



Contact:
Robert Lentz
(614) 876-2000

SCI Engineered Materials Receives Grant to Commercialize Products for Solar Industry

COLUMBUS, Ohio – December 22, 2009 -- SCI Engineered Materials, Inc. (SCI) (OTC Bulletin Board: SCIA), a manufacturer of ceramics and metals for advanced applications using physical vapor deposition, today announced it has been awarded \$775,400 by the Ohio Department of Development's Ohio Third Frontier Photovoltaic Program (OTFPVP) (<http://development.ohio.gov/newsroom/releases/press.htm?id=4248>) to commercialize advanced technology for high power density rotatable ceramic sputtering targets. These targets are used in the manufacture of thin film photovoltaic solar cells. The award is subject to State of Ohio Controlling Board approval.

Scott Campbell, Ph.D., Vice President of Technology, said, "We are pleased to have been selected by Ohio's Third Frontier Photovoltaic Program to help commercialize the high power density ceramic sputtering target attachment technology that SCI has proposed for thin film photovoltaic solar cell manufacturing applications. This technology will enable manufacturers to operate rotatable sputtering targets at higher power densities than current technology. Specific benefits include increased process throughput leading to lower photovoltaic solar cell modular costs in the future."

Dan Rooney, Chairman, President and Chief Executive Officer, stated, "During the past three years we have substantially increased our penetration in the Solar market through the development and introduction of new products, expanded international sales and marketing activities, and increased participation in government programs to develop greater manufacturing efficiencies for solar manufacturers. The OTFPVP award, the third one received from the State of Ohio, is another sign of the progress we are achieving in solar and also reflects the value they recognize in our innovative technologies. These initiatives help to accelerate our growth in this strategic market."

Additionally, Mr. Rooney, commented, "Earlier this month we received a follow-on order of approximately \$1 million from a solar customer. These products are expected to be manufactured and shipped during the first half of 2010. The Company previously reported its order backlog at September 30, 2009 was \$3.7 million. The OTFPVP award plus the follow-on

order significantly increase SCI's backlog, which will benefit the Company's financial results during the first half of 2010."

About Ohio Third Frontier

Established in 2002, The Ohio Third Frontier represents an unprecedented and bipartisan commitment to expand Ohio's technological strengths and promote commercialization that leads to economic prosperity throughout Ohio. Since its inception, the program has created or capitalized more than 570 companies and has created \$6.6 billion in economic impact in Ohio, a 9:1 return on investment. For more information, visit www.OhioThirdFrontier.com.

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>.

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but are not limited to, all statements regarding intent, beliefs, expectations, projections, forecasts, and plans of the Company and its management, and specifically include statements concerning a grant from the Ohio Department of Development's Third Frontier Photovoltaic Program, SCI's technology for operating rotatable sputtering targets at higher power densities, SCI's increased backlog which will benefit its financial results during the first half of 2010. These forward-looking statements involve numerous risks and uncertainties, including, without limitation, other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K for the year ended December 31, 2008. One or more of these factors have affected, and could in the future affect, the Company's projections. Therefore, there can be no assurances that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other persons, that the objectives and plans of the company will be achieved. All forward-looking statements made in this press release are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

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