

Morphic Technologies Gammelbackavägen 6 SE-691 51 Karlskoga, Sweden www.morphic.com

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New order for hydroelectric subsidiary

Morphic's subsidiary Finshyttan Hydro Power AB has received an order from Andritz Hydro Inepar Sweden AB for renovation and conversion of a hydroelectric turbine at the Letsi hydroelectric power plant.

In 2007 Finshyttan renovated unit 1. The plant's owner now wishes to renovate unit 2 and has once again entrusted the task to Finshyttan. The renovation will comprise wing servomotors, turbine axles and turbine details, and the project will run from mid-October 2008 to the mid-January 2009.

The Letsi Power Plant stands on the Lilla Lule River about 16 km upstream from the confluence with the Stora Lule River. The plant, which was the first to be built on the Lilla Lule River, uses the head between Lake Valjates and the Porsi Power Plant. Work on Letsi began in late 1960 and the first two units were taken into operation in spring 1967. The plant has three units with a total effect of 440 MW and is owned by Vattenfall.

Hydroelectric power is the primary source of energy in Sweden, accounting for more than 40 percent of electrical production. Sweden is currently undergoing a process of renovating and modernizing hydroelectric power stations to increase production.

For more information, please contact:

Johannes Falk, Executive Vice President, Investor Relations, Phone: +46 (0)70-676 73 93

E-mail: johannes.falk@morphic.se

This document is an English translation. In the event of any discrepancies between the original Press release in Swedish and this translation, the former shall have precedence.