

Press Release

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ZENERGY POWER

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

HTS Induction Heater Operations Update

Zenergy Power plc (AIM: ZEN.L), the specialist manufacturer and developer of commercial applications for high-temperature superconductive ('HTS') materials, is pleased to provide the following update on the industrial performance of the world's first HTS induction heater installed into the commercial premises of Weseralu GmbH ('Weseralu') in July of this year.

Following its installation by the Group and its manufacturing partner, Bültmann GmbH, the machine is now fully integrated into Weseralu's commercial operations, where, for over three months, it has operated consistently and at full capacity. Operational data results collected by Weseralu have demonstrated that throughout this period, the induction heater has delivered significant increases in industrial output whilst greatly improving the overall energy efficiency of Weseralu's industrial operation. Furthermore, the Group is delighted to report that the machine's performance data has comfortably surpassed any previous expectations of both the customer's and Zenergy's management teams.

25% Increased Productivity

The data generated by Weseralu shows that since installation, the induction heater has heated over 25,000 billets of aluminium - each weighing in excess of 30kg - a total of in excess of 700 tonnes of metal. The data also reveals the HTS induction heater is delivering aluminium billets heated to 450°C every 75 seconds. This has led to a dramatic increase in Weseralu's overall industrial output, a consequence wholly attributable to the Group's unique and proprietary HTS technology. Moreover, the HTS technology also enables the machine to continuously deliver more evenly heated billets when compared to conventional induction heaters. The swift production of metal billets heated to a high level of uniformity results in a far more malleable billet, making it easier to manipulate and shape. Importantly, in the case of Weseralu, this has enabled its existing equipment to process the heated metal billets at over twice its original speed.

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Zenergy's HTS induction heater has succeeded in eliminating the two major bottlenecks within Weseralu's overall metals operation. This has created a significant increase in overall productivity that provides economic benefits that exceed all previous expectations. Estimates based on the performance data provided determine that the increased productivity levels delivered by Zenergy's HTS induction heater will generate between €200,000 and €2 million of additional operating profit per annum per HTS machine, depending on the intensity of customers' operations and the size of metal billets used.

50% Increased Energy Efficiency

In addition, the use of Zenergy's core HTS technology complements the increase in productivity as the HTS induction heater consumes a greatly reduced level of energy. The installed HTS induction heater requires half the volume of electricity that is demanded by conventional induction heaters. Based on Weseralu's current scale of operations, this will lead to an additional annual cost saving of over €50,000 for the single unit that has already been installed. Based on this performance, the Group estimates that its HTS induction heater can produce energy cost savings of over €300,000 per induction heater for customers, depending on their operational intensity and the size of billets used. Halving its energy consumption also provides Weseralu with annual CO₂ emissions savings of approximately 380 tonnes of carbon, worth approximately €9,500 at a CO₂ price of €25 per tonne. The substantial reduction in energy consumption supplied by the HTS induction heater to metals producers is particularly significant when it is recalled that as much as 1-5% of the total annual electricity consumption in an industrialised country is considered to be directly attributable to the operation of heating equipment by metals producers.

Heinz Hagemann, owner and managing director of Weseralu, commented:

'The results are far better than we initially expected and the HTS induction heater is delivering not just increased performance in output and energy efficiency, but also in heating quality, consistency and versatility. Most significantly, we have been able to achieve an increase of nearly 25% in our material output and this has significant implications for our overall productivity levels. Moreover, with the HTS induction heater's precise temperature control we have been able to process a far wider range of metal alloys than would have been possible using our conventional induction heaters. This has provided us with a substantial advantage to our operations and in particular when processing very thin, fine and highly precise aluminium profiles. In these instances, we have been able to produce near perfect surface textures from the HTS induction heater and this is of great value to both us and our end customers.'

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We are very proud that we are pioneers in our industry by becoming the first company in the world to adopt an HTS driven machine and since its simple installation into our industrial operations we remain evermore convinced that we made the right decision in adopting this new generation of technology. The performance and energy efficiencies delivered by HTS technology speak for themselves and I look forward to further evaluating the benefits they can bring to our industrial operations.'

As previously announced, Weseralu has permitted Zenergy to showcase the installed machine to further potential industrial customers which has led to a number of 'real world' demonstrations of the machine's performance in Weseralu's commercial facilities in Minden, Germany. Initial feedback has been extremely encouraging and it is the Group's intention to make available to these interested parties this latest set of performance data.

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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 focused on the commercialisation of its energy efficient applications for 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 fully operational.

Zenergy's HTS applications enable, or aim to enable:

- (a) Induction Heaters to halve the amount of energy required to heat aluminium and copper billets;
- (b) Fault Current Limiters to protect power grids from blackouts;
- (c) Hydropower stations to significantly increase energy output by up to 15%; and
- (d) Offshore wind turbines that are in excess of 8 MW to reduce the cost of power production by up to 25%.

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. The global HTS market is substantial and growing, with a number of market studies projecting multi-billion dollar markets for the application of HTS materials and products. The proliferation of the use of superconductor materials is largely being driven by the following key factors:

- (a) HTS materials are highly complementary to energy efficient technologies as a substitute for copper
- (b) HTS wires have power densities of over 100x that of copper
- (c) Current developments are leading to substantially reduced costs in the production of HTS wires and are targeting to be cheaper than copper over the next few years.
- (d) HTS applications deliver exceptional energy efficiencies and thus reduced power consumption and running costs
- (e) HTS technology is set to play a significant role in reducing CO2 emissions in line with international targets
- (f) HTS applications are capable of delivering vastly increased levels of power with increased reliability and reduced material usage.

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