

MILLENNIUM CELL INC  
 Form 4  
 June 01, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 DOW CHEMICAL CO /DE/

2. Issuer Name and Ticker or Trading Symbol

MILLENNIUM CELL INC [MCEL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 2030 DOW CENTER  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 05/30/2006

\_\_\_\_ Director  10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

MIDLAND, MI 48674

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|

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| Derivative Security                                     | Disposed of (D)<br>(Instr. 3, 4, and 5) |            | Code  | V | (A)     | (D)        | Date Exercisable | Expiration Date | Title        | Amount<br>Number<br>Share |
|---|---|------------|-------|---|---------|------------|------------------|-----------------|--------------|---------------------------|
|   | (1)                                     | (2)        |       |   |         |            |                  |                 |              |                           |
| Series A2-0 Convertible Preferred Stock                 | (1)                                     | 04/25/2006 | P     |   | 155,724 |            | (4)              | (4)             | Common Stock | 1,55                      |
| Series B-1 Convertible Preferred Stock                  | (3)                                     | 05/30/2006 | P     |   | 71,429  |            | (4)              | (4)             | Common Stock | 714                       |
| Warrant to Purchase Common Stock                        | \$ 2.1                                  | 05/30/2006 | P     |   | 178,571 | 11/30/2006 | 05/30/2006       |                 | Common Stock | 178                       |
| Series A2-1 Convertible Preferred Stock                 | (6)                                     | 05/30/2006 | J(7)  |   | 138,150 |            | (4)              | (4)             | Common Stock | 1,38                      |
| Series A2-2 & Series A2-3 Convertible Preferred Stock   | (9)                                     | 05/30/2006 | J(10) |   | 0 (11)  |            | (4)              | (4)             | Common Stock | 0                         |
| Series B-2 & Series B-3 Convertible Preferred Stock     | (12)                                    | 05/30/2006 | J(13) |   | 0 (14)  |            | (4)              | (4)             | Common Stock | 0                         |
| Warrants at 3rd or 4th Closing to Purchase Common Stock | (15)                                    | 05/30/2006 | J(16) |   | 0 (17)  |            | (18)             | (19)            | Common Stock | 0                         |

## Reporting Owners

| Reporting Owner Name / Address | Relationships |           |         |       |
|--------------------------------|---------------|-----------|---------|-------|
|                                | Director      | 10% Owner | Officer | Other |
|                                |               |           | X       |       |

DOW CHEMICAL CO /DE/  
2030 DOW CENTER  
MIDLAND, MI 48674

## Signatures

/s/ William H. Weideman,  
Controller

06/01/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each share of Series A2-0 Convertible Preferred Stock is convertible into 10 shares of Common Stock, subject to anti-dilution adjustments.
- The Reporting Person received shares of Series A2-0 Convertible Preferred Stock with an aggregate value of \$2,413,722.00 in exchange for entering into the Joint Development Agreement dated April 25, 2005 between the Reporting Person and the Issuer (the "Joint Development Agreement").
- (2) Each share of Series B-1 Convertible Preferred Stock is convertible into 10 shares of Common Stock, subject to anti-dilution adjustments.
- (3) Each share of Series A2 or Series B Convertible Preferred Stock, as applicable, is convertible into Common Stock, at the option of the Reporting Person, at any time after the date of issuance.
- The Reporting Person was issued a Warrant to purchase 178,571 shares of Common Stock at an exercise price of \$2.10 per share at the Second Closing under the Stock Purchase Agreement between the Reporting Person and the Issuer dated February 27, 2005, as amended April 25, 2005 (the "Stock Purchase Agreement") in connection with the purchase of Series B-1 Convertible Preferred Stock.
- (4) Each share of Series A2-1 Convertible Preferred Stock is convertible into 10 shares of Common Stock, subject to anti-dilution adjustments.
- (5) On May 30, 2006 the Reporting Person received 138,150 shares of Series A2-1 Convertible Preferred Stock in connection with the achievement of the first milestone under the Joint Development Agreement.
- (6) The Reporting Person received shares of Series A2-1 Convertible Preferred Stock with an aggregate value of \$2,152,791.45 in exchange for its human resource commitments under the Joint Development Agreement.
- (7) Each share of Series A2-2 and Series A2-3 Convertible Preferred Stock is convertible into 10 shares of Common Stock, subject to anti-dilution adjustments.
- On May 30, 2006 the Stock Purchase Agreement was further amended so that upon the successful achievement of the second or third milestone, as applicable, under the Joint Development Agreement the Reporting Person will have the right to acquire shares of Series A2-2 or Series A2-3 Convertible Preferred Stock, as applicable, within 65 days, as opposed to 30 days, after the achievement of the applicable milestone. Accordingly, under no circumstances does the Reporting Person have the right to acquire such shares of preferred stock within 60 days and the Reporting Person is no longer the beneficial owner thereof. As a result, the Reporting Person is no longer deemed to be a 10% beneficial owner for purposes of Section 16 and the rules and regulations promulgated by the SEC thereunder.
- (8) The number of shares of Series A2-2 Convertible Preferred Stock or Series A2-3 Convertible Preferred Stock, as applicable, issuable upon the achievement of the second or third milestone, as applicable, under the Joint Development Agreement is based on a percentage ownership of the capital stock of the Issuer at that time determined on a fully diluted basis and is not determinable at this time.
- (9) Each share of Series B-2 and Series B-3 Convertible Preferred Stock is convertible into 10 shares of Common Stock, subject to anti-dilution adjustments.
- On May 30, 2006 the Stock Purchase Agreement was further amended so that upon the successful achievement of the second or third milestone, as applicable, under the Joint Development Agreement the Reporting Person will have the right to acquire shares of Series B-2 or Series B-3 Convertible Preferred Stock, as applicable, within 65 days, as opposed to 30 days, after the achievement of the applicable milestone. Accordingly, under no circumstances does the Reporting Person have the right to acquire such shares of preferred stock within 60 days and the Reporting Person is no longer the beneficial owner thereof. As a result, the Reporting Person is no longer deemed to be a 10% beneficial owner for purposes of Section 16 and the rules and regulations promulgated by the SEC thereunder.
- (10)
- (11)
- (12)
- (13)
- (14)

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The number of shares of Series B-2 or Series B-3 Convertible Preferred Stock, as applicable, issuable upon the achievement of the second or third milestone, as applicable, under the Joint Development Agreement is based on the purchase price of the applicable Series B Convertible Preferred Stock which is calculated based on the volume weighted average price of the Common Stock for the 30-trading day period prior to the date of issuance of the applicable Series B Convertible Preferred Stock and is not determinable at this time.

- (15) An amount per share of Common Stock equal to the product of (i) 1.2 and (ii) the volume weighted average price of the Common Stock for the 30-trading day period prior to the date the applicable warrant is issued.

On May 30, 2006 the Stock Purchase Agreement was further amended so that upon the successful achievement of the second or third milestone, as applicable, under the Joint Development Agreement the Reporting Person will have the right to acquire warrants to purchase shares of Common Stock within 65 days, as opposed to 30 days, after the achievement of the applicable milestone.

- (16) Accordingly, under no circumstances does the Reporting Person have the right to acquire such warrants within 60 days and the Reporting Person is no longer the beneficial owner thereof. As a result, the Reporting Person is no longer deemed to be a 10% beneficial owner for purposes of Section 16 and the rules and regulations promulgated by the SEC thereunder.

- (17) The number of warrants to purchase shares of Common Stock issuable upon the achievement of the second or third milestones under the Joint Development Agreement is based on the purchase price of the applicable Series B Convertible Preferred Stock which is calculated based on the volume weighted average price of the Common Stock for the 30-trading day period prior to the date of issuance of the applicable warrant and is not determinable at this time.

- (18) Warrants are convertible into shares of Common Stock 6 months after they are issued in connection with third or fourth closing, as applicable.

- (19) Warrants expire 5 years after they are issued in connection with the third or fourth closing, as applicable.

- (20) The value of the shares of Series A2-2 or Series A2-3 Convertible Preferred Stock, as applicable, issuable upon the achievement of the second or third milestone, as applicable, under the Joint Development Agreement is based on the fair market value of the shares of Common Stock into which the Series A2-2 or Series A2-3 Convertible Preferred Stock is convertible on the date of issuance of the applicable Series A2 Convertible Preferred Stock and is not determinable at this time.

- (21) An amount per share equal to the product of (i) the volume weighted average price of the Common Stock for the 30-trading day period prior to the date of issuance and (ii) 10, which is not determinable at this time

- (22) If the Reporting Person purchases shares of Series B-2 or Series B-3 Convertible Preferred Stock, as applicable, in connection with the third or fourth closing, as applicable, it will receive a warrant to purchase 25% of the number of shares of Common Stock that would be issuable upon conversion of the applicable Series B Convertible Preferred Stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.