

**EXPANSION CAPITAL PARTNERS LEADS \$12,750,000 FINANCING
OF ELEMENT LABS, INC.*****Leading Clean Technology Venture Capital Pioneer Backs
Leading Creative LED Lighting Solutions Company***

San Francisco – December 19, 2007 – Clean Technology venture capital firm Expansion Capital Partners, LLC, today announced a \$12,750,000 investment in Element Labs of Santa Clara, CA, a leading provider of creative Light Emitting Diode (LED) solutions for entertainment, architecture and signage applications. Expansion Capital led the Series B Preferred round, with a \$10,000,000 investment from its Clean Technology Fund II, and existing investor Sierra Ventures and lender Gold Hill also participated in the equity raise. Bernardo Llovera, General Partner at Expansion Capital will join the Element Labs board of directors.

The Company will use the proceeds to expand its sales team, extend its international reach and enhance its suite of creative lighting products for cutting edge LED and video applications, such as concert tour and music video staging, film and TV production lighting, permanent media wall installations on large buildings, architectural decorative design elements, and other large scale energy efficiency applications.

LED technology has been used in electronics for decades but LEDs are rapidly being adopted into lighting applications given LEDs advantages such as long life, high-quality light rendering, colored illumination, controllable color accenting and high energy efficiency. Element Labs uses the distribution pattern of LEDs coupled with unique mounting systems and sophisticated electronic software controllers to create complex color patterns and video display effects. The Company has built its strength and brand on high impact visual effects, and near term applications also play further into the energy efficiency theme that is core to Expansion Capital's Clean Technology investment focus.

Bernardo Llovera, General Partner of Expansion Capital, stated, "We are very excited to be backing the Element Labs team. LEDs are being used in a greater number of high growth application areas, and they represent the leading current and next generation energy efficient lighting technology. Element Labs offers unique products to highly demanding customers and has built a strong reputation for creativity, cutting edge technology, high impact visual results and dedicated customer service. We are impressed with Element Labs' team, products and market strategy and are pleased to support this next phase of growth for the Company."

Element Labs CEO Nils Thorjussen said, "We are thrilled to have Expansion Capital as an investor, strategic partner and member of the board. The funds provided by Expansion Capital, Sierra Ventures and Gold Hill will allow us to grow our team, enhance our products and services, and expand our reach. Our creative LED lighting solutions will continue to serve the entertainment market and increasingly reach other markets where high impact lighting and energy efficiency are critical."

Element Lab's proven and well respected suite of products have been sought after and bought repeatedly by the world's largest high end lighting equipment rental houses, such as VER, XL Video and Hibino (Japan). Element Labs' custom solutions allow lighting designers the freedom to innovate and realize their creative visions for such prominent clients as:

- **Concert Tours and Video Production:** Led Zeppelin, Spice Girls, Madonna, The Police, Coldplay, Red Hot Chili Peppers, Sheryl Crow, Kelly Clarkson, Beastie Boys, Tom Petty, Aerosmith, Bon Jovi, Eric Clapton, and Brad Paisley;
- **Events:** 2006 Doha Asian Games and trade and event shows for BMW, Porsche, Microsoft, Mercedes, and SAAB;
- **Television:** Superbowl halftime shows, Emmy Awards, X Games, American Idol, Grammy Awards, and various MTV award shows;
- **Theatrical:** Radisson Cruise Line and Will Rogers Follies;
- **Architecture:** Morongo Casino, Electrabel Cooling Tower, O2 Headquarters, and Harrah's Casino.

ABOUT EXPANSION CAPITAL PARTNERS, LLC

Founded in 2002, Expansion Capital Partners, LLC, invests venture capital exclusively in expansion-stage, Clean Technology enterprises. The firm targets companies that offer dramatic improvements in resource efficiency and productivity, while creating more economic value with less energy and materials, or less waste and toxicity. Clean Technology Fund II, LP, invests in US and Canadian enterprises with current customer revenues of \$2-30 million, combined with solid prospects of attaining \$30-\$100M in revenues within 3-5 years. The fund makes initial investments of \$3M to \$10M, with its Partners taking active, value-add Board roles. Expansion Capital has offices in San Francisco and New York. Further information can be found at www.expansioncapital.com.

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ABOUT ELEMENT LABS

Element Labs is an award-winning, global leader in innovative LED technology for entertainment, architectural, and signage applications. Based in Austin Texas, with offices in Santa Clara California, London and Germany, Element Labs' cutting-edge products embody the evolutionary convergence of LED and video, opening eyes to a new world of visual effects. Further information can be found at www.elementlabs.com.

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