

# Press Release

10th November 2008



ZENERGY POWER

Zenergy Power plc  
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Zenergy Power plc ('Zenergy' or the 'Group')

## Key FCL Milestone: Successful testing and Launch of Commercial Grid Stability Device

Zenergy Power plc (AIM:ZEN.L), the specialist manufacturer and developer of commercial products utilising high-temperature superconductive ('HTS') materials, is pleased to announce that it has successfully completed testing of the Group's first commercial HTS Fault Current Limiter (FCL) in order to qualify it for installation into commercial electricity power grids. The FCL unit in question is based upon a prior development model that was designed, built and tested by the Group last year and has been constructed for installation into the commercial electricity grid of Southern California Edison (SCE). The Group will now deliver the completed FCL unit to SCE in December of this year, after which it will be installed into the Avanti distribution circuit of the Californian power grid following SCE's own pre-installation tests. Installation of the unit into the grid is expected to occur in the first quarter of next year.

The HTS FCL is a groundbreaking device developed by Zenergy specifically for utility customers who can deploy the unit into various locations across their electricity networks to enhance the overall stability and efficiency of their national operations. Developed over a number of years and in close conjunction with a number of utility companies, the Group's unique and patented 'saturated core' FCL design is capable of delivering to utility companies a 'real-world' solution to a number of their most pressing needs, which cannot be addressed using alternative available solutions. More specifically, the HTS FCL is of particular interest to utility companies as it is capable of instantaneously and automatically responding to – and absorbing – multiple surges in electrical power; preventing blackouts and collateral damage whilst maintaining a continuous, uninterrupted and stable supply of electrical power to downstream users. The ability of the Group's FCL to operate in this manner means that it can play a key role in not only maintaining a reliable supply of power to end users but also in assisting utility companies in their efforts to adhere to newly introduced regulatory requirements.

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Following the successful testing of this commercial unit, the Group is pleased to announce the official launch of the second of its fully commercial devices based on its core HTS intellectual property. Accordingly, the FCL is now being made available to further potential utility customers from whom the Group has already received clear expressions of interest. The global market for FCLs is expected to be worth up to US\$5bn per annum.

Michael Fitzgerald, Chairman, commented:

'The single greatest challenge for any technology group is to bring to market innovative, practical and competitive commercial products that are capable of directly addressing identified customer needs. The launch of our commercial HTS FCL marks the second time we have achieved this in just 18 months and we are now positioned to address two separate multibillion dollar global markets.

Much of this achievement is a result of our continual focus on the commercial application of our innovations and our collaborative approach to product development and manufacture. In adopting this collaborative approach we have developed, through a highly cost effective and focussed process, ground breaking products that address the most pressing energy related needs of global industrial businesses whose activities span the processes associated with the production, distribution and large-scale use of electrical energy. I would like to congratulate everyone involved in the development of the HTS FCL and look forward to reporting further on our continued progress towards becoming a large-scale producer of highly energy efficient industrial devices.'

Delivery of the tested FCL unit to SCE is scheduled for December of this year and accordingly the Board remains highly confident in its anticipation that the Group will become the first company in the world to install such a device into the United States commercial electricity grid. The Directors are not aware of any other FCL products capable of automatically responding to multiple power surges and accordingly consider the commercial launch of the HTS FCL to be of particular economic value to the Group. In this regard, the Directors note the significant support that the overall FCL market received last year as a result of the United States Department of Energy's commitment to invest over \$50 million to accelerate the adoption of HTS based devices into the U.S. electricity power grid. The decision by the Department of Energy to actively promote the use of HTS devices in the United States is indicative of the central role which they believe HTS devices can play in support of their overall strategy to modernize the aging, overstretched and inefficient U.S. electricity power grid. Further to the commitment from

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the Department of Energy, the United States Federal Government has also stated its support for the central role that HTS materials and devices can play in securing what it describes as 'a diverse and stable supply of reliable, affordable and environmentally responsible energy' for all U.S. citizens.

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### About Zenergy Power plc

Zenergy Power plc is a global specialist manufacturer and developer of commercial applications for superconductive materials. Comprising three operating subsidiaries located in Germany, USA and Australia, Zenergy is highly focussed on the commercialisation of a number of energy efficient applications to be adopted in energy intensive industrial processes, power distribution and renewable power generation. Zenergy achieved the world's first sale of an industrial scale HTS induction heater which is now in operation.

### About superconductivity

Superconductive materials are capable of conducting electricity without any resistance and were first discovered in 1911 in what was to prove to be one of the most significant scientific breakthroughs of the 20th century.

Superconductors enable:

- (a) Induction Heaters to be twice as efficient for the metals industry
- (b) Fault Current Limiters to protect power grids from blackouts
- (c) Direct-drive wind generators to be significantly reduced in size and weight allowing the operation of wind generators in excess of 8 MW
- (d) Existing hydro-power sites to upgrade to energy efficient Hydro-generators

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