



Dow Signs Distribution Agreement with BioPetroClean

By Tova Cohen

TEL AVIV, Sept 15 (Reuters) - Cleantech startup BioPetroClean (BPC) said on Tuesday it has signed a global distribution agreement for its wastewater treatment systems with Dow Chemical Co <DOW.N>. The agreement with Dow will help enable massive deployment of BPC's technology, said David Amir, chief executive officer of the three-year-old Houston-based company, which undertakes its research and development in Israel. "The wastewater market is wide open and it's a large market," Amir told Reuters.

BPC focuses on oil industry wastewater, specifically refineries, oil drilling sites, marine ports, tankers and power stations operated by diesel. The annual market size for water treatment solutions exceeds \$90 billion, including municipal wastewater, petrochemical, food and metal industries. BPC estimates the petrochemical industry accounts for about \$40 billion of the water treatment market.

Dow will market the Dow BPC Water Treatment system to refinery and produced-water markets with exclusivity in various regions. "Dow BPC Water Treatment technology has immense potential -- for communities, the oil and gas industry, the environment and our business," Janet Giesselman, president and general manager of Dow Oil & Gas, said in a statement.

BPC's Automated Chemostat Treatment consists of a bacterial cocktail customised for specific water types, a control unit, and a basin or tank that serves as the reactor. The bacteria occur naturally and require no alteration or genetic engineering. The process has no sludge by-products and treats wastewaters in a manner that allows them to be discharged directly into the environment, usually the ocean.

"The chemostat process results in better purification and is cheaper, with operational costs going down by half, compared with methods that are available," Amir said. Amir declined to disclose financial details of the agreement but said Dow and BPC will share profits from the sales. The systems cost from \$500,000 up to \$5 million. "This is our first major agreement, though we have agreements with some local dealers in different countries," Amir said.

In the first phase Dow will focus on the Americas. BPC's systems are already in operation in Israel and South Africa and on a pilot scale in India and Europe.

BPC so far has raised \$8.7 million from 21Ventures, a U.S.-based venture capital firm specialising in cleantech. It is now beginning a new round of fundraising from venture capital funds to finance its business activities. "It is too early to talk about an exit," Amir said. "We first have to establish some business. Revenues have just started coming in."