

**Inspirit Energy Holdings plc**  
**("Inspirit" or the "Company")**

**Inspirit Update**

Inspirit Energy Holdings plc (AIM: INSP) announces that its operations centre in Sheffield, is now formalising product introduction plans for its unique Inspirit mCHP boiler, with the aim of seeing commercial boilers installed in key customer sites in the first half of next year with volume production targeted for the end of next year.

John Gunn, the Company's Chief Executive, commented:

"Inspirit is seeing solid industry interest for the Company's unique heat and power generation product now that working capital has been raised to launch the commercialisation phase of product development.

"The Inspirit mCHP boiler has both an economic benefit to consumers and could add a viable contribution to the Governments Climate Change initiatives."

The Company has engaged with its key component suppliers to ensure that it can fast track the design and manufacture of the final commercial model. First installations of the Inspirit mCHP boiler will be targeted initially at utility companies to demonstrate the efficiency of the boiler and at the SME sector. This group of potential customers are big users of grid supplied electricity and are most vulnerable to higher energy prices and potential power shortages at peak demand periods.

Inspirit also advises that it has submitted an application to HM Revenue & Customs to confirm the Company's eligibility to join the Enterprise Investment Scheme (EIS), which is designed to help smaller trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies.

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**Notes to the Editors:**

Inspirit Energy, is a company based in Sheffield and is currently developing a micro combined heat and power (mCHP) boiler for the commercial and residential markets. The boiler is specifically designed to meet the challenge of reduced carbon energy supply and is capable of running on natural gas, LPG and Bio Fuels. The appliance produces hot water (for tap water or central heating) and electrical output simultaneously. The installation can be of single or multiple configuration and its high operating efficiency together with the off-set of electricity costs provides a very attractive investment payback proposition.

Inspirit intends to explore opportunities to licence out the underlying technology and the Directors believe that in some instances, the patents owned by Inspirit may be also used in the development of products other than a mCHP appliance. A prototype of the appliance has been independently tested and shown to be capable of simultaneous generation of up to 15kW thermal and up to 3kW electrical output. Once development of the appliance has been completed and commercialised, the Directors expect that the appliance will initially be marketed in the UK and Europe and eventually worldwide. Additional revenue streams may be possible through product licensing, sales of warranties and further development of the product.