

ISR announces funding from Banyan Capital Partners to accelerate growth of its commercial division

Liberty Lake, Wash. – Aug. 19, 2005 – ISR, the maker of SprayCool™ technology and products, today announced that it has received a round of funding from Banyan Capital Partners to accelerate the growth of its commercial products division.

“We see this investment as added support for our multi-phase strategy to continue the growth of our business,” said Jeff Severs, president and chief executive officer of ISR. “Over the past decade, we have built a strong business by focusing on military and government applications of this technology. But we’ve always known that the volume opportunities are in the commercial sector.”

ISR has developed a series of products for deployment in government applications, such as military vehicles and airplanes, Severs said. With the funding in place, the company will be able to take advantage of the commercial opportunities that have surfaced over the past several years, he said.

SprayCool technology uses liquid evaporation, or phase change, of dielectric fluid to cool electronics. This provides revolutionary improvements in performance over existing cooling technology, enabling greater capabilities in electronics design. Severs cited data centers as one of ISR’s initial commercial markets, saying that data-center operators and customers will see a three-fold improvement in computing power after the installation of systems that use SprayCool technology.

“Through its SprayCool technology, ISR is bringing a technological advance to market that is both significant and important,” said George Clute, a partner with Banyan. “There is a lot of excitement with the company’s commercial direction as well as with the government side of the business.”

In early August, ISR launched a commercial division to address the growing problem of pervasive thermal issues in high performance commercial electronics design. This division will focus on solving four major problems – heat, noise, space and reliability – facing designers and users of high performance commercial electronics and commercial deployments such as data centers.

Rob Savette, a technology industry veteran with more than 20 years of management experience with companies such as Sequel Technology, INService and TITAN Inc., was hired as vice president of marketing and general manager of its new division.

The terms of the deal were not disclosed.

About ISR, Inc.

ISR, Inc. uses its innovative technology, SprayCool™, to revolutionize how electronics are packaged, powered and cooled. It is the leading technology that is enabling the development and delivery of electronic system solutions for problems with heat, noise, space and reliability. ISR, Inc. is a privately held corporation headquartered near Spokane, Wash.

About SprayCool™ Systems Solutions



SprayCool System Solutions use a fine mist of liquid, sprayed in a thin layer, which evaporates, to cool electronics. SprayCool changes the geography of electronics, resulting in cooler, quieter, more powerful, and more durable electronic devices. The process continuously cycles within a closed loop system. Companies are using SprayCool System Solutions to enable the next generation of electronics.

About Banyan Capital Partners

Banyan Capital Partners (www.banyancapitalpartners.com) is an institutionally backed growth capital firm headquartered in Vancouver, BC, with offices in Calgary and Santa Barbara, CA. The firm invests in well-managed, successful middle-market companies located primarily in western North America.

With more than 100 years of private equity, investment banking and operating experience in western Canada and the northwestern United States, the Banyan team has developed a strong franchise of investing within this geography. They have invested in more than 50 companies and served as directors on more than 50 boards. When Banyan invests in an affiliate company, each partner also makes a personal investment.

The firm makes equity investments in private and public companies across various industries. When evaluating potential investment candidates Banyan looks for companies with proven management, significant growth potential and strong market positions. The firm seeks owners who want a strong financial partner able to provide assistance with strategic, financial and operational issues.

Banyan is affiliated with the Connor, Clark & Lunn Financial Group (www.cclgroup.com) of companies who have approximately \$25 billion of assets under management. The group includes Connor, Clark & Lunn Investment Management, one of Canada's largest independently owned investment managers with more than 20 years of experience of investing in leading Canadian and US companies.

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