

Press Release

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ZENERGY POWER

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

Strengthening of Collaboration with ThyssenKrupp through New Project for Second Generation ('2G') wire

Zenergy Power (AIM:ZEN.L), the superconductor energy technology company, is pleased to announce a new funded project to support its work with ThyssenKrupp VDM GmbH ('ThyssenKrupp VDM') on advanced research activities relating to the Group's development of mass production techniques for low-cost 2G superconductor wire. The funding supports a €1.5m project (named 'SupraMetall') with a grant contribution from the regional government of North Rhine-Westfalia's Ministry of Economics and Energy of €860,000.

Zenergy Power's proprietary 2G superconductor wire is set to offer significant benefits to the renewable energy sector by enabling the cost effective production of superconductor-based generators. Generators made using superconductors are significantly smaller, lighter and more efficient than conventional machines and are anticipated to be capable of reducing the cost of renewable energy. The world's first installation of a superconductor generator is scheduled to occur later this year and will be carried out by E.ON AG.

The Group's industrial partner and project leader, ThyssenKrupp VDM, is one of the world leaders in high-performance alloys and a major supplier of nickel alloys in the form of tapes and foils. In October 2007, Zenergy Power and ThyssenKrupp VDM established a long-term agreement to accelerate the development and supply of Zenergy Power's proprietary 2G superconductor wire and it is expected that project SupraMetall will run for 30 months and serve to reinforce and expand this relationship. Zenergy Power and ThyssenKrupp VDM will be assisted by RWTH Aachen University, University of Bonn and the Bonn-Rhein-Sieg University of Applied Science who will contribute their excellence in metallurgy and high-end analytics.

Jutta Klöwer, head of Research and Development at ThyssenKrupp VDM commented:

'The supply of textured nickel tape for Zenergy Power's 2G superconductor wire is a huge step for ThyssenKrupp VDM as it enables us to enter into the electricity supply market. We are delighted to be the key supplier in this collaboration and look forward to participating in the huge growth market of renewable power generation.'

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About Zenergy Power plc

Zenergy Power is a superconductor energy technology company, quoted on the AIM market of the London Stock Exchange and comprising three operating subsidiaries located in Germany, USA and Australia. The Group's commercial focus is the innovation and manufacture of clean energy superconductor solutions that are capable of delivering huge efficiency and cost improvements to the generation, distribution and consumption of electrical energy.

Today, the Group's groundbreaking superconductive solutions are already delivering energy savings to industrial users of electrical energy and providing cutting-edge protection from electrical power surges to the United States electricity grid. Looking to the near future, the Group is currently developing a range of highly energy efficient superconductor components for a new class of electricity generator capable of delivering significant cost savings to the renewable energy industry. These cost savings will enable renewable energy to more effectively compete with traditional thermal power generation; leading to a greater reduction in carbon emissions and a more sustainable economic future.

In 2007, Zenergy Power became the first company in the world to complete a commercial sale of an industrial scale superconductor application and has subsequently developed products capable of addressing several multi-billion dollar global markets. Following this in the first quarter of 2009, the Group's FCL device which reduces the damaging effects of large-scale power surges on electrical grids became the first such superconductor smart grid device to be installed and operated into the United States electricity grid. In line with this leading industry position, Zenergy Power is also manufacturing core components for what is due to be the world's first superconductor electricity generator which is due for installation into E.ON AG's commercial hydro dam in 2010. It is anticipated that the installation of the superconductor generator will increase the electricity output of this generator by 36%

About ThyssenKrupp AG

ThyssenKrupp VDM GmbH, a company of ThyssenKrupp Stainless GmbH celebrated its 75th anniversary in 2005. For many decades it has developed high-performance materials for especially demanding applications and processes. Today, ThyssenKrupp VDM is the leading producer of nickel-alloys and high alloyed special materials. The production program includes sheet and plate, rod and bar, forgings, strip, wire and materials for tube and pipe production. ThyssenKrupp VDM supplies all-round packages for chemicals and petrochemicals, energy and environmental engineering, offshore and marine engineering, the automotive industry, aerospace, electronics and electrical engineering.

The company is based in Werdohl and has further production facilities in Altena, Siegen, Unna and Werdohl-Bärenstein. It has a division in the U.S.A. named Precision Rolled Products, Inc., which produces high-temperature materials for the aviation industry at plants in Reno and Florham Park. The five ThyssenKrupp VDM plants with their worldwide sales organization and the plants of Precision Rolled Products together employ more than 1,700 people. To ensure optimal cooperation with customers in the industrial engineering, electrical and electronic sectors and the aerospace and automotive industry ThyssenKrupp VDM has built up a network of advisory and sales offices, marketing companies, representatives and authorized stockholders and distributors.

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ThyssenKrupp VDM's targets are:

- Consistent implementation of customer requests into products and applications
- Projected development of the market leadership
- The worldwide leading position among the producers of nickel alloy

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:

- Induction Heaters to be twice as efficient for the metals industry
- Fault Current Limiters to protect power grids from blackouts
- Direct-drive wind generators to be significantly reduced in size and weight allowing the operation of wind generators in excess of 8 MW
- Existing hydro-power sites to increase energy efficiency and electrical power output

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