



FOR IMMEDIATE RELEASE

Tantalus Closes \$14 Million Funding Round to Deliver Proven Smart Grid Technology to Utilities

Vancouver, BC – January 20, 2010 – Tantalus Systems Corp., a market leader in two-way, real-time Smart Grid data communications, today announced that it has raised \$14 million in equity to fund its ongoing penetration of energy efficiency solutions into co-op and municipal utilities. The financing was led by Redpoint Ventures and included several current investors in the company.

“In 2009, the adoption and deployment of Smart Grid technologies accelerated as the economic and environmental benefits became clear,” said Jeff Brody, founding partner of Redpoint Ventures. “We looked closely at numerous vendors in the space and Tantalus stood out due to its unique market position, technology differentiation, and scalability. With more than one million meters under contract, it is the leader in co-op and municipal utilities. Recent wins at large municipalities have positioned the company for continued rapid growth.”

Tantalus’ wireless communications technology (TUNet® – the Tantalus Utility Network) provides utilities with greater control over their power grid by automating processes like outage detection, load forecasting, billing and reporting, demand response, and maintenance. The net result is operational efficiency for the utility and greater service reliability for the consumer. In addition, TUNet can effectively service a wide range of topographies throughout both urban and rural service areas in a scalable and cost-effective way.

“Tantalus has given us confidence that however our Smart Grid evolves, we will be ready to meet the challenges,” said Clint Wilson of EPB Chattanooga, the Tennessee city’s electric power provider. “We are currently building the largest city-owned fiber-optic network in the country that will help our more than 163,000 customers better manage power. Tantalus enables us to implement the advanced energy management applications, plus we get additional value from our investment by providing an expanded set of communications services.”

Chatham-Kent Hydro was one of the first utilities in Ontario to fully deploy an advanced metering system, and has gone on to win several awards for the business and technology excellence of its metering initiative. Dave Kenney, the utility’s president, said that being an early adopter put it ahead of the curve in validating Smart Grid benefits.

“Our experience with Tantalus proves that smart metering done correctly yields cost savings and brings operational benefits as promised,” he said. “The Tantalus system was delivered on time and on budget, and serves as the backbone for our interactive Customer Awareness and Demand Response programs. This is helping to optimize conservation by giving people the tools to better manage energy consumption and their electric bills.”

Currently, Tantalus counts more than 30 utilities among its customer base, several of which were recently awarded stimulus grants from the U.S. Department of Energy. With this funding, Tantalus will be able to capitalize on its current market traction and expand its customer base with larger, faster deployments.



“With revenue growth of more than 150% in FY2009 and comparable results forecast for FY2010, Tantalus is on course to be a powerful force in the Smart Grid market,” said Eric Murray, President and CEO of Tantalus. “This funding provides us with additional resources to meet ever-increasing market demand for Tantalus solutions, continue to expand our product portfolio, and reach profitability this year.”

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About Tantalus

Tantalus provides two-way, real-time data communications networks to monitor and control electric, gas and water utilities. TUNet® – the Tantalus Utility Network – is an end-to-end WAN/LAN/HAN communications system that operates with 220 MHz RF and IP-based networks including Fiber, WiFi, WiMAX and GPRS/cellular, either individually or in combination. TUNet’s patented and patents pending technologies are purpose built for the Smart Grid. The Tantalus network unites a utility’s applications, making advanced metering, outage management, power quality monitoring, load control, and distribution automation cost-effective and practical throughout both urban and rural service areas. For more information, please visit www.tantalus.com.

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About Redpoint Ventures

Redpoint Ventures focuses on partnering with and funding innovative companies that have the potential to define, lead, and change industries. Redpoint partners have many decades of experience and success in technology investing; combined with this foundation, the firm is able to leverage a thriving network of entrepreneurs, partners, and industry experts to accelerate building market-leading companies. Redpoint (<http://www.redpoint.com>) was founded in 1999 by partners from two of the top firms in the venture capital industry and currently has over \$2 billion under management. The firm is headquartered in Menlo Park, CA with offices in Los Angeles and Shanghai, China.