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Kyma Technologies Benefits from North Carolina's New SBIR/STTR Matching Grants Program

Raleigh, NC / May 17, 2006 - Kyma Technologies is pleased to announce its selection to receive matching funds under North Carolina's new SBIR/STTR Matching Grants Program for its recent SBIR contract award.

Kyma's Phase I Small Business Innovative Research (SBIR) contract was awarded by the Missile Defense Agency (MDA) and is entitled, "High Electrical Efficiency Gallium Nitride (GaN) Field Effect Transistors (FETs) for Innovative Radar/RF Sensors."

This SBIR effort supports Kyma's continuing effort to improve the size, quality, and availability of their semi-insulating GaN substrates and to use those substrates to demonstrate and improve high frequency GaN transistors, which are currently under development for high performance military and commercial applications.

Dr. Keith Evans, company president and CEO, offered, "We are very thankful to our state and local politicians for their energy and vision in creating and supporting this very important program, especially in this day of extreme competition for available funds. The North Carolina SBIR/STTR Matching Grants Program represents a great opportunity for companies like ours to defray costs and accelerate the rate of new product development. The net result for Kyma is that we gain a competitive edge, which means we are more likely to be successful in our endeavor to grow our business and create high paying high tech jobs in North Carolina."

The company first learned about this program from their close collaboration partner Professor Mark Johnson of NCSU's Materials Science and Engineering Department. The company followed up on Professor Johnson's lead by attending a Council for Entrepreneurial Development (CED) Event which featured Dr. Robert McMahan, Senior Advisor to the Governor for Science & Technology and Executive Director, NC Board of Science and Technology, as its keynote speaker.

Company co-founder Mark Williams attended the CED event and commented, "Dr. McMahan provided important details about the how the internationally recognized R&D community in North Carolina is doing a great job in making scientific and engineering discoveries and developing important intellectual property, much of which has the potential to lead to great commercial successes. He informed us of how state and local politicians were working hard to develop programs that could help translate such R&D advances into real business growth opportunities within the state of North Carolina. The North Carolina SBIR/STTR Matching Grants Program will certainly help do just that."

Additionally, the company acknowledges the support of North Carolina State Senator Neal Hunt (District 15) and Representative J. Russell Capps (District 41).

About North Carolina's new SBIR/STTR Matching Grants Program:

The SBIR/STTR grant program, which was launched by Governor Easley last year, provides matching grants of up to \$100,000 for North Carolina businesses receiving Phase I SBIR or STTR grants from federal agencies. The program also provides small stipends to companies to help cover the cost of grant applications. The SBIR (Small Business Innovation Research) and STTR (Small Business Technology Transfer) Programs are operated by the federal government and earmark a portion of all federal R&D spending for grants to small companies. North Carolina has historically lagged the national average in per capita SBIR grant awards. The grant monies typically provide capital for companies' initial commercialization of new technologies – activities that are essential to attracting larger rounds of funding from venture capital companies and other investors.

About Kyma Technologies

Based in Raleigh, North Carolina, Kyma Technologies, Inc. was co-founded in 1998 by researchers at North Carolina State University (NCSU). Kyma supplies high quality bulk GaN-based substrates and epiwafers to device manufacturers in both electronic and optical markets, and its mission is to become the preferred supplier of native nitride substrate based materials and device solutions. Kyma has developed a strong IP portfolio including exclusively licensed NCSU patents and its own patented and patent-pending technologies.

For more information about Kyma Technologies, please visit our website www.kymatech.com, send us e-mail at info@kymatech.com, or call the company directly at 919.789.8880.