



EcoThermics
CORPORATION



LOCAL FIRM ANNOUNCES NEW LABORATORY

Peoria, IL (July 13, 2011) -- **EcoThermics Corporation announced today the addition of a new laboratory in Lenexa (Kansas City), Kansas to demonstrate innovative compressor and systems technologies developed by the Company and its partners. Mr. Stanley J. Demster, PE, a well-known industry innovator with extensive systems applications experience, will direct lab operations.**

The Lenexa Laboratory will provide a showcase for the innovative technology developed by EcoThermics and it's partners by demonstrating full scale compressors and systems operating in a computer controlled cycle to simulate equipment configurations found in typical applications. OEMs can design their specific product systems to benefit from the proprietary technology showcased.

A primary objective of this lab is to provide application-specific testing on a third party basis which will permit potential customers to evaluate EcoThermics technology using objective industry performance criteria. Until now, lab work was focused primarily on EcoThermics internal technology development whereas now the focus has shifted to users of EcoThermics products in industry standard applications.

Mr. Demster is a 40 year HVAC industry veteran widely recognized for his innovative work in both government and the private sector. He has consulted with several of the largest U.S. HVAC companies, designed some high profile HVAC systems such as the Louisiana Superdome and the Software Park in the Republic of China, 12 awarded patents, and a published book on air-conditioning.

One year ago, at a press conference announcing the Company's selection of Mennie Machine Company of Mark, Illinois as the strategic partner for production manufacturing for its CO2 compressor, Congressman Aaron Schock spoke with enthusiasm, "The keys to economic development spring from new technology innovation and commercialization. I've witnessed EcoThermics progress from an idea, through research and development, to prototype lab and field testing, to finally production design for manufacturability. EcoThermics is successfully accomplishing what many have tried and failed to do, and we are proud to watch this technology flourish right here in Central Illinois."

With two unique CO2 compressor models in development, the next order of business is to design an optimized HVAC heat pump system which combines the latest CO2 technology and components for a variety of applications – primarily heating of air and water (high temperature), and with ancillary

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cooling capabilities as well. While EcoThermics focuses on design and production of a family of durable, high performance compressors, Mr. Demster will focus on design of optimal HVAC systems utilizing EcoThermics compressors while leading and coordinating the applications testing of this new technology to assure it meets all performance claims.

After five years and over five million dollars, the “home stretch” is now in sight for this ambitious program to develop the next generation of compressors and associated systems for refrigeration/HVAC applications less than 40 KW.

Mr. Demster said, "With the use of widely available and inexpensive CO₂ as a refrigerant, this technology is not only environmentally sustainable, it is also a major energy consumption reduction for Main Street. Most every house, building and factory could benefit from these innovations, which will not only significantly reduce energy costs but also the huge electrical demand surge that is overloading our electrical grid today. "

Another EcoThermics industry partner representative stated, "We all know that heat pumps fail to heat effectively when it gets really cold and the “warm air” coming out of the vents feels cool in the winter. This technology, however, will provide much hotter air when it’s very cold outside, virtually eliminating the major objection to heat pumps. Every house can experience a significant reduction in power bills for heating and cooling with this technology. Plus, these systems can heat hot water much more efficiently than any high efficiency boiler.”

What’s next? The EcoThermics team along with Mr. Demster – and key industry advisors such as former HVAC industry senior executive Scott Boxer – is now in discussions with a number of leading system builders (OEM’s) as well as influential end-user customers who are interested in being early adopters to deploy this new energy-saving, sustainable technology.

Innovation in the Heartland brings future growth, jobs and revenue to our local economy as well as to neighboring states. The EcoThermics corporate office and initial research and development lab are housed at the Peoria NEXT Innovation Center; the compressor R&D lab is located in Van Wert Ohio; and, located in nearby Indiana – a key OEM industry partner, Purdue University’ Herrick test lab, and the first commercial field test application, funded by the Department of Energy. Now, with the addition of the Lenexa Lab to the EcoThermics family of partners, Kansas becomes the fourth Midwest state in this growing collaborative network.

EcoThermics was founded in 2007 with the recruitment of Merle Rocke as Chairman and CEO. Rocke’s 35 year career with Caterpillar, with a capstone as one of the founders of CAT Logistics, brought his recognized leadership and successful entrepreneurial track record of bringing innovative ideas to market, characteristics sought by investors and OEM partners.

When asked what inspires him, Rocke emphatically states, “Our Company runs lean and has accomplished in just over three years and with only \$5 million dollars what large corporations spend

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decades and scores of millions of dollars trying to do. We've done so by leveraging partnerships, a well rounded, experienced and passionate management and engineering team, our background in high-pressure hydraulics, and the support of many strong believers in the importance and potential of our technology. The supporters include Congressman Aaron Schock, Secretary of Transportation Ray LaHood, retired Caterpillar Chairman and CEO and EcoThermics anchor investor Glen Barton and even the U.S. Army, who funded initial prototype development via two SBIR research contracts. It is this vision and passionate commitment to innovation and environmental sustainability that inspires me, and our entire team, to do everything within our power to give this technology what it needs to grow and prosper."

Mr. Rocke went on to comment on the vital role that local support has played in the successful nurturing of this technology from a seed to a sapling. Organizations including Heartland Partnership, Caterpillar, the Strategic Manufacturing Group, Bradley University, Peoria NEXT, local component suppliers, angel investors and our business and technical advisory board have been absolutely crucial to our ongoing development and commercialization."

For more information please contact an EcoThermics representative at (309)495-7320 or tleich@ecothermics.com.

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