

BASF VENTURE CAPITAL INVESTS IN ASPEN AEROGELS

Aerogel-based nanoporous insulation materials Promising new technology for energy-efficient construction

NORTHBOROUGH, Mass., Oct. 8 /PRNewswire/ -- Aspen BASF Venture Capital GmbH, Ludwigshafen, has led a \$21.5 million (about euro 15.7 million) round of investment in Aspen Aerogels, Inc., Northborough, Massachusetts. Aspen supplies reinforced, nanoporous aerogel insulation products that are up to five times more effective than other insulation materials. The company's solutions enable customers to conserve energy in a variety of industries including building and construction, chemicals, transportation and oil and gas.

The current round of financing also included RockPort Capital, Tenaya Capital, Reservoir Capital Group, Arcapita Ventures and Argonaut Private Equity, among others.

Aerogels are silica foams with nanoporous cavities that comprise 97% of their volume; thus earning them the name "solid air." Aerogels have been known as extremely fragile and brittle materials. Aspen has succeeded in producing aerogels in the form of thin, flexible mats at acceptable cost. These blankets are more robust than the existing monoliths and spheres, and just as easy to process as any other flexible insulation material.

"High-performance insulation materials are the key technology for energy-efficient retrofitting of buildings," said Bruce Christensen, Vice President Global Technology and Innovation Management at BASF Construction Chemicals. "These new materials are space-saving and give home owners more options in designing their house to suit their own tastes. Aspen technology can contribute in a major way to energy-efficient homes that also look good."

"Aspen has done an excellent job in advancing aerogel technology for industrial applications," said Dr. Oliver Guthmann, Investment Manager at BASF Venture Capital. "We see an additional very large market potential and further opportunities for profitable growth in the construction industry." Aspen Aerogels products are already in use at BASF, for example at the Antwerp site.

"We are pleased to have developed a strong technical, commercial and financial partnership with BASF," said Don Young, CEO of Aspen Aerogels. "The global building and construction market offers a significant opportunity for aerogel technology, and BASF and Aspen will join forces to target and rapidly penetrate the European market."

About Aspen Aerogels, Inc.

Aspen Aerogels, Inc. is a rapidly growing company founded in 2001 to capitalize on proprietary and patented advances in aerogel technology. Aspen has developed a proprietary, easy-to-use blanket form of aerogels with broad application to a variety of markets including Oil & Gas, Building & Construction, Outdoor Gear & Apparel, Solar Thermal, Appliances and Transportation. The company is headquartered in Northborough, Mass., and has 120 employees.

About BASF Venture Capital GmbH

BASF Venture Capital GmbH was established in 2001 as a wholly owned subsidiary of BASF Future Business GmbH, Ludwigshafen, Germany, with the aim of exploring new growth potentials based on investment in startup companies and funds. BASF Venture Capital GmbH's financial commitment per company is in the range of one to five million euros, with active support provided for young start-ups. BASF Venture Capital GmbH selects businesses for investment whose success factors include innovative chemistry-based solutions and which are of strategic interest for BASF. More information about BASF Venture Capital GmbH is available at www.basf-

vc.com.

About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics and performance products to agricultural products, fine chemicals as well as oil and gas. As a reliable partner BASF creates chemistry to help its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF posted sales of more than euro 50 billion in 2009 and had approximately 105,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

SOURCE Aspen Aerogels, Inc.

<http://news.aerogel.com/press-releases?item=66360>