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SCI Engineered Materials, Inc. Awarded Phase II Research Contract

COLUMBUS, Ohio (August 18, 2008) SCI Engineered Materials, Inc. (OTC Bulletin Board: SCIA), a manufacturer of ceramics and metals for advanced applications such as photonics, solar, thin film batteries, and semiconductors for select growth markets in the physical vapor deposition industry, today announced that it has been awarded a two-year contract by the U.S. Department of Energy ("DOE") for Phase II of a Small Business Innovation Research (SBIR) project titled "Flux Pinning Additions to Increase Jc Performance in BSCCO-2212 Round Wire for Very High Field Magnets". The Company's proposal included a funding request for approximately \$750,000. The final amount of the award is subject to the completion of financial negotiations with the DOE.

High Jc performance in BSCCO-2212 is currently the only superconducting material that has been successfully manufactured in round wire form that works successfully in high magnetic fields over 25Tesla.

The company previously received a \$97,900 U.S. Department of Energy Financial Assistance Award for a Phase I SBIR that demonstrated that Jc performance can be increased with the addition of certain additives. The Phase I SBIR was successfully completed in the first half of 2008 which led to the Phase II application to conduct additional research.

Daniel Rooney, Chairman, President and Chief Executive Officer said, "We are pleased to receive this Phase II SBIR award. It reflects our demonstrated capabilities and ongoing interest in market applications for high temperature superconductor materials. This funded research draws upon SCI's core competencies and enables us to maintain and expand our technical capabilities".

About SCI Engineered Materials, Inc.

SCI Engineered Materials, Inc. manufactures ceramics and metals for advanced applications such as photonics solar, thin film batteries, and semiconductors. SCI Engineered Materials is a global materials supplier with clients in more than 40 countries. Additional information is available at <http://www.sciengineeredmaterials.com>.

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