

8 January 2015

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

Product Announcement on Inspirit's mCHP Boiler-Generator

Inspirit Energy (LSE AIM: INSP) announces that it has committed to the development and production of a new 2 kilowatt ("kW") electrical output version of the Inspirit mCHP boiler-generator for the domestic market to complement the larger 3 kW electrical output version currently being built for the SME market. The significance of this decision is to significantly increase the market potential of Inspirit's product range by offering an appliance that is suitable for the larger domestic sector that can qualify for the current UK Government Feed in Tariff ("FiT").

The new smaller 2 kW electrical output version will be launched soon after the release of the 3kW electrical output version which is currently being assembled and prepared for advanced field trials at a number of UK Utility and SME sites.

The 3 kW output version is aimed at the SME market and it's main feature is the payback achieved by the use of the power in a commercial enterprise hence off-setting the purchase cost, whereas the 2 kW version, which will be Microgeneration Certification Scheme ("MCS") approved, will achieve similar payback potential at lower running hours and take full advantage of the current benefits under the existing FiT schemes.

The Company is currently establishing and looking to expand its third party production capabilities with local and international manufacturing companies and is now committed to the fulfilment of significant volumes over the next 5 years. To support this, the Company has commenced extensive marketing activities to reach potential domestic customers who would be attracted by the 2kW version and the potential short payback times achieved via the FiT.

John Gunn, the Company's CEO, commented:

"Through this commitment of developing and offering a further more versatile version of Inspirit's unique boiler-generator at such an early stage of the technology's commercialisation, Inspirit is demonstrating its intent to provide an attractive alternative to the 1 kWe appliances that the market place is currently being offered. Economically the benefits of two to three times the electrical output of competitor's products and the existing FiT allowances should offer more significant payback opportunities to customers with much higher electric output. The current independent forecasts for increased sales of mCHP products throughout Europe, particularly in the UK at the expense of heat only generating gas boilers over the next 10 years, indicate that with the right products on offer Inspirit will be well placed to take advantage of this increasing and significant market."

The Inspirit mCHP micro co-generation boiler:

Inspirit's new washing machine-sized mCHP boiler-generator is one of the industry's most powerful and energy efficient mCHP appliances for its size with simultaneous generation of up to 15 kW of thermal output and up to 3 kW of electrical output. This will now be joined by a 2 kW output MCS approved version to take advantage of a much bigger potential domestic market. The appliance's patented engine will take the waste heat from the boiler and convert it efficiently in to electricity; first supplying your own property and feeding surplus electricity into the National Grid.

Inspirit's Development Partners:

The Inspirit mCHP boiler-generator 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 and manufacturing 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 assisted in the design of the control system including the user interface, diagnostics and management of the supply back into the Grid.
- **Enertek** have assisted in the design of 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 Inspirits 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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