

12880 Moore Street Cerritos, CA 90703 Phone: +1-562-293-1670 Fax: +1-562-293-1361 E-mail: <u>worman@vyconenergy.com</u> Website: <u>www.vyconenergy.com</u> Contact: Wendy Orman

PRESS RELEASE

FOR IMMEDIATE RELEASE VYCON's Bearing-less Flywheel Energy Storage System Spins-up Better Healthcare in Southern New Jersey

Cerritos, California, USA – March 2006 – VYCON, Inc. has successfully commissioned a beta unit in the United States. Virtua Health, located in New Jersey, has partnered with VYCON to install a VDC140 Flywheel Energy Storage System at the Virtua Health data center. This installation is one of high visibility for both companies as it is in a critical application. Performance of the system is monitored remotely from VYCON's offices in California. The system was installed and has been in operation since mid-December.

The modern power system at Virtua Health's Gibbsboro facility utilizes Uninterruptible Power Supplies (UPS) that protect their servers from utility power disturbances. Automatic Transfer Switches (ATS), that detect loss of utility power, command the Generator sets on site to automatically start during power outages. The VDC140 is in operation with a UPS to provide ride-through power while the generator starts during a power loss or disturbance, keeping the servers on-line. The VDC140 at Virtua Health operates in parallel with Lead Acid Batteries. In this application, the VDC140 is the first line of defense, designed to be discharged before the batteries, therefore providing power to the UPS during most power disturbances. The battery DC source is discharged only if the generator does not start and in effect reduces the cycles the batteries are subjected to, extending battery life. Initial tests and actual power outages at the site have shown that during transfers to generator, the VDC140 has performed as expected providing ride-through power.

"We are extremely pleased on having achieved this key milestone. Installation was simple and performance flawless during commissioning, startup and several real power outages. Furthermore, we are honored to work with Virtua Health on this highly critical and visible project as they continue their commendable strategy of adopting new key technology to improve reliability, performance and lower overall costs. We are confident that VYCON products will perform as expected and look forward to many future installations" says Tony Aoun, President, VYCON.

Initial feedback from Virtua Health is very positive, with quick installation, a successful live demonstration, and excellent operating performance. The system has successfully kept patient care uninterrupted through two separate power outages in less than a month. It is exercised monthly as a part of generator cut-over tests.

"Virtua Health is spearheading the movement to a higher-level of healthcare in Southern New Jersey," says John Bloomer, VP, CIO, Virtua Health. "To deliver the best care, our physicians, clinicians and staff require constant, uninterrupted access to vital patient information and medical technology resources. Power is as critical to us as the air we breathe. VYCON's new generation bearing-less flywheel technology is a breakthrough tool for us. It reduces our operating costs and maintenance schedules, allowing us to re-invest in other critical areas. We will be relying more on this technology as we consolidate and build new battery-free data centers."

"This technology will save Virtua money by providing clean reliable power for 15 to 20 years compared to battery technology life cycle of 5 to 7 years," says Chas Thawley, Network Services Manager, Virtua Health.

The VDC140 stores kinetic energy and is designed to support high power/short discharge applications. VYCON's patented high-speed motor/generator and contact-free magnetic bearings levitate the rotor during operation. These breakthrough technologies enable the VDC140 to charge and discharge at high rates for countless cycles making conventional technologies obsolete. These components also provide a 20-year life with limited maintenance. The VDC140 is UL listed, designed for simple installation, quick commissioning and easy start-up. A single VDC140 can support UPS systems up to 150 kVA for fifteen seconds and can be paralleled for applications above 150 kVA or longer back-up/ride-through time.

About VYCON, Inc.

VYCON, Inc. is a manufacturer of flywheel based energy storage systems and was established in 2002 to address the needs and requirements of the power quality, rail, crane, and wind power markets. Specifically, VYCON serves both low cycle markets such as UPS industry for battery hardening, backup power/genset ridethrough, glitch protection and high cycle markets such as the crane, rail and wind power industries for voltage sag, peak power shaving, and energy savings. VYCON's products provide a cost effective, reliable solution for a variety of applications through energy storage flywheel systems. For more information about VYCON, please visit the company's website at www.vyconenergy.com.

About Virtua Health

Virtua Health is a multi-hospital healthcare organization headquartered in Marlton, NJ. Its mission is to deliver a world class patient experience through its programs of excellence in women's health, pediatrics, cancer, cardiology, orthopedics and geriatrics. A non-profit organization, Virtua employs 7,100 clinical and administrative personnel and has 1,800 physicians as medical staff members. Virtua has distinguished itself as one of the first Six Sigma organizations in health care, as an early adopter of clinical and digital technologies, and for its innovative partnerships with nationally renowned organizations such as GE Healthcare, Fox Chase Cancer Center and A.I. duPont Hospital for Children. For more information, visit our web site at <u>www.virtua.org</u> or call 1-888-VIRTUA-3 (1-888-847-8823).