12 September 2018 ASX: 14D

SHAREHOLDER UPDATE 10 MWH TESS PROGRESS REPORT

- TESS-IND first stages of commissioning progressed very well
- Initial results better than anticipated
- GAS-TESS progressing well

1414 Degrees Limited (ASX: 14D) is pleased to announce that the first stages of commissioning of the TESS-IND have progressed very well, including successful runs for several hours. Commissioning is a multi-stage process from verifying individual components to operability of the control systems to optimising power generation.

We have run the turbine on hot air six times, producing electricity over runs of up to four and half hours and a total combined heat power (CHP) efficiency of 68%. These results are better than anticipated at this very early stage. Following the cooling of the box, next week we will install the first load of silicon phase change material (PCM) - a key stage in the commissioning. We will progressively increase temperatures and cycle the heat store through latent heat with turbine runs over the coming weeks. This will provide the engineers with key data to fine-tune and achieve maximum efficiencies at operational temperature.

The GAS-TESS for the Glenelg Wastewater Treatment Plant is progressing well, with the refractory installation well underway and the burners and other key equipment being assembled.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT 1414 DEGREES LIMITED

1414 Degrees is working to create a sustainable energy future, where energy is available to all, at all times. Its clean energy storage is set to reduce energy costs by increasing the efficiency of renewable generation and stabilising grid supply. The 1414 Degrees thermal energy storage system (TESS) is unlike any other energy storage system in the world.

1414 Degrees' technology stores energy generated from electricity or gas and supplies both heat and electricity in the proportions required by consumers. It is unique in its combination of low cost, flexibility of location, scalability, and sustainability. Following years of effort by the Company's engineering team and the successful development of its commercial demonstrator, the Company is commercialising its scaled up products.

For more information please visit <u>www.1414degrees.com.au</u>



