



PRESS RELEASE
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Opcon: Signs Letter of Intent with Snowman to establish Opcon Powerbox JV for China

Energy and environmental technology group Opcon AB (publ) has signed a Letter of Intent with its strategic partner Fujian Snowman Co. Ltd., Fuzhou, Fujian, China on the formation of a Joint Venture for the marketing, manufacturing and sales of Opcon's Waste Heat Recovery technology, the Opcon Powerbox in China and parts of Southeast Asia.

In order to develop the Chinese market and an industrialized manufacturing base for the Opcon Powerbox the parties' intention is to form a joint venture that will be owned 51% by Snowman and 49% by Opcon.

Opcon will grant a license for manufacturing, marketing and sales of its proprietary Opcon Powerbox ORC and WST (West Steam Turbine) technology to the JV who will aim to develop Snowman's existing manufacturing base for future low-cost, quality manufacturing of Opcon Powerbox ORC and WST in China. Furthermore, the JV will be granted exclusive manufacturing and sales rights of the Opcon Powerbox in China and a mix of exclusive and non-exclusive rights for some other parts of Southeast Asia. The value of the Opcon Powerbox manufacturing, marketing and sales rights to be granted to the JV will be used by Opcon as contribution in kind for equity. What is not used as contribution in kind should be paid as Royalty by the JV to Opcon.

The Joint Venture will be responsible for setting up solutions for producing electricity from the Opcon Powerbox out of surplus and waste heat in China which is considered the world's largest market. The parties aim to finalize the Joint Venture contract during the summer of 2014.

In order to reduce time to market for the joint venture Snowman has also placed an order for one Opcon Powerbox ORC and one Opcon Powerbox WST manufactured in Sweden to be delivered for operation in China.

"Waste Heat Recovery is a grand opportunity to a global problem and one of the most promising venues for energy efficiency and reducing emissions. We believe China will be the most interesting market for Waste Heat Recovery technology for a foreseeable future. By combining Opcon's state-of-the-art technology and know-how with Snowman's outstanding quality control, low-cost manufacturing advantage and local market presence we aim to create a strong player that can make the Opcon Powerbox an economic and environmental success in China and abroad says Rolf Hasselström, CEO of Opcon AB."

"We have been trying to find the right partner in order to successfully enter the strong growing Chinese market with the Opcon Powerbox technology for some time. In the last few years we have built a very good relationship between Opcon and Snowman. A relationship that we are now taking yet another step. Our vision for this is not only to develop the very large local Chinese market but also to create a cost-effective high performance manufacturing base for Opcon's sales in other countries as well", Rolf Hasselström, CEO of Opcon AB said.

"With the cooperation between SNOWMAN and OPCON in setting up a Powerbox JV in China, we will be able to provide the Chinese and the Southeast Asian market with the most advanced "ORC" and "WST" products and system technology. By combining the mature screw expander technology from OPCON with the prominent cost control ability of SNOWMAN, we will promote the development of the waste heat recovery industry in the area. The target of our JV is to become the biggest and strongest enterprise for ORC and WST system application in China and Southeast Asia.", said Rujie Lin, the President and General Manager of Fujian Snowman Co., Ltd.

Fujian Snowman Co. Ltd was founded in 2000 and is listed on the Shenzhen stock exchange. The Group has around 700 employees. Snowman is one of China's major actors in industrial cooling. Marketing of its goods and services is primarily done through the brand Snowkey and RefComp.

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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, Germany and the UK. There are around 150 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises one business area:

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

Opcon AB (publ) is obliged to disclose the information in this press release in accordance with the Swedish law governing the securities markets and/or trading in financial instruments.

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