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VCs Turn On Spout For Stonybrook Purification

By Jonathan Shieber 10/17/2007

Looking to commercialize a new filtration technology targeting the multi-billion dollar market for water purification, start-up Stonybrook Purification Inc. has raised \$4.1 million in a Series A round of financing.

Investors like Battery Ventures, which led the round for Stonybrook Purification, see plenty of opportunities in the water market, as conditions of water scarcity persist across parts of the nation and the world, and the rise of a global middle class spurs increased water consumption.

"If you study the facts and the data about what's going on with water supplies, there's a severe crisis brewing," said Battery Ventures Partner and new Stonybrook Purification Director David Dreessen. "As you look at that, there are three main opportunities where Stonybrook plays: one is increasing the supply of fresh water; one is water re-use; and the third element is helping decrease pollution."

Other investors including seed financier T2 Venture Capital, and new investors Modern Water and TianDi Growth Capital also believe in the potential of the water market.

Founded in late January 2007 as a spin-out from Stony Brook University, and based on research conducted by university professors Ben Chu and Ben Hsiao, Stonybrook Purification has developed a new way of manufacturing filters that improves the ability of fluids to flow across a membrane.

Existing membrane technologies require a large amount of energy to push water through the filter, and a company that can reduce those energy costs can drop the overall cost of a water purification system, according to investors and executives at the company.

The Stony Brook, N.Y.-based company is currently helmed by T2 Venture Capital Managing Director Victor Hwang.

Hwang said the company hopes to begin commercial manufacturing and selling to customers within the next two to three years. "With this money we hope to be selling to customers," he said.

This year, a number of water treatment companies have received capital from investors in the U.S. and Europe to develop new filtration technologies to lower the cost of water purification and desalination. Khosla Ventures financed Los Angeles-based NanoH2O Inc., while Emerald Technology Ventures, Capricorn Cleantech Fund and WHEB Ventures backed Eindhoven, Netherlands-based micro-filtration technology developer FluXXion BV.

"If you imagine membranes as three-layer cakes, competitors like NanoH2O and others have focused on the icing layer of the cake," Hwang said. "We've actually developed a better cake."

<http://www.stonybrookpure.com>