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VYCON Secures Nearly \$14 Million in Funding Led by the BankInvest Group

Investment Funds to Accelerate Manufacturing of Award-Winning Flywheel Systems Following Rapid Growth

Los Angeles – January 20, 2010 — VYCON (www.vyconenergy.com), the designer and manufacturer of award-winning environmentally friendly, high-speed DC energy storage flywheel systems, today announced that it has closed a \$13.7 million round of funding ,which includes conversion of \$6.5 million in existing convertible notes and \$1.1M of existing trade debt. Led by the BankInvest Group in Denmark, the round also included participation from several of VYCON's existing investors as well as several new investors.

“We’re extremely pleased in the confidence of our existing investors and at the same time welcome our new investors,” said Vatche Artinian, CEO of VYCON. “While the past year included extremely difficult economic conditions around the globe, VYCON enjoyed tremendous sales growth during the year, particularly in the power quality markets and was able to achieve several important milestones. This latest investment positions us well to accelerate our expansion strategies. We’re excited about the fast growth of the energy storage marketplace and VYCON’s opportunities in the new decade.”

With the funding, VYCON will ramp up manufacturing to meet the increased demand of its clean energy storage systems for data centers, hospitals, universities, broadcast studios and manufacturing plants as well as for cargo and rail transportation applications. New channel development and expansion of sales and marketing activities will also be accelerated.

“Our advanced and highly efficient flywheel systems are helping customers around the world use clean energy storage,” said Frank DeLattre, president of VYCON. “This latest round of funding will help us enhance our existing award-winning product platforms and expand into new markets.”

VYCON’s innovative flywheel systems bring unprecedented power capacity for instantaneous and reliable power backup and provide a greener solution over uninterruptible power systems (UPSs) that are using chemical-based batteries. In addition, VYCON’s REGEN flywheel systems, used in regenerative power applications such as cargo handling and light electric rail, reduce power and energy costs for port and rail operators as well as reduce green house gasses.

In the past year, VYCON received various industry accolades and product awards. In addition, the company’s product performance and reliability garnered multiple unit wins and several repeat orders from existing customers. Flywheel energy storage has become an important strategic solution for today’s mission-critical applications needing reliable power while reducing their carbon footprint. In addition to working with data centers and hospitals, VYCON worked closely with local port operators and metro transit authorities to obtain American Recovery & Reinvestment Act of 2009 (ARRA) grant funding for projects using clean flywheel technology. “We see tremendous opportunities for organizations to integrate our flywheels into

their energy infrastructure that will enable them to lower operating costs and improve overall reliability and uptime of their systems,” added DeLattre.

About VYCON

VYCON is an innovator in the design and manufacture of technologically advanced flywheel energy storage systems that enable a highly reliable, cost-effective and “green” energy storage solution for a variety of applications. The company’s REGEN flywheel systems, used in regenerative power applications such as container cargo handling crane applications and light electric rail, reduce power and energy costs to port and rail operators as well as provide a reduction in green house gasses. In addition, VYCON’s line of VDC and VDC-XE systems are deployed in mission-critical operations around the world protecting critical computing assets against costly power outages.

For more information on VYCON’s innovative green power solutions, contact VYCON at 714-386-3800 or visit VYCON’s web site at: www.vyconenergy.com.

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