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KLD Energy Technologies Raises \$6 Million of Equity

- *Increasing Total Funding to \$12 Million Over the Past 12 Months* -

AUSTIN, TEXAS, August 10, 2010 – KLD Energy Technologies Inc. (KLD), developers of clean energy technologies, announces the company has successfully closed-out \$6 million dollars in Series B funding from private investors, bringing the total raised to \$12 million over the last year. The company will leverage the funding to accelerate the commercialization of its high-performance electric drive system, execute its expansion strategy and introduce its products to new markets.

“We are pleased with the enthusiastic support of the investment community and our success in raising such substantial funding, particularly given the current economic climate,” says Mark Wabschall, CFO of KLD. “This really underscores the impact our technology can have on solving the transportation needs of the world, while positively impacting the environment.”

KLD’s initial product, stemming from its research and development efforts, is an innovative, complete motor system redefining the performance of electric vehicles. The transmissionless, electric drive system improves the performance of vehicles while substantially decreasing the negative impact on the environment. Leveraging an innovative composite material, the drive system conducts energy with greater efficiency than traditional, iron-core motors. The drive system is designed for high frequency and low-RPM operations. This proprietary approach eliminates the need for a transmission resulting in a substantial increase in system efficiency. KLD’s motor works in tandem with its advanced electric motor controller and modular battery packs. The result is a system enabling electric vehicles to perform at an exceptionally more advanced level, and attain speeds and levels of responsiveness comparable to today’s gas-powered vehicles.

The company recently signed an agreement to provide the KLD drive system to Malaysia-based

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EcLimo, a leading vehicle manufacturer. In a joint venture with Vietnam-based Tien Loc Co. Ltd., KLD is slated to produce electric drive trains for the growing Vietnamese market. Additionally, the company is collaborating with several major Chinese companies to incorporate the drive system into their vehicles.

“With growing demand worldwide for less polluting modes of transportation, our drive system enables vehicle manufacturers to affordably create high-performance motorcycles and scooters for consumers worldwide,” says Christian Okonsky, CEO and founder, KLD. “This round of funding supports our global sales and commercialization efforts and enables us to continue investing in our research and development activities.”

According to a recent Pike Research report, unit sales of electric two-wheel vehicles will grow at a rapid pace over the next several years. This research firm forecasts that more than 466 million e-bikes, e-motorcycles and e-scooters will be sold worldwide from 2010 to 2016. Pike Research predicts Asia Pacific and China will dominate the global electric two-wheel vehicle market, representing more than 95 percent of sales during the next six years.

“Highly populated urban centers, in Asia and beyond, are experiencing severe levels of air pollution,” continues Okonsky. “China’s forward-thinking actions include phasing out gas-powered vehicles. Electric-powered vehicles are increasingly being leveraged as a critical part of the solution.”

About KLD Energy Technologies, Inc.

Austin, Texas-based KLD’s mission is to develop innovative, sustainable technologies. The company’s initial product, stemming from its research and development efforts, is a complete drive system that redefines the performance of electric vehicles. The drive system is designed for high-frequency and low-RPM operation, eliminating the need for a transmission and substantially increasing system efficiency. With this product, KLD is working to bring a new level of responsiveness to electric vehicles worldwide. For more information, visit www.KLDEnergy.com

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