



Zenergy Power plc
Abbey House
Grenville Place
Bracknell
RG12 1BP
England

Phone: +44 (0) 1344 667347
Fax: +44 (0) 1344 667301
Website : www.zenergypower.com

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Dear Shareholder

Please find below the text of an announcement that Zenergy Power plc released via RNS today.

Zenergy Power plc

("Zenergy" or the "Company" or the "Group")

Review of Group's business, strategic options and commencement of offer period

The Board of Zenergy, a leading developer of superconducting technology, announces that it has completed a review of the Group's business and strategic options which involved the Group's main business lines and an assessment of the long term viability of the Group's overall strategy.

The Company has created a patented portfolio of IP in the area of High Temperature Superconductivity ("HTS") which has been incorporated into a number of industrial power applications which have achieved significant firsts in their respective markets. These included the first industrial HTS product, the Magnetic Billet Heater, and the first HTS Fault Current Limiter installed in the US electrical grid. These achievements and the interest they have generated coupled with trends in the energy sector, such as the shift towards "smart grids", have led the Board to conclude that there is significant value in the Group's superconductor technology solutions.

HTS Wire (2G)

The Company's HTS wire process offers the potential to reduce significantly the cost of HTS wire production through the use of a continuous chemical process which, when scaled-up, can deliver industrial quantities of wire at low cost, thus facilitating and stimulating the adoption of superconducting equipment generally.

Zenergy Power plc is a public limited company registered in England and Wales under registration number 055 098 73, Registered office: One America Square, Crosswall, London, EC3N 2SG
VAT number: 885 813 970



The Board previously announced that the investment required to scale-up the technology to commercialisation is too great for Zenergy to fund on its own.

Fault Current Limiter (“FCL”)

The Board believes that the FCL product has a large long term potential market and is part of the transition to “smart grids” and distributed power generation. However, it is the Board’s view that it is likely to be a number of years before FCL will have achieved significant market penetration. Furthermore, the FCL is a specialist component of the Transmission and Distribution (T&D) equipment market and as such would benefit from the greater resources of a larger T&D equipment supplier.

Magnetic Billet Heaters (“MBH”)

Sales of MBH have been at lower volumes and on a significantly more protracted timescale than the Board had originally hoped. Whilst this business may in due course cover its costs and make a contribution towards central costs, the Board has concluded that it will not be of sufficient scale to be the main driver of Zenergy’s growth.

Generators and motors

The Company has also developed and supplied superconducting coils for use in generators and motors, where it has engaged with potentially interested industry players in wind, hydro and marine propulsion.

The funding required to finance Zenergy through the period of commercialising its technology would be substantial and there can be no certainty that the Group would be able to secure such funding.

The Board has, therefore, concluded that Zenergy’s business can best be developed as part of a larger group with access to the necessary funding and commercial relationships to enable commercialisation of Zenergy’s unique IP and products. Accordingly, the Board has appointed Matrix Corporate Capital LLP and Woodside Capital Partners to seek a purchaser for the Group. As a result, the Company has entered into an offer period for the purposes of the Takeover Code.

Following recent changes to the composition of the Board, the Panel on Takeovers and Mergers has confirmed that it considers Zenergy’s place of central management and control to be in the United Kingdom. Accordingly, Zenergy is now subject to the provisions of the Takeover Code.

In accordance with Rule 2.10 of the Code, Zenergy confirms that it has in issue and admitted to trading on AIM 69,059,368 ordinary shares of 1p each under International Securities Identification Number GB00B19HBR28.

Zenergy will make a further announcement in due course, as appropriate.



Enquires:

Stephen Mischler	Matrix Corporate Capital LLP	+ 44 20 3206 7203
Mike Powell	Woodside Capital Partners (UK) LLP	+ 44 208 144 5139

Disclosure requirements of the Takeover Code (the "Code")

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when



any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

I will be in touch in due course.

Yours sincerely

A handwritten signature in black ink that reads "John Poulter".

John Poulter
Chairman