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Princeton Power Systems Secures \$250,000 EDA Grant

Funding Confirms Commercial Viability of Product and Allows Startup to Deliver on Business Plan

Princeton, NJ, November 15, 2004 – Princeton Power Systems, developer of AC-link™ technology for advanced electrical power conversion and conditioning, received a \$250,000 grant from the NJ EDA's Springboard II Fund to adapt Princeton Power Systems' existing prototype AC-link Clean Power Variable Speed Drive (VSD) into a production prototype for industrial and commercial use. The Springboard grant will be used to pay for parts, testing equipment, tools and personnel necessary to reduce the physical size of the VSD by 30%, decrease manufacturing costs by 30%, develop industrial communications capabilities and incorporate advanced control features.

To supplement the infusion of grant funds, Princeton Power Systems is contributing \$295,000 in personnel, materials and outside engineering services such as thermal and mechanical packaging design. Princeton Power Systems will build two production prototypes and perform three months of rigorous field testing at a local industrial facility in the second quarter of 2005.

“The AC-link Clean Power VSD has broad applicability for industrial automation and energy savings,” explained Darren Hammell, CEO of Princeton Power Systems. “The EDA grant will allow us to make the VSD widely available for applications that demand high reliability motor control and clean power, in industries such as water/wastewater, commercial HVAC, textile, pharmaceutical, agricultural and chemical.”

“The growing prevalence of sensitive digital measuring, sensing and control equipment require the high reliability and clean power that our VSD offers,” continued Hammell.

“This equipment will malfunction or perform improperly with poor power. In addition, new power quality standards such as IEEE-519 are gaining acceptance, as is more efficient use of power and more control over processes. All these issues are driving the market toward the solutions that we offer at Princeton Power.”

The AC-link VSD preserves motor insulation and bearing lifetimes by producing far lower voltage distortion than competing drives, which also allows the AC-link VSD to be installed long distances from the motor. This enables companies to be flexible in laying out the facility, because the company can co-locate all its drives, which makes maintenance and environmental controls much easier, saves factory floor space where needed, allows control of dangerous or loud processes from afar and provides easier access to other process equipment.

About Princeton Power Systems

Princeton Power Systems is developing advanced power conversion technologies, including AC-link™, a patented control method that provides a more reliable and cost-effective means for converting electric power cleanly and efficiently. This technology can be used in the industrial motor control, renewable electricity and distributed power generation markets, and will reduce industrial energy consumption, lower peak electric usage, and provide clean, renewable energy sources at a much lower cost than existing power conversion technologies.

Princeton Power’s core products include motor controllers, wind turbine converters, and grid-tied inverters. AC-link uses simpler, more reliable components and incorporates advanced algorithms for controlling various aspects of the electric power, which allows the use of less complex, less expensive hardware to achieve precision power control. This makes AC-link devices rugged, reliable and cost-effective, and yields high-quality power waveforms.

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