment or with the company's new large area electromagnetic fusion application equipment. In addition to wear and corrosion resistance, the many benefits of MesoCoat's technology include reduced cost, lower weight, improved ductility, improved adhesion, and reduced machining costs, as well as significantly reducing environmental, safety, and health liabilities.

According to a 2002 study by the U.S. Federal Highway Administration, the total annual estimated direct cost associated with metal corrosion is \$276 billion, affecting nearly every U.S. industry sector. The American Society for Metals (ASM) has estimated that up to 40 percent of this annual cost could be avoided if optimum corrosion management practices were employed.

"Adoption of new coatings technologies within several industries is being driven by not only the high cost associated with corrosion, but environmental and health safety concerns as well," said Lee Poseidon, the JumpStart Entrepreneur-in-Residence who will be working with MesoCoat. "Chrome plating has been the method of choice for producing durable wear and corrosion-resistant coatings for more than 60 years, but the use of chromium is facing increased environmental and health safety regulations. MesoCoat's technology is a cost effective replacement for chrome plating," Poseidon concluded.

MesoCoat is led by founder and Chief Executive Officer, Andrew Sherman, who is also CEO of Powdermet. The company's Chief Technology Officer, Dr. Greg Engleman, spent nine years developing advanced materials and coatings using electromagnetic fusion while working at Oak Ridge National Laboratory at the Infrared Processing Center in the Materials Processing Group and has authored more than 10 papers on wear and corrosion resistance technology.

"Our PComP™ nanocomposite coatings are unique in their ability to provide both wear and corrosion resistance to large and highly stressed components, and we routinely see 10 to 100 fold improvements in wear, durability, and component life over chrome and carbide coatings," said Sherman. "By combining our patented coating materials with a practical electromagnetic fusion coating application system derived from Dr. Engleman's work at Oak Ridge, we will be able to deliver revolutionary value to our customers. This JumpStart investment will greatly accelerate market introduction of our nanocomposite coatings by

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enabling MesoCoat to supply demonstration components and gain OEM approvals for our materials and application equipment directly, without relying on job shop or national lab intermediaries,” concluded Sherman.

MesoCoat plans to use the JumpStart investment to build a coatings application lab to produce qualification samples and initial components for customers, and to develop prototype electromagnetic fusion coating application equipment.

This is JumpStart’s 42nd investment in its 31st company. Other advanced specialty materials and chemical companies in JumpStart’s portfolio include AMTI, Aria Analytics, RSP Tooling, and Stanton Advanced Ceramics.

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About MesoCoat, Inc.

MesoCoat (www.mesocoat.com) is an advanced materials company offering nanocomposite coatings and focused arc coating systems to industry. A wholly-owned subsidiary of Powdermet, Inc, its products and services are used to mitigate wear and corrosion on sliding or exposed parts, such as hydraulic cylinders, storage tanks, rotating shaft seals, pipelines, railcars, pump rotors, marine structures, and valve seats. MesoCoat’s *Particulate nanoComPosite (PComP™)* coatings almost double component lifetimes compared to chrome plate and carbide alternatives, while eliminating the need for costly diamond grinding in many applications and expand the applicability of thermal spray repair processes to large and highly stressed components. Its *FARCoat™ Focused ARC Coating* application systems enable the application of *metallurgical bonded coatings and claddings* at application productivity rates exceeding *60 square yards per hour*. MesoCoat’s products produce significantly lower environmental, health, and safety liabilities compared to market alternatives, while reducing the total cost of ownership to the end user.

About JumpStart Inc.

JumpStart (www.jumpstartinc.org) accelerates the growth of innovative early-stage businesses and ideas into venture-ready companies by delivering vital, focused resources to entrepreneurs and the community of Northeast Ohio. JumpStart identifies and invests in early-stage companies that have strong potential in the marketplace, solid prospects for high growth, and are likely to qualify for later-stage funding. Beyond investing, the JumpStart team provides a continuum of business development services to its client companies to help ensure their success.