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RIVERLAKE PARTNERS INVESTS IN OREGON-BASED FLUID LOGIC - Specialty Manufacturing Company Poised for Growth -

PORTLAND, Ore. – July 26, 2005 – Riverlake Partners, LLC, a private equity buyout fund focused on traditional manufacturing industries, today announced a significant investment in specialty chemicals manufacturer Fluid Logic, LLC. This is the company's fourth investment and first in Oregon. The price and terms of the investment were not disclosed.

With the infusion of capital from Riverlake, Fluid Logic will increase its sales force, expand into Europe and South America, and strengthen research and product development. It also is better positioned to make strategic acquisitions.

Fluid Logic produces one of the highest quality colloidal silicas in the world through its wholly owned subsidiary, Silco2 International, LLC. Colloidal silica is ultra small (nano) sized silica particles suspended in aqueous material such as water, isopropyl alcohol, methanol or various other organic solvents. It's used in more than 350 manufacturing processes, in such industries as semiconductors, paper, recycled paper packaging and plastics. Fluid Logic also produces grinding and fabrication fluids for a variety of industrial applications including automotive glass and precision optics.

"We're impressed with Fluid Logic's approach – to focus on select niches, understand them in depth and develop superior product solutions for those customers," said Vic Petroff, operating partner of Riverlake Partners. "This strategy, which is based on a high degree of technical product development and customer service, has enabled the company to differentiate itself and establish a leading position in North America. It's an impressive foundation on which to build."

Fluid Logic's flagship operation is a 30,000 square-foot facility in Gresham, Ore. Its local management team remains in place, with founder Larry Lindland at the helm as President. Lindland, an established entrepreneur in the specialty chemicals industry, shares a successful history of partnership with Riverlake founder Eric Krieger.

"We know from experience Riverlake's commitment to furthering emerging leaders in the manufacturing industry," said Lindland. "We're on a fast track to take advantage of significant market opportunities for colloidal silica research and material. We're already producing the highest quality product at the most competitive price; now we have the resources to exploit our advantage."

Fluid Logic's geographically diverse manufacturing and distribution sites meet highly specialized demand around the globe, allowing products to reach the market faster and reducing costs. All of Fluid Logic's colloidal silica production takes place at its Gresham

facility, while its fabrication and grinding fluids are produced in Gresham and under manufacturing agreements at select facilities in the U.S. and Europe.

“A healthy manufacturing sector is important for the Oregon economy. We’re bullish on the growth prospects of Fluid Logic and believe that this opportunity fits nicely with all of our investment objectives,” said Krieger.

About Riverlake Partners

Riverlake Partners, LLC, is a private equity buy out fund with a targeted focus on traditional economy manufacturing, distribution and service businesses. Riverlake seeks controlling interests in companies through commitments of \$3 to \$8 million in a variety of leveraged buyout, consolidations, recapitalizations and growth financing transactions. The fund includes million dollar investments from both the Oregon Growth Fund and the Oregon Investment Fund, a program to generate significant returns for Oregon pensioners and encourage capital investments and small business growth in the state of Oregon. The company has a unique strategic alliance with Lincoln Partners, LLC, a Chicago-based middle-market investment banking firm. Riverlake has offices in Portland, Ore., and Chicago, Ill., and a national network of partners and advisors. For more information visit www.riverlakepartners.com.

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