

Ex-Ballard pair poised for plunge into micro fuel cell pool

Burnaby's Tekion inks deal with BASF, draws investment from Motorola Inc., as global demand for portable power sources booms



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Cell mates: Tekion CEO Neil Huff (l) and company product development engineer Brian Adams readying their hybrid battery charger and micro fuel cell for the rapidly expanding portable electronics market

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Two former **Ballard Power Systems** executives are on the verge of commercializing a micro fuel cell battery hybrid that enables portable electronic devices to be powered continuously without plug-in recharging.

Conventional lithium batteries can't keep up with the power and technology demands generated by the new generation of smaller portable devices boasting such functions as e-mail and still and video photography.

But Burnaby-based Tekion Inc.

believes it has a solution.

Its miniature hybrid Formira Power Pack combines fuel cell and advanced lithium battery technology that could be on track to power an equipment manufacturer's mobile products in the first quarter of 2007.

The company's strategic investors say its fuel source – purified and modified formic acid, which it calls Formira – sets it apart from competitors that use methanol because it can be made to fit in more compact devices.

The company signed a collaboration agreement this month with

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Fuel: Formira to power cell

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BASF, the world's largest producer of formic acid, to further refine and improve the performance of the fuel it will use.

Mobile communications giant **Motorola Inc.**, through its equity investment arm, **Motorola Ventures**, has invested in the Burnaby company, which has raised equity financings of US\$14 million since the two former executives of fuel cell pioneer Ballard went looking for the technology in 2003.

Neil Huff was CEO of Ballard's battery division, which was spun off to form **BlueStar Battery Systems**, now part of Arizona-based **EaglePicher Technologies**; **David McCloud** was Ballard's marketing vice-president before the two left along with three others to start Tekion.

They found the technology they were after at the **University of Illinois** and set up an office in the state's **Champaign** community.

Subsequent tests of the technology in a **Nokia** cellphone were promising enough to kick-start the Burnaby operation, which now employs 63 out of 75 Tekion staff.

Having struck out with local venture capitalists, Tekion developed

a relationship with a U.S. investor, **Allen Born**, a former chairman and CEO of **Alumax Inc.**, the third largest U.S. aluminum company.

Born is now Tekion's chairman. **Illinois Ventures LLC**, an Illinois venture capital firm specializing in innovation developed by universities, also saw the hybrid battery technology's potential.

Rob Schultz, a senior director of the Illinois firm, said it invested for three main reasons.

"The formic acid technology that the company has licensed and developed has characteristics that clearly differentiate it from any other company in the industry; the management team is strong and has vast experience in commercializing battery and fuel cell technology and the market for micro electronic fuel cell technology is massive and ready to adopt."

Motorola described Tekion's technology as providing a "practical and efficient" solution to the battery capacity challenge of products with increased functionality such as industrial handheld computers, satellite communication devices, notebook PCs and other mobile products. ♦

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