

VentureWire Alert Article:

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As pipeline problems in Alaska and blackouts in U.S. cities have brought issues of energy infrastructure to the top of people's minds, a 10-year-old company has attracted its first round of venture capital to back technology that can monitor conditions in oil and gas pipelines.

SensorTran raised \$5.5 million as it completes its spin-off from corporate parent, Systems and Processes Engineering Corp., and begins to push its technology out to a wider market. Backing the company are two clean technology-focused venture capital firms, Expansion Capital Partners and WHEB Ventures, as well as Dallas-based investment firm Stonehenge Capital Co.

For SensorTran, the timing of the funding couldn't be better. "The [pipeline] leak example [in Alaska] is a good one," SensorTran Chief Executive Kent Kalar said, because, "you never know where a pipeline is going to leak." Companies have to monitor its entire length, and that's where SensorTran's technology comes in.

Austin-based SensorTran, sends light pulses along multi-mode telecommunications fiber and examines how reflections come back, Kalar explained. That way companies get an idea of what conditions are like inside their oil wells, and along their powerlines and pipelines.

SensorTran got its start as a division of Systems and Processes in 1996 to develop a compact and lightweight distributed temperature-sensing system for monitoring cryogenic tanks on the next-generation X-33 space shuttle from Lockheed Martin. After the product passed flight qualification in 1998, SensorTran went on to sell its system to a variety of markets, including to oil and gas customers.