



FOR IMMEDIATE RELEASE

Research Study Validates the Durability and Energy Output of Versa Power's Fuel Cell in Hybrid Automotive Application

First-ever pairing of solid oxide system with advanced battery shows 'BIG BATTERY, SMALL CELL' design meets energy and flexibility requirements in demonstration of vehicle application

LITTLETON, Colo. -- June 26, 2007 -- Versa Power Systems, Inc., a leading developer of environmentally friendly Solid Oxide Fuel Cells (SOFC) that generate clean electricity in compact form for a range of applications, today announced that a bench-top study of its technology in combination with an advanced battery validated the performance of a hybrid engine under conditions simulating the rigors of a commercial truck's operation.

An engineering team at Imperial College London conceived and built a hybrid engine that pairs a fuel cell with a specialized electric battery to overcome known limitations of each power source. Although fuel cells generate clean and steady power, sporadic driving patterns -- start-stop, cruise, decelerate -- can force severe design inefficiencies onto them. Batteries cope much better with normal driving variations, but can't carry a charge that provides an acceptable vehicle range.

The solution devised and tested at Imperial College is a "Big Battery, Small Cell" design, which flip-flops these two components' traditional roles. Other experimental fuel cell hybrids tend to minimize the battery's size and output, using it mainly to supply "extra power" -- during acceleration, for example. Under this new approach, a larger (but not massive) battery serves as the primary energy source. An on-board fuel cell -- smaller than needed to run the vehicle, but still plenty powerful -- constantly charges the battery.

Dubbed the ABSOLUTE Hybrid (Advanced Battery Solid Oxide Linked Unit to maximize Efficiency), the prototype engine paired a 300 watt "stack" (the element of a fuel cell actually generating electricity) from Versa Power Systems with a sodium nickel-chloride battery providing 45 amp hours of electricity. This relatively low-weight, high-performance Zebra battery (manufactured by Beta Research & Development Ltd.) has been employed in experimental electric vehicles for the past decade.

To simulate the demands driving would make on the hybrid, researchers used a software program to mimic conditions experienced by a commercial vehicle over a 12- to 16-hour day. Fleet vehicles tend to operate continuously except when picking up a new load or swapping drivers on a shift change. The software also replicated a delivery truck's stop-and-go driving pattern in a mix of city and suburban settings, averaging speeds from 12 to 40 miles per hour.

Despite Versa Power's stack being subjected to significant mechanical stresses -- physical shocks before the test from shipping, and then electrical variations created by the computer simulations -- it operated reliably, generating the power output researchers required. Monitoring

apparatus showed that during shipment from Versa Power to London the stack experienced shocks as high as 14.4 G (over 14 times the force of gravity) without harming its ability to generate electricity. Investigators concluded the stack’s performance make full-scale prototypes viable in commercially relevant uses.

“What’s significant for us about this research is the clear demonstration of how durable our fuel cells are and how predictably they perform,” said Robert Stokes, Versa Power’s CEO. “Developers don’t need to be overly concerned with the core SOFC technology. They can integrate our stack into their project and be up and running quickly. It speaks to the maturity of our technology.”

In addition to its robust mechanical performance, the Versa Power fuel cell was chosen by Imperial College for several other characteristics. First, solid oxide fuel cells are the focus of intense research today for their “power density” -- that is, their ability to deliver significantly more electricity than other clean technologies can produce in the same volume. Second, they run on commercially available fuels and (thanks to recent design advances) at lower operating temperatures. These features make it easier to engineer SOFC technology into a motor vehicle.

“Certain fuel cells have to run on pure hydrogen, meaning that ‘filling up your tank’ can be a challenge,” Stokes said. “The ability of SOFCs to operate on widely available fuels means we don’t have to wait for a new energy infrastructure to be built before using them in vehicle applications.”

Imperial College’s research is part of an effort to establish the feasibility of new designs to create high-efficiency, low-emission vehicles. Formal results of the study were presented at the 10th International Symposium on Solid Oxide Fuel Cells in Nara City, Japan, and published in its official proceedings this month. The work was supported in part by the Foresight Vehicle Program, under the United Kingdom’s Department of Trade and Industry.

About Versa Power Systems, Inc.

Versa is a premier developer of environmentally friendly solid oxide fuel cells (SOFC) that generate clean electric power for a range of applications. SOFC systems operate with virtually no emissions and at very high efficiency, making them invaluable for conserving natural resources and mitigating the impact energy production has on the ecosystem. With headquarters in Littleton, Colo., and development facilities in Calgary, Alberta, the company has built six generations of successively more powerful SOFC prototypes. To date, Versa’s technology has been integral to R&D projects in collaboration with partners ranging from industrial concerns (Cummins Power Generation and FuelCell Energy), to government agencies (the U.S. Department of Energy and Department of Defense) and associations focused on energy research (EPRI and GTI). For more information please see www.versa-power.com.

###

| | | |
|-------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------|
| Media Contact | Jack Jackson On-Message Public Relations | 781-898-9585 x-715 jack.jackson@versa-power.com |
| Investor Contact | Mark Richards Versa Power Systems | 303-226-0766 information@versa-power.com |