



COOL ENERGY, INC. AWARDED COMMERCIALIZATION GRANT BY NATIONAL SCIENCE FOUNDATION

*\$500,000 SBIR grant to Colorado clean energy company helps fund rollout of
SolarFlow™ System*

Boulder, Colorado - January 13, 2009 - Cool Energy, Inc., a Boulder-based clean energy technology company, announced today that it has been awarded \$500,000 in a Phase II Small Business Innovation Research (SBIR) grant from the National Science Foundation. The focus of the sponsored commercialization program is the SolarFlow™ System, a solar energy approach to provide both heat and electric power to residences and small buildings. This award is a continuation of the successful development performed under an earlier grant to support work on the Cool Energy SolarHeart™ Engine, a novel low temperature Stirling engine which processes heat from alternative sources such as solar thermal, geothermal and industrial waste heat, and converts it to electricity.

Cool Energy's experienced team of engineers has produced innovative designs for low-temperature heat engines, and previously completed a prototype that will enable cost-effective distributed power generation. A combination of advanced materials for performance improvement and off-the-shelf components allows the engine to generate electricity more economically than other renewable systems. When employed with the latest generation of distributed solar thermal collectors in the SolarFlow System, the Cool Energy engine delivers solar electricity when excess heat from the collectors is not needed in the host residences or commercial buildings. During the winter months, most of the energy from the collectors is used to heat the building's living space, while in the summer the engine converts the energy to electricity.

"We are very pleased to work with the NSF to advance our alternative energy technology approach towards commercialization," said Samuel Weaver, President of Cool Energy.

"The NSF application process included a stringent review of our business plans as well as the engineering approach, further validating both our technology and commercial model. That's important to us, since growing successful businesses to improve access to affordable renewable energy sources is critical for a healthy future for everyone."

State of Colorado Governor Bill Ritter also commented on the grant award.

"Congratulations to Cool Energy on receiving this National Science Foundation grant for expanding its research and development in clean, modern energy technologies," said Ritter. "This grant will continue to grow Colorado's New Energy Economy by attracting jobs and further establishing Colorado as a global leader in renewable energy."

About Cool Energy, Inc.

Cool Energy, Inc. is a solar energy technology development and services company focused on developing systems to harness the sun to provide both heat and electricity for homes and business. Its engineering team has created several patent-pending technology advances for both distributed and central station solar electric power generation. Cool Energy has also been awarded grant funding from the National Science Foundation, and the State of Colorado Governor's Energy Office Clean Energy Fund NEED program.

Cool Energy is located at 5541 Central Ave., Suite 172 in Boulder, CO.

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