Israeli startup buys up bankrupt electric car firm

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An Israeli energy startup has taken over the remains of Israel's trailblazing—and now bankrupt—electric car venture, the new owner said Thursday.

Ran Eloya, founder and CEO of Gnrgy Ltd., said his company bought the remaining assets of Better Place for less than $450,000, a fraction of its $2 billion valuation less than two years ago.

Better Place filed for liquidation in May, six years after promising to revolutionize the auto industry by reducing the world's oil dependency. The company burned through hundreds of millions of dollars building a network of chargers and battery-swapping stations, but experienced poor sales.

Eloya said his company would focus on operating the 1,800 public charging spots that service Israel's more than 1,000 electric cars but would not sell cars or provide battery-swap services as Better Place did. Officials in the Israeli economics ministry and the courts said they were not immediately aware of the deal.

Better Place launched its operations in 2007 to great fanfare, starting out as a source of pride and a symbol of Israel's status as a global high-tech power. But it shut down in May after failing to sell its silent fleet of French-made sedans to a skeptical public.

It capped a stunning fall from grace for Better Place and its founder Shai

Agassi. He believed that in an era of global warming and rising oil prices, environmentally friendly electric cars could be the wave of the future, if a way could be found to overcome the limited range of their batteries.

Agassi could not be reached for comment Thursday.

The project won the support of President Shimon Peres, received generous financial incentives from the Israeli government and an endorsement from former U.S. President Bill Clinton. In roughly five years, Better Place raised some $850 million from investors like General Electric Co., HSBC Holdings PLC and the European Investment Bank.

More information: Gnrgy Ltd.: www.gnrgy.com