

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)

COMPANY NAME:

KleenAir Systems International plc (to be renamed Inspirit Energy Holdings plc on admission)

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :

Registered office and trading address of the Company:
2nd Floor, Number 2
London Wall Buildings
London EC2M 5PP

COUNTRY OF INCORPORATION:

England

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:

Prior to admission: www.kleenair-systems.com

Post admission: www.inspirit-energy.com

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

Admission is being sought as a result of the acquisition of Inspirit Energy Limited (“Inspirit”), a transaction which constitutes a reverse takeover under Rule 14 of the AIM Rules for Companies. Inspirit is developing a micro combined heat and power (“mCHP”) boiler appliance (the “Appliance”) for the commercial and residential market, based on the mCHP technology originally being developed by Disenco Limited, the rights to which were acquired from Disenco by a subsidiary of Inspirit. The Appliance will be fired by gas and is being designed to drive a generator that produces up to 3kW of mains voltage electricity (with the capability to be exported to the utility grid) whilst at the same time generating up to 15kW of thermal output for local use.

Prior to entering administration, Disenco carried out initial tests on its prototype of the Appliance sponsored by the Carbon Trust to prove the underlying technology. The Carbon Trust published its findings in 2011 and the full report can be found at www.carbontrust.com/resources/reports/technology/micro-chp-accelerator. The report found that by producing both heat and electricity locally, combined heat and power systems can potentially achieve lower overall carbon emissions than conventional heating systems and grid electricity. Inspirit has continued to develop the Appliance to address certain issues raised through the Carbon Trust trials and generally to improve the performance and reliability of the Appliance.

The electricity generation process in the Appliance uses a Stirling engine, which was invented by Robert Stirling in 1816 as an industrial engine and an alternative to the steam

engine. The Stirling engine technology constitutes a heat engine operating by cyclic compression and expansion of a gas, the working fluid, at different temperature levels such that there is a net conversion of heat energy into mechanical work. Inspirit currently uses Helium as the working fluid in its Appliance. Helium is contained within the system and uses an internal heat exchanger and thermal store, known as the regenerator. The Directors believe its efficiency and noise levels make it particularly suitable for use in mCHP appliances.

Inspirit has held discussions with several parties interested in partnering, licensing or purchasing the Appliance as well as with a number of the major boiler manufacturers.

Inspirit is currently focusing its development of the Appliance with a view to supplying the commercial (rather than residential) market as it believes that (i) commercial users (e.g. fast food restaurants, nursing homes, gyms and swimming pools, etc.) of boilers have higher thermal consumption than domestic customers thus shortening the payback of an investment in the appliance; (ii) many commercial user premises have multiple boiler installations, the Directors believe that this will make the decision to replace one of the boilers with an Appliance less risky and hence more likely to be implemented by early adopters; (iii) noise emissions are usually less of a consideration in a commercial installation environment where the appliances are often installed in a separate boiler room; and (iv) whilst the Appliance is approximately the size of a large washing machine, size and weight considerations are less of an issue in a commercial application environment compared to the domestic market which is dominated by wall mounted boilers.

The Directors believe there may be potential to produce a smaller version of the appliance (producing up to approximately 1kW of electrical output) to appeal to the larger domestic boiler market. Similarly, it may be possible to increase the electrical output of the Appliance to 5-6kW to make it suitable for larger commercial premises.

Inspirit's main country of operation is the UK.

DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):

477,860,705 Ordinary Shares of 0.1 pence each.

CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:

The Company is seeking to raise £410,000 on Admission
The Company's anticipated market capitalisation is £4.8m

PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:

79.8% immediately following admission.

DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES (INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:

N/A

FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS
(underlining the first name by which each is known or including any other name by which each is known):

Upon Admission the Board will comprise the Directors set out below:

John William Gunn (*Executive Chairman*)
Nilesh Jagatia (*Finance Director*)
Jubeenh Nazhat (*Executive Director*)
Neil George Luke (*Non-Executive Director*)

FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION
(underlining the first name by which each is known or including any other name by which each is known):

Name	Existing		Following Admission	
	Number of Shares	Percentage of Issued Share Capital	Number of Shares	Percentage of Issued Share Capital
Lynchwood Nominees Limited	14,307,045	19.6%	14,307,045	3.0%
John Gunn	9,240,160	12.6%	295,909,907	61.9%
Rothschild Nominees	8,328,125	11.4%	29,950,817	6.3%
Challis International Ltd	6,250,000	8.6%	6,250,000	1.3%
Entavo Trading AG Ltd	5,750,000	7.9%	10,750,000	2.2%
Peel Hunt Holdings Ltd	4,622,124	6.3%	16,622,124	3.5%
Anthony Miller	4,250,000	5.8%	8,351,583	1.7%
Argus Group LLC	3,500,000	4.8%	3,500,000	0.7%
Otilla Investments	3,437,500	4.7%	3,437,500	0.7%
Hebolux S.A.	-	-	23,852,243	5.0%
Rod McClancy*	-	-	16,622,692	3.5%

*The shares held by Rod MacClancy, are held in trust for the benefit of Sally Kenchington.

NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:

N/A

- (i) ANTICIPATED ACCOUNTING REFERENCE DATE
(ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:

- (i) 30 June
(ii) Audited financial information for KleenAir for the three years to 30 June 2012 and interim unaudited results for the six months ended 31 December 2012 incorporated by reference.

Historic audited financial information on Inspirit Energy Limited for the three years ended 30 June 2012.
Unaudited interim financial information on Inspirit Energy Limited for the six months ended 31 December 2012.

- (iii) Next three results to be published:
- a) Annual results for the 12 months to 30 June 2013 by 31 December 2013
 - b) Interim results for the 6 months to 31 December 2013 by 30 March 2014
 - c) Annual results for the 12 months to 30 June 2014 by 31 December 2014

EXPECTED ADMISSION DATE:

25 July 2013

NAME AND ADDRESS OF NOMINATED ADVISER:

Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London
EC2N 4AY

NAME AND ADDRESS OF BROKER:

Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London
EC2N 4AY

OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:

A copy of the admission document containing full details of the applicant and the admission of its securities is currently available on the Company's website, www.kleenair-systems.com and will be made available at the following address post admission, www.inspirit-energy.com

DATE OF NOTIFICATION:

23 July 2013

NEW/ UPDATE:

Update