Flex OC Renewables, a FlexEnergy Subsidiary, Selected as Primary Firm to Install and Operate Santiago Canyon Landfill Project in Orange County, CA

FlexEnergy Subsidiary Authorized to Negotiate Agreement with Orange County Board of Supervisors; Proposed Project to Use Environmentally Advanced Flex Powerstation™ FP250 Turbines

SANTA ANA, CA. Sept. 16, 2011 -- The Orange County Board of Supervisors has approved, by a 4-0 vote, the selection of Flex OC Renewables, a subsidiary of FlexEnergy Inc (www.flexenergy.com), as the primary firm to negotiate an agreement for the installation and operation of a one megawatt system that will generate electricity from landfill gas at the Santiago Canyon Landfill in Orange.

The Santiago Canyon project will be one of the world's most environmentally advanced facilities for generating power while destroying methane and related air pollutants.

"By installing the Flex Powerstation™ FP250 power generation system, we will be able to beneficially reuse landfill gas to generate a source of revenue and renewable energy," said Joseph Perry, CEO, FlexEnergy.

FlexEnergy manufactures advanced turbine technologies that generate power from methane with the lowest emissions of related air pollutants achieved to date. The company recently moved into a new 35,000 square foot headquarters in Irvine, approximately 15 minutes from the Santiago Canyon project site.

The Santiago Canyon project will also help Orange County meet the stringent air quality emissions for waste gases scheduled to go into effect in 2013. Santiago Canyon Landfill has been closed since 1988, and until now has "flared" or burned off methane created as trash decomposes.

As proposed, the Santiago Canyon project will use four Flex Powerstation™ FP250 turbines, which use an advanced thermal oxidizer to destroy methane reliably within a target temperature range that is high enough to avoid the creation of volatile organic compounds (VOC's) and Carbon Monoxide (CO), yet low enough to prevent the formation of Nitrous Oxide (NOx).

"We expect Santiago Canyon to become a showcase facility that will enable Orange County to continue its leadership in clean technology, create jobs, improve our environment, and reduce our dependence on foreign oil," said Perry.

Flex OC Renewables will now negotiate a final contract for the project with Orange County.