

PRESS RELEASE

Tyringe 4 February, 2010

NovaCast Technologies carries out cash private placement new shares issue of 40 MSEK – state-owned Fouriertransform AB becomes joint owner

NovaCast Technologies' Board made a decision on February 2 about a cash private placement new shares issue to Fouriertransform AB, a state-owned venture capital firm within the automotive industry. The issue, which must be approved by an extraordinary general shareholder meeting, will provide the NovaCast group with 40 MSEK in equity and Fouriertransform will receive 6 666 667 newly issued shares, making them the largest single shareholder in NovaCast. The issue price has been fixed at 6 SEK, which is 45% below the monthly average price before the Board's decision. NovaCast will shortly need to receive further capital to handle loans and operations in their business activities, as well as improve their capital structure. With this issue NovaCast will quickly be able to meet the need for cash increase and strengthen their balance sheet in order to also be able to proceed with undertakings and large projects, mainly regarding Camito technology. It is the Board's opinion that with Fouriertransform as partner the NovaCast group will increase its possibility of success for the patented Camito and Graphyte technologies within the automotive industry. A notice to attend the extraordinary general shareholder meeting will be published separately.

Fouriertransform AB is a wholly-owned state venture capital firm for investments within the automotive industry. The company was established in December 2008 with an equity of 3 billion SEK. Fouriertransform's main business is investing in business activities that are considered capable of contributing to upholding the Swedish automotive industry's leading global position, particularly in the area of environment and safety.

Fouriertransform invests in projects related to ground vehicles. A wide variety of products and solutions can be included here, for example weight reduction, friction reduction, engine and fuel reduction, as well as IT solutions and software. It is vital that these projects can be commercialized and are innovative, that they will be lucrative.

Lars Olof Gustafsson is Chairman of the Board for Fouriertransform and Per Nordberg is CEO since January 1, 2010.

During 2009 an investment of 60 MSEK was made in Powercell Sweden AB, with AB Volvo as founder and last week an investment of approx. 110 MSEK was made in Norstel AB, a power electronics company.

“We are very pleased to have Fouriertransform as a long-term strong owner in NovaCast. Fouriertransform’s business activities are totally in line with what NovaCast stands for. We will now have the ease of moving on with our projects, mainly within Camito technology”, says NovaCast CEO, Hans Svensson.

New proprietary structure

After the issue the number of NovaCast shares will be 20 273 828, of which 18 193 717 are B-series shares and 2 080 111 are A-series shares. Fouriertransform, who are subscribing to 6.356.667 B-series shares and 310.000 A-series shares, will have a participating interest of 32,88 % of the capital and 24,25 % of the voting rights.

Information to subscribers

Prior to final discussions regarding investment in NovaCast, Fouriertransform has received information regarding possible scenarios for Company’s expansion, profitability and cash flow. The Buyer has also been given the opportunity to contact a few customers for references. The financial scenarios that were presented and should not be treated as prognoses, have shown a continued negative but improved economic outcome during one year and thereafter improved, as the economic cycle was expected to improve, and after a further year have shown a clearly improved result. Cash flow is therefore expected to be such that dividends may be possible. The references that were obtained have generally given a positive view of the company’s technology.

Shareholder agreement

In connection with the new shares issue Hans Svensson, currently main shareholder and CEO, who after the emission will hold 10,18% of the capital and 40,37% of the voting rights and Fouriertransform intend to sign a proprietary agreement. The agreement will regulate certain issues regarding the Company’s overall activities and emphases, for both parties to be agreed should there be a vote at the extraordinary general shareholder meeting. These issues are among others related to changes in articles of association, new issue of financial instruments, shares-related incentive programs, dividends, as well as detailed changes in the Company’s business activities. In accordance with the shareholder agreement the Main Shareholders will vote for election into the Company’s Board of Directors for up to two members that Fouriertransform suggests. The shareholder agreement also contains mutual option rights to the other party’s shares. The shareholder agreement causes mandatory bids, from which exemption has been applied for and granted by the Swedish Securities Council at a meeting on February 1, 2010.

For further information from NovaCast contact Hans Svensson, CEO NovaCast Technologies AB, +46 705 652250, from Fouriertransform contact Per Nordberg, CEO +46 850650350. Visit www.novacast.se and www.fouriertransform.se.

NovaCast Technologies, listed on the OMX Nordic Exchange (NCAS B), develops and markets enhanced castings for the production of car body parts, as well as software for methoding, simulating and process control for more efficient production processes to the global automotive industry and its subcontractors. With the Camito technology enhanced castings are manufactured in one solid piece for the production of dies for forming stamping automotive body components in a considerably shorter time than traditional dies. Through die manufacturer SwePart the group has expertise within the whole value chain for the production and sales of stamping dies.