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## IPT PRESS RELEASE

### INTERNATIONAL POWER TECHNOLOGY, INC. (IPT) COMPLETES DEVELOPMENT AND STARTUP OF CHENG CYCLE COGENERATION PLANT LOCATED IN TORONTO, CANADA

**SAN JOSE, California – June 2008** – International Power Technology (IPT) recently completed the development, engineering, construction, and startup of a 6 MW Cheng Cycle cogeneration facility at a pharmaceutical manufacturing plant located in Toronto, Canada. The Cheng Cycle plant is the 2<sup>nd</sup> Rolls-Royce/Allison gas turbine based cogeneration plant that was installed by the pharmaceutical company. The two cogeneration units supply steam and power for the production of pharmaceuticals in addition to providing a reliable source of backup power.

In October, 2007 IPT was asked to complete an engineering review of a partially completed Cheng Cycle plant that had ceased development due to cost overruns and time delays. IPT's engineering review was completed in November and IPT was then asked to complete the engineering, construction, and startup of the Cheng Cycle plant. Startup was completed in June 2008 with the successful demonstration of 6 MW of power from the saturated steam injected 501 KH Cheng Cycle engine.

The 6.0 MW Cheng Cycle unit which sits next to an existing 3.5 MW Roll-Royce/Allison KB-5 cogeneration plant has the capability to vary power from 3.0 MW to 6.0 MW by changing the amount of injection steam. This increased flexibility in power production was the main motivator in choosing the Cheng Cycle.

In addition to completing the construction of the new Cheng Cycle plant, IPT was asked to refurbish the existing 3.5 MW Rolls-Royce/Allison KB-5 power train, skid components, and emissions control system. The refurbishment consisted of engineering older systems to meet current standards, power train overhaul, instrumentation upgrades, and startup and commissioning services.

To meet the local AQMD standards IPT installed its proprietary IPT Nozzle Steam Injection system to achieve the required emissions of 42 ppm NOx. The Nozzle steam system uses saturated steam from the existing HRSG and is directed to the engine fuel nozzles to control NOx emissions. Additional benefits of steam injection include, increased power augmentation, improved specific fuel consumption in the turbine, and improved BOT flame patterns.

IPT was formed in 1974 to develop gas turbine steam injection technology. In 1984 IPT co-developed the Allison 501-KH Cheng Cycle gas turbine with Allison Gas Turbines of Indianapolis, Indiana. IPT has authored over 48 U.S. and international patents relating to steam injection technology. IPT's primary business today is operations, maintenance, and management of independent power projects and the continuing development of steam injection technology.