

Ice Energy Expands East Coast Manufacturing Capacity with Mercury Corporation Agreement

ARRA Advanced Energy tax credits help bring new Clean Energy manufacturing jobs to upstate New York

WINDSOR, CO – May 20, 2010 – Ice Energy, a leading provider of smart grid-enabled advanced energy storage solutions to the electric utility industry, today announced a partnership with Mercury Corporation of Hammondsport, New York to expand the company’s manufacturing capacity to meet growing backlog for its Ice Bear energy storage systems.

The contract manufacturing partnership with Mercury, well-regarded in the industry for its successful programs supporting multiple Fortune 100 corporations, enables Ice Energy to swiftly and efficiently ramp production capacity to immediately deliver 100’s of megawatts of energy storage to utilities, reduce manufacturing costs, and maintain high quality standards.

The initiative also delivers on the promise of a Federal American Recovery and Reinvestment Act of 2009 (ARRA) economic stimulus grant awarded to Ice Energy earlier this year in the form of Advanced Energy Manufacturing Tax Credits, bringing important new clean energy manufacturing jobs to upstate New York. Significantly, these permanent family-wage jobs, including skilled mechanical and electrical assembly workers, represent re-training and re-employment opportunities for local workers in the economically depressed region.

“This partnership between Ice Energy and Mercury Corporation is proof that Recovery Act investments in advanced technologies and clean energy are paying off by creating jobs and stimulating our economy,” said Congressman Paul Tonko (D-NY). “At the same time, Ice Energy is introducing smart grid and energy storage solutions that will go a long way towards improving our energy efficiency, reducing our dependence on fossil fuels, and protecting the environment.”

Awarded to 183 companies as part of the initial round of funding, the Advanced Energy Manufacturing Tax Credit (48C) provides a 30 percent credit to domestic companies for investments in new, expanded, or re-equipped clean energy manufacturing projects. It’s estimated that ARRA 48C credits will create as many as 17,000 new jobs, plus an additional 41,000 jobs through matching private investment.

“New York already has a number of major companies, like IBM, GE and CA, who are leading the development of the smart grid. It is exciting to strengthen New York with the addition of a promising young company like Ice Energy and the expansion and evolution of an established one like Mercury Manufacturing, bringing new permanent jobs to Upstate New York,” said Robert B. Catell, Chairman of the NYS Smart Grid Consortium. “The combined resources and expertise of these two companies are significant assets for New York and demonstrate the importance of new technologies to economic development in the region.”

“The contribution that Ice Energy and Mercury are making to New York’s economy is a great example of how clean energy investment can directly benefit the state and the region,” said Joseph “Bud” Meade III, President of Mercury Aircraft, Inc., the Hammondsport-based subsidiary of Mercury Corp. “We’re proud that assets like our strong workforce, tremendous partnerships and easy access to clean, efficient and cost-effective rail transportation will provide value not only to Ice Energy and its utility customers, but to the economies of the region and the state.”

Mercury has the capacity to expand its assembly operations for Ice Energy to produce more than 3,000 Ice Bear units per month, enough to meet more than 25 Megawatts of demand. Ice Energy also maintains additional manufacturing, production and R&D capacity at its Northern Colorado headquarters.

“The agreement between Mercury and Ice Energy is tangible proof that sound policy and investment in a clean energy economy can both create skilled jobs and spur growth in the private sector,” said John McGee, COO of Ice Energy. “As our engagements with our utility customers have moved rapidly to large scale system deployments, it was critical that we extend our manufacturing capabilities to meet demand with a partner that shared our values, vision and commitment to quality. We found that in Mercury.”

Ice Energy, in conjunction with the Southern California Public Power Authority, recently began implementation and installation of the industry’s largest distributed energy storage project, a 53 Megawatt energy storage project utilizing Ice Energy technology. The project, which represents the potential to deploy Ice Bear energy storage systems on thousands of locations throughout Southern California, will reduce California’s peak electrical demand by as much as 64 Gigawatt-hours annually, saving enough on-peak energy to power 10,000 average homes.

ABOUT ICE ENERGY

Ice Energy is a leading provider of advanced energy storage and smart grid solutions to the electric utility industry.

Founded in 2003, the company is dedicated to transforming energy system efficiency and improving grid reliability through the development of advanced technology solutions that promote the efficient use of energy resources, reduce our dependency on fossil fuels, and enable the transition to a cleaner, smarter, more sustainable power grid.

Ice Energy’s smart grid platform integrates revolutionary, distributed energy storage technology with an advanced software infrastructure and intelligent two-way control to provide utilities with a powerful, cost-effective alternative to conventional peaking power plants for meeting peak demand.

By leveraging the higher efficiencies associated with generating and transmitting cleaner, more efficient and more abundant power off-peak, storing it at thousands of distributed locations, and dispatching it during times of peak demand, Ice Energy delivers a sustainable new energy solution equivalent to thousands of megawatts of clean peaking power for utilities.

The company is headquartered in Windsor, Colorado, with offices in Orange County and Sacramento, California. For more information, visit www.ice-energy.com or follow us on Twitter @ <http://twitter.com/IceENRG>.