

Press Release

9th March 2009



ZENERGY POWER

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

First Grid Protection Device Installed and Operational in U.S. Electricity Grid

Zenergy Power plc (AIM:ZEN.L), the specialist manufacturer and developer of high efficiency industrial and renewable energy devices employing superconductor technologies, is pleased to announce that Southern California Edison ('SCE') has completed the installation of the Group's Fault Current Limiter ('FCL') into its electricity grid in Southern California. The FCL is the Group's newly developed and proprietary 'smart grid' device which helps prevent electrical blackouts in electricity grids and is the first such device to ever be installed, activated and operated in the United States' electricity grid. As such, the Group's FCL is now online and operating in real-time to provide protection to the distribution circuit of the Californian power grid.

The significance of being the first company to install and operate such a device into the U.S. electricity grid is particularly apparent when considering the severe problems that utility companies are facing in coping with increasing power demands from consumers whilst attempting to satisfy the publicly stated demand for distributed power generation (including wind and solar power) from government authorities. Combined, these factors are leading to an increased occurrence of electrical blackouts which recent research estimates to be costing commercial businesses in the United States over US\$100 billion per annum.

As widely reported these escalating costs, along with security concerns, efficiency demands and increased renewable energy production are creating a determined and investment led effort to bring about the evolution of a national 'smart grid' in the United States. This ongoing investment into the development of a 'smart grid' represents a significant modernisation of the existing grid system and will see the adoption of a number of different technology devices such as the Group's FCL that will lead to a more demand managed, efficient and stable electricity distribution system. Recent estimates prepared for the U.S. Department of Energy have shown that a reduction in greenhouse gasses equivalent to permanently removing 53 million cars could be achieved by just a

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5% improvement in overall grid efficiency. These efficiencies will also drive substantial cost savings and as such the Group has been invited to work in conjunction with a number of the utility companies in the U.S throughout the development of its FCL and has also participated on projects funded by the Department of Energy, California Energy Commission and the Department of Homeland Security.

The global market for FCLs is expected to be worth up to US\$5bn per annum.

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About Zenergy Power plc

Zenergy Power plc is a UK registered and London listed global specialist manufacturer and developer of high efficiency industrial and renewable energy devices that employ superconductor technologies. 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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