

27 January 2014

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

Manufacturer signed for the Inspirit mCHP boiler

Inspirit (AIM: INSP), which is developing a heating boiler which also simultaneously generates enough electricity to power the average home, announces that it has signed a manufacturing agreement with global boiler manufacturer Malvern Boilers Ltd ("MALVERN") to produce the initial volumes of its unique and highly efficient mCHP boilers.

Highlights:

- Deal signed with globally recognised sector specialists, MALVERN, to manufacture Inspirit's unique high efficiency mCHP boiler initially for the UK and European markets.
- MALVERN have an excellent track record of producing mCHP boilers for the global market place and are experienced in the testing regimes required to verify the adherence to the certification of gas appliances.
- Working together with Inspirit and its component suppliers, MALVERN will assist Inspirit in developing the global supply chain required to mass manufacture and sell the Inspirit mCHP boiler in the UK and Europe at competitive prices.
- Inspirit expects to have pre-sales units operating with key potential customers by mid-year and plans to be in commercial production by the year end.

David Lenigas, the Company's Chairman, commented:

"MALVERN are the ideal manufacturing partner for Inspirit having a long established track record of manufacturing full boiler units and components for major industry players in North America, Europe and the UK.

"The Company has now contracted all the necessary design, manufacturing and certification specialists required to make this British company's washing-machine-sized, high efficiency boiler-electricity generator available for the global market place."

Nick Perry, Managing Director of Malvern Boilers, commented:

"We are delighted to partner Inspirit with the manufacture of their mCHP. We believe it's a truly innovative product that offers both domestic and SME's alike an affordable mCHP solution. Inspirit's decision to partner a British manufacturer is not only excellent news for us; it's excellent news for UK manufacturing, bringing with it the creation of new jobs. We pride ourselves on the quality of our workmanship and get real enjoyment out of working with likeminded partners such as Inspirit"

The Inspirit mCHP boiler-generator:

Inspirit has developed a high efficiency boiler suitable for large domestic and small commercial and enterprise use capable of simultaneous generation of up to 15kW thermal and up to 3kW electrical output. This uniquely represents about 3 times the electrical output compared to similar appliances available in the global marketplace.

Malvern Boilers:

Malvern is an independent manufacturing company specialising in the production of certified gas, oil and electrical appliances for clients in both the domestic and commercial markets.

Current progress and prospects

Earlier this month, Inspirit signed up Enertek International Ltd to assist with the final mass manufacturing specifications and designs for the boiler's key heating components and assist in obtaining the necessary certifications required to sell this unique appliance initially in the UK and European market places.

In October 2013, Inspirit signed up international technology and product developer, Sentec Ltd to provide the appliances electrical controls package and the energy management systems for the Inspirit mCHP boiler.

Inspirit is on track to have a number of its mCHP boiler-generators installed with key potential customers by mid-year and is working with our consultants and engineers on preparing for full scale commercialisation by year end.

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Notes to the Editors:

About Malvern Boilers

Malvern is a privately owned manufacturing company specialising in the production of certified gas, oil and electrical appliances. Located in the Midlands and founded in 1991, the company pioneered condensing technology with its own range of high efficiency domestic boilers. Since then, Malvern has built on its heritage introducing market leading products into both the Commercial and Leisure sectors.

Malvern offers a bespoke solution to its clients for the design, approval, testing, productionisation and manufacturing of their appliances.

About Enertek International Ltd:

Enertek International Ltd is an independent engineering consultancy specialising in the design, development and certification of gas, oil, electrical and renewable appliances. The company is based in Kingston upon Hull and serves clients worldwide.

In addition to providing consultancy and contract R & D services Enertek actively participates in industry and government backed groups to expand the availability of knowledge and expertise in the mCHP sector and has laboratory facilities capable of carrying out development and certification tests in accordance with European and American Standards.

About Sentec Ltd:

Sentec Ltd ("Sentec") is an innovation, technology, and product development company. Sentec specialise in the energy and cleantech sectors inventing, innovating, and developing technology & products on behalf of our clients. We bring our sensing, actuation, data-analytics, and communications skills to products which deliver greater intelligence and control, to the management of energy.

Sentec applies its energy industry expertise and experience in three main fields; Smart Grid & Metering - where Sentec has its technology embedded in over 12million field-deployed units; Smart Buildings - where Sentec enables the homeowner and the buildings/site manager to have clear understanding and control over their energy management; and Consumer products - where Sentec is helping revolutionise how our every-day consumer products use and report the use of energy.

About Inspirit Energy Holdings plc:

Inspirit Energy Holdings plc, is developing and commercialising a highly efficient 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.