

PRESS RELEASE

ENGINION AG RAISES NEW FUNDS WITH INTERNATIONAL INVESTORS AND APPOINTS NEW CEO TO CONSOLIDATE ITS DEVELOPMENT STRATEGY

BERLIN (December 21, 2004) --- Enginion, the leading Berlin company that has developed the SteamCell, an innovative compact heating system which can produce electricity inexpensively, receives new funds from its well-known group of historic investors led by SAM Private Equity and a new foreign investor, TechFund Capital Europe.

Enginion continues to attract international investors' confidence

The well-known group of investors led by SAM Private Equity has decided to substantially increase the second-round of financing completed about two years ago. The addition of another foreign investor will accelerate the international commercialization of Enginion's SteamCell. Besides SAM Private Equity, Grazia Equity, MVV Innovationsportfolio, OPG Ventures and Schneider Electric Ventures the French TechFund Capital Europe venture capital company is now also one of the investors.

Jean-Michel Barbier, Managing Partner of TechFund Capital Europe, explains the reasons for coming on board: "Thanks to our own industrial sponsors, we do consider that the market is ready for deployment of Combined Heat and Power systems. Enginion's concept has impressed us. We can see great opportunities for the small CHP system developed by Enginion, which is ideally suited for use in single-family homes, apartment houses, and in small businesses. The current developmental stage of the SteamCell and the possibility of mass production validate our investment. Since this machine fits into our strategy, we were able to make a decision to get involved with Enginion in an exceptionally short time."

A clear growth perspective focused on the heating equipments market

The additional capital will help the innovative compact heating device developed by Enginion, which can produce electricity inexpensively and in an environmentally sustainable way to reach production stage.

Gianni Operto, Private Equity Principal with SAM, the lead investor, says: "This year, Enginion took a huge step forward in the development of the SteamCell. It was able to bolster its technological advantage by reaching important milestones. The close cooperation with notable heating equipment manufacturers makes it possible to develop the product tailored to the heating and regulating systems of customers. Since Enginion uses standard components in the SteamCell, it will be possible to reach the stage of mass production quickly."

Prototypes of Enginion's SteamCell are currently being delivered to external partners for test bench experiments. These will be followed by field tests next year, conducted in real-life conditions together with heating equipment manufacturers and utility companies, initially in German-speaking areas.

Heating industry seasoned CEO Günther Ebert to lead Enginion

To lead the transformation of Enginion into a heating equipment-focused technology company, a new CEO has been brought in. Dr. Günther Ebert has assumed leadership of several German companies in the heating industry and receives the full support of all the investors.

"The increase in the share of our current investors and the addition of a further, renowned partner will enable us to concentrate on the accelerated mass production and launch of the SteamCell," says Dr.

Günther Ebert. "The financial strength of our investors, our qualified and enthusiastic employees, and the development partners which we closely cooperate with in various phases of the project will help us to successfully reach the end of the journey we have embarked on. In addition, the excellent relationships we have with our sales partners guarantee a speedy launch."

About Enginion®

Berlin-based Enginion AG (www.enginion.com) is a leader in innovation in the field of steam-operated, extremely compact cogeneration systems. Their patented SteamCell is an inexpensive combined heat and power generation system with unique advantages. The small machine is distinguished by its particularly economical, flexible and environmentally friendly method for generating energy.

TechFund Capital Europe

TechFund Capital Europe (www.techfundcapitaleurope.com) is a venture capital firm focusing on emerging technology companies in Europe. TechFund leverages many years of partnership experience between major corporations, start-ups and VC funds to accelerate the development and growth of disruptive technology companies in the digital media and energy sectors. TechFund brings its network of strategic partners including EDF, Thales Group, Thomson, and TechFund Capital, its California sister fund, to proactively assist its portfolio companies in their development. TechFund Capital Europe is headquartered in Paris and invests primarily in France and Germany.

SAM Private Equity

SAM Private Equity is a family of funds of SAM Equity Partners Ltd., a Guernsey-based specialist in venture investments in the field of sustainable technologies. SAM Equity Partners Ltd. is a subsidiary of SAM Sustainable Asset Management AG (www.sam-group.com), an independent asset management company based in Zurich, Switzerland.

Grazia Equity

Grazia Equity GmbH (www.grazia-equity.de) actively supports innovative companies in the field of renewable energy, high technology and the automobile industry. Under the leadership of Alec Rauschenbusch – German Business Angel of the Year – the company has assisted and partnered with numerous businesses on the road to becoming successful market-dominating suppliers.

MVV Innovationsportfolio

MVV Innovationsportfolio AG & Co. KgaA, managed by ACCERA Venture Partners AG (www.accera.de), is the venture capital fund of MVV Energy AG, Mannheim, one of Germany's largest regional utility companies. The strategic goal of the venture capital commitment, along with providing know-how, is to establish together with Enginion new products in existing or new markets of MVV Energie AG.

OPG Ventures

OPG Ventures Inc. (www.opgventures.com) invests in companies that offer products or services that make electricity generation, transmission or consumption more efficient and environmentally friendly. OPG Ventures combines its own expertise in the area of the utility industry and financial services with considerable resources, technological know-how, and the market access of its parent company, Ontario Power Generation Inc., Canada.

Schneider Electric Ventures

Schneider Electric Ventures SAS (www.schneider-electric-ventures.com) manages the fund SEV 1 subscribed by Schneider Electric. SEV 1 finances North American and European technology start-up companies in the fields of "emerging technologies" (communication, decentralized energy supply,

sensors), "enabling technologies" (MEMS, nanotechnology) and new technologies on the markets of Schneider Electric (energy, building, industry and infrastructure). Schneider Electric specializes in electric energy distribution and industrial automation. In 2003, it generated sales in the amount of 8,8 billion Euro in 130 countries.

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ABSTRACT:

Capital increase at Enginion AG and the inclusion of a new international investor in order to accelerate the run-up to mass production and commercialization of the SteamCell, an innovative combined heat and power (CHP) generation system for stationary applications.