

Press release - 23 February 2011

Locamation Closes € 5 Million Financing Round To Accelerate Smart Grid Deployment

Locamation, the Netherlands-based developer and supplier of proven smart grid technology, today announces the successful completion of its second financing round, raising a total of € 5 million.

New investor Alliander, a Dutch energy network company, joins existing investors Yellow&Blue and the Management, both of which have increased their stake in this round. The investment will allow Locamation to further develop its product portfolio, strengthen the organisational structure and grow international sales in key markets.

Locamation develops and sells innovative substation automation technologies and services which enable efficient network management and enhanced responsiveness, thereby ensuring an uninterrupted supply of power. Its advanced secondary system technology is an economically sound solution to power supply management as it works alongside the current grid, allowing its use to be prolonged by converting the existing structure into a flexible Smart Grid. It is also designed to support the future needs of the Smart Grid without requiring major structural changes.

The Company's current product offerings include SASensor, an open hardware and software platform for flexible substation automation, and Smart Cable Guard, an on line partial discharge detection system for Medium Voltage cable networks that was developed jointly with a consortium of Dutch utilities and energy consultancy KEMA.

Ton Jansen, CEO of Locamation said: *"This is a significant step in Locamation's development. We are delighted to build upon the investment by Yellow&Blue by welcoming Alliander onboard. As lead customer with links to a strong network of international stakeholders, Alliander is a strong strategic ally with a firm commitment to achieving a more sustainable energy supply. We look forward to working with them as we enter this new and exciting phase for our company."*

Peter Molengraaf, CEO of Alliander commented: *"We are thrilled to be involved and look forward to working with Locamation to drive further innovation and growth. Energy production and distribution will change substantially over the coming decades and this means that changes need to be made within the existing energy infrastructure. Locamation's technology can play an important role in increasing grid efficiency and intelligence to meet these new needs. We are firm believers in the Company's network solutions and recently decided to digitise all the substations in the Liander grid with SASensor platforms, which will take 7 years and requires an investment of € 15 million per annum."*

Albert Fischer, managing director of Yellow&Blue, said: *"Our first investment enabled Locamation to launch their smart grid technology into the market. We are very pleased to see that a lead customer is now confirming the potential for their products."*

Locamation B.V.

Beitelstraat 2 - 7556 NB

Hengelo (Ov) - The Netherlands

T: +31(0)74 255 21 90

F: +31(0)74 255 21 91

E: info@locamation.nl

Bank: Fortis Bank Enschede

Account: 24.35.05.159

IBAN: NL 28 FTSB 0243505159

K.v.K. Enschede nr. 08086220

BTW nr. NL 808289196 B01

Swift Code: FTSB NL 2R