

Press release

08:00hrs Monday 12th March 2007

**Exclusive Co-operation Agreement
for wind and small hydropower applications
between Converteam Group SAS and Zenergy Power plc**

Converteam Group SAS, the international developer of systems and customized solutions for the conversion of electrical energy and Zenergy Power plc (AIM:ZEN.L), the specialist manufacturer and developer of commercial applications for superconductive materials, are pleased to announce that they have entered into a five-year exclusive co-operation agreement to jointly develop, manufacture, market and sell high-temperature superconductor ('HTS') generators into the global wind and small hydropower markets. Part of this agreement, Zenergy becomes the exclusive supplier for HTS wires and coils for all Converteam's commercial activities in relation to wind power and small hydropower projects.

With an unrivalled reputation for technical excellence and innovation, Converteam already enjoys a leading position in the wind power market, and accordingly, Zenergy considers Converteam to be the ideal partner to safeguard and accelerate the route to market for its patented HTS materials and products.

The partnership follows a long working association between Converteam and Zenergy and represents a significant opportunity for both companies, who believe offshore wind power to be potentially the largest and most commercially viable market for HTS technology. The project will leverage the joint technical and marketing resources of both companies for the purpose of maximising the penetration of Converteam HTS generators in the renewable energy markets, prospectively conferring a substantial competitive advantage in a market where barriers to entry are high and first mover advantages are significant.

Currently, Converteam is leading a UK Department of Trade and Industry (DTI) funded project to design a high-power (8MW) direct-drive superconducting wind generator, based on Zenergy's HTS technology. The HTS generator will be significantly smaller than conventional generators and just one quarter of the weight. This is anticipated to achieve electricity cost savings of around 25%.

In another collaborative effort, Zenergy and Converteam have already made encouraging progress within the small hydropower sector. In October of last year, the European Commission funded the installation of the world's first HTS hydro-generator – developed by Zenergy and Converteam - into E.ON Wasserkraft GmbH's ('E.ON-WK') commercial hydro-electric dam in Bavaria, Germany. This HTS hydro generator delivers significant improvements to electrical efficiency when compared to existing copper based generators. E.ON-WK is Europe's largest producer of hydro-electric power with over 10 billion kilowatt hours of electricity produced each year, and Zenergy and Converteam view the commercial interest of E.ON-WK in HTS generators as a persuasive and significant endorsement of the improvements to economic return that HTS can bring to renewable power generation.

Pierre Bastid, CEO & President of Converteam, commented:

"We believe that the extraordinary electrical efficiency and power density enjoyed by HTS wind turbines represent the most viable solution for overcoming the most challenging and prohibitive technical and economic challenges faced by the renewable power generation industry. Having worked very closely with the Zenergy team over a long period we consider

their innovative approach to HTS technology combined with our system integration capabilities to be highly effective.”

Michael Fitzgerald, Chairman of Zenergy, commented:

‘Wind power generation represents the most mature source of renewable energy production. Converteam shares this belief and has clearly stated its intention to be at the forefront of this industry. Converteam’s proven ability to produce and deliver products of excellence is incontrovertible and we are very excited to now be working together on developing cutting-edge technologies based around our patented materials and products.’

-Ends-

www.converteam.com
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About Converteam Group SAS

Converteam Group is a world leader in power conversion engineering. Building on over a century of experience, it is firmly placed at the leading edge of technology and innovation with a global reputation for excellence in the conversion of electrical energy. Converteam develops and provides solutions built around three core components: rotating machines, drives and process automation. Serving specialized sectors as well as its core markets in Marine & Offshore, Oil & Gas, Energy and Industry, its 3,500 staff members provide power conversion solutions worldwide. At year-end 06, the Converteam sales will total more than 650,000,000 EUR.

About Zenergy Group Plc

Zenergy Power plc is a global specialist manufacturer and developer of commercial applications for superconductive materials. Comprising three operating subsidiaries located in Germany (Trithor), USA (SC Power Systems) and Australia (Australian Superconductors), Zenergy is developing a number of energy efficient applications to be adopted in renewable energy power generation, energy distribution and large scale, energy intensive industrial processes.

About superconductivity

Superconductive materials are capable of conducting electricity without any resistance and were first discovered in 1911 in what was to prove to be one of the most significant scientific breakthroughs of the 20th century.

The global HTS market is substantial and growing, with a number of market studies projecting multi-billion dollar markets for the application of HTS materials and products. The proliferation of the use of superconductor materials is largely being driven the following key factors:

- HTS materials are highly complementary to energy efficient technologies as a substitute for copper;
- HTS wires have power densities of over 100X that of copper;
- HTS materials deliver exceptional energy efficiencies and thus reduced consumption and running costs;
- HTS technology is set to play a significant role in reducing CO₂ emissions in line with international targets;
- HTS applications are capable of delivering vastly increased levels of power with increased reliability and reduced material usage; and
- current developments are leading to substantially reduced costs in the production of HTS materials and are targeted to be cheaper than copper over the next few years.