

26 June 2014

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

**Update and £1 million Equity Placing**

Inspirit (AIM: INSP) announces that it has successfully raised £1,000,000 (gross) through the issue of 71,428,571 new ordinary shares of 0.1p each in the Company ("Placing Shares") at a price of 1.4 pence per Placing Share via direct subscriptions with the Company (the "Placing"), to fund the next important commercialisation phase of the Inspirit mCHP ("micro combined heat and power") boiler.

This funding will more than adequately fund the Company through the next key critical stages of development, production and trial installations of the Company's mCHP appliance as a precursor to moving to commercial production.

John Gunn, a director of the Company, has agreed to invest £50,000 in the Placing by subscribing to 3,571,429 Placing Shares at 1.4 per Placing Share. Following the Placing, John Gunn will be interested in 353,841,355 ordinary shares of 0.1p each representing approximately 54 per cent. of the Company's issued share capital as enlarged by the Placing.

The first mCHP appliances are expected to go into commercial field trials in the UK by the end of October 2014. These trials are designed to validate Inspirit's mCHP technology with a number of European Utilities and important SME customers who have signed up to be part of this important validation and EU certification process.

In addition to a number of SME clients who have already committed to trial Inspirit's appliance, the Company also announced on 19 May 2014, a milestone agreement with a major European Utility that will see Inspirit supply and install the Company's highly efficient mCHP micro co-generation boilers into that Utility's test and verification facilities when the first commercial specification appliances become available later in the year.

The Agreement with this Utility stipulates that any tests undertaken at its test facilities will establish the suitability of the mCHP appliance for field trials within their network and subsequent potential commercial entry into their market. Upon successful testing of the Inspirit mCHP appliance, the parties have agreed to discuss the potential to co-operate in field trials of the appliance within the network of this Utility.

The Utility is one the major energy utilities in Europe with an extensive customer base of gas consumers in both the industrial and domestic sectors. It is also one of the largest installers of boilers and energy efficiency products in its market place.

**John Gunn, the Company's CEO, commented:**

"The Company has been mindful of unnecessary shareholder dilution since its re-admission in July of last year, but the board thought it prudent at this critical stage of the Company's product development to raise the necessary funding to ensure we meet the time lines set for deploying our unique mCHP appliances into the commercial arena by the end of October this year."

"Inspirit is now approaching an exciting time in the Company's history and this funding more than adequately secures the Company's future as we work with our engineering partners to meet the

aggressive timetable set for delivering a first class mCHP product to potential end users before year end.”

**Placing Details:**

The Placing Shares will rank pari passu with the Company's existing issued ordinary shares and application will be made for the Placing Shares to be admitted to trading on AIM, which is expected to become effective on 4 July 2014 ("Admission").

Following Admission of the Placing Shares, the Company's enlarged issued share capital will comprise 655,560,344 ordinary shares of 0.1 pence each (“Ordinary shares”). The Company does not hold any ordinary Shares in treasury. This figure of 655,560,344 Ordinary Shares represents the total number of voting rights of the Company and may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**The Inspirit mCHP micro co-generation boiler:**

Inspirit Energy’s new washing machine-sized mCHP micro co-generation boiler is one of the industry’s most powerful and energy efficient mCHP appliances for its size with simultaneous generation of up to 15 kilowatts of thermal output and up to 3 kilowatts of electrical output. The appliance’s patented engine will take the waste heat from the boiler and convert it efficiently in to electricity; first supplying the installed property and then feeding surplus electricity into the national grid. The appliance to be commercialised will have the following specifications:

**Table 1: Appliance Data.**

Engine drive for electrical	Sterling Engine. Engine has a power piston and a displacement piston running within the same cylinder.
Electrical Power Output	Generates a maximum of 3kW of electricity with 16% net efficiency at 20kW total gas input.
Thermal Output	Up to 15kW at 76% net efficiency with a gas input of 20kW.
Heat to Power Ratio	5:1
Noise Level	50dBA at a distance of 1m.
Weight	Less than 120kg.
Dimensions	650x650x900mm
Water Temp Output	Water temperature output of 45-85°C depending on installation.
Installation	One person installation (gas safe) and electrical connection.
Service	Service interval recommended 12 months in a domestic installation.
CO <sub>2</sub> Emissions	Estimated CO <sub>2</sub> reduction of 4 tonnes per year per appliance
Current Patents	3 Registered and 5 Patents Pending.

**Inspirit’s Development Partners:**

The Inspirit mCHP appliance consists of 4 key systems, each of which has been designed with the help of engineering partners:

- **Adigo** has been instrumental in advising on the remodelling of the original heaterhead and regenerator components of the Stirling Engine design (Inspirits proven prototype) for the final appliance.
- **GE Precision** are a key partner in developing the internals of the Stirling Engine with FEA analysis of the Crankcase, Piston and Rhombic Drive Assembly that converts the heat energy

into the motion required to generate the electrical output. This is the driving force of Inspirit's mCHP appliance.

- **Sentec** have designed the control system including the user interface, diagnostics and management of the supply back into the Grid.
- **Enertek** have designed the gas combustion system, heat recovery system and will assist Inspirit in gaining the required approvals certification.

**Manufacturing Partners:**

- **Malvern Boilers** have been chosen as Inspirit's manufacturing partner to build the initial trial units and to bring the product to market when fully commercialized. Malvern's experience in building small batch gas products and their groups of subcontractors are ideal for Inspirit's requirements and they will be in control of the product introduction process and supply chain management.

**For further information please contact:**

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