



PRESS RELEASE

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Opcon Powerbox for carbon-free electricity in China – Opcon signs a memorandum of understanding for joint venture on the Chinese market

Opcon AB, the energy and environmental technology Group, has signed a memorandum of understanding (MOU) with state-owned Shanghai Baosteel Energy Tech Co., Ltd., of China, concerning the establishing of a joint venture for collaboration around Opcon Powerbox on the Chinese market. Baosteel Energy is the wholly-owned subsidiary of Baosteel Engineering & Technology Group Co., Ltd., which is a part of the state-owned steel group, Baosteel Group, which has over 100,000 employees and sales of around USD 29 billion.

“We have been assessing different ways of getting Opcon Powerbox into the Chinese market for some time now. Energy consumption in Chinese industry today accounts for more than one quarter of global industrial energy consumption. Baosteel is a strong partner for us, both industrially and financially. They can contribute to our introduction and expansion on the Chinese market. As the world’s third largest steel producer, Baosteel operates a number of plants at which we have already, together with Baosteel, studied the prospects for installing Opcon Powerbox. They have also visited operating sites in Sweden,” says Rolf Hasselström, President and CEO of Opcon AB.

The memorandum of understanding concerns a joint venture for land-based sales, installation and assembly of Opcon Powerbox on the Chinese market. The business model is based on the Build-Own-Operate concept and Opcon’s Boxpower concept, but does not exclude other similar business models in which Opcon Powerbox can be used for production of electricity from waste and surplus heat. The aim is to sign a final joint venture agreement before the end of the third quarter in 2011.

“We will give highest priority to the Chinese market. According to the memorandum, Baosteel Energy will also place an order for three plants before the summer in order to cut lead times, meaning that we can get reference plants in place this year,” adds Rolf Hasselström.

Nowhere compares with China when it comes to the expansion of energy infrastructure. As recently as 2000, China's energy consumption was no more than half that of the US. Today, the International Energy Agency, IEA, calculates that China has surpassed the US as the world's largest energy consumer and China continues to increase its demand, especially for electricity. In the coming 15 years the IEA expects China to add further capacity for generation of electricity corresponding to the entire electricity production capacity of the US. In its latest 5-year plan China has set a goal of reducing energy consumption by 16% in relation to GNP while cutting carbon emissions by 17% up to 2015.

A part of Opcon's focus on Waste into Value, Opcon Powerbox is Opcon's proprietary product for production of carbon-free electricity using primarily waste and surplus heat starting at temperatures of 55° C. Opcon Powerbox can be installed at plants in the process industry and at power plants and on large diesel engines used on land or sea. Opcon Powerbox can produce up to 6,000 MWh per year.

For further information, please contact

Niklas Johansson, vice president, Investor Relations, Opcon AB, tel. +46 8-466 45 00,+46-70-592 54 53

Opcon AB, Box 15085, 104 65 Stockholm, Sweden
Tel. +46 8-466 45 00, fax+46 8-716 76 61
e-mail: info@Opcon.se
www.Opcon.se

The Opcon Group

Opcon is an energy and environmental technology Group that develops, produces and markets systems and products for eco-friendly, efficient and resource-effective use of energy.

Opcon has activities in Sweden, China, Germany and the UK. There are around 410 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises two business areas:

Renewable Energy focuses on the following areas: electricity generation based on waste heat, bioenergy-powered heating and CHP plants, pellets plants, drying of biomass, handling systems for biomass, sludge and natural gas, industrial cooling, flue gas condensation, treatment of flue gases, air systems for fuel cells and measurement and monitoring of processes.

Engine Efficiency focuses on energy-efficient solenoid technology and ignition systems for combustion engines including ethanol, natural gas and biogas engines.