

For Immediate Release

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With \$100 Million+ Pipeline, Xtreme Power Seeks Strategic Acquisition through Chapter 11

February 12, 2014. Irvine, CA – [Xtreme Power](#), a world-class leader in integrated power management systems and energy storage solutions, and a [SAIL Capital](#) portfolio company, has announced that it will continue discussions with potential acquirers and auction itself to the highest bidder under the protection of Chapter 11 of the United States Bankruptcy Code. About 30 bidders are believed to be in diligence. This move comes at a time when Xtreme Power has in excess of \$100 million and letters of intent for \$65 million in their pipeline, is expecting EBITA to be at breakeven by later this year, and the market for grid-scale energy storage is anticipated to grow significantly in the next few years.

On January 21 of this year, the Puerto Rico Electric Power Authority ("PREPA") announced the approval of eight projects for 210 MW of renewable energy-requiring storage – the culmination of years of preparation, in which Xtreme Power took an active role.

In addition, California regulators recently approved an ambitious plan to install a large amount of energy storage projects totaling over 1,325 MW by 2020 to help the state meet its renewable energy mandate. Of note, large-scale pumped storage was excluded in favor of newer, more sophisticated technologies, like Xtreme Power's. The first bidding process will start by the end of 2014 and continue every two years. Also this week, several Caribbean nations committed to replacing diesel generators with renewable energy sources to power their grids.

CEO Alan Gotcher noted, "we are very pleased with the steps taken by our general creditors that are supporting our Chapter 11 process and the ultimate sale of the company. With our industry leading expertise, our world-class partnerships with other leading companies including GE Energy Storage, Samsung SDI and Duke Energy, I have no doubt new owners will find Xtreme Power an attractive acquisition, particularly given that we will be free and clear of liabilities."

SAIL Capital, a leading investor in energy and water technology companies with a focus on sustainable innovation, first invested in Xtreme Power in 2006. Since then, the energy storage company has seen incredible growth. With 12 projects in the field accounting for 60 MW of grid-scale installations, ranging from 1MW up to 36 MW, Xtreme Power's operational experience includes more than 34,100 MWh charged and discharged over 472,200 hours of integrated power unit operation. Xtreme Power has already built the largest energy storage system of its kind for Duke Energy's Notrees wind farm in Texas, and has operations spanning from the Hawaiian Islands to the South Pole.

"Xtreme Power is a leader in integrated energy storage systems for power generators, grid operators and commercial & industrial end users. We are confident that the right acquirer will see great value in Xtreme Power, whose unique technology and disruptive solutions for managing the world's largest energy storage facilities are second to none," commented Walter Schindler, Managing Partner of SAIL Capital.

[The Gordian Group LLC](#), one of the nation's leading independent investment banks specializing in complex and/or distressed financial advisory and mergers and acquisitions, has been retained to assist in the sale of the company. The Chapter 11 filing was structured to allow one of Xtreme Power's creditors to file a stalking horse bid for the company in the event that alternative bids during the Chapter 11 process are insufficient. The company is open to obtaining a second stalking horse by February 28th, with a subsequent auction. Interested parties are encouraged to submit bids through the Gordian Group ahead of the late February deadline.

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Xtreme Power provides scalable, real-time power management and energy storage solutions that enable a more sustainable, reliable, and cost effective electric grid. Xtreme Power's systems combine real time controls and intelligent power conversion systems with efficient energy storage technology engineered specifically to the needs of its customers. Xtreme Power enables multiple participants and technologies to simultaneously operate on the electric grid providing new flexibility that has never been possible before. Xtreme Power is a US company backed by investors SAIL Capital Partners, Bessemer Venture Partners, The Dow Chemical Company, Fluor Corp., BP Alternative Energy, Dominion Resources, POSCO ICT, Skylake & Co. and Spring Ventures, LLC. A 2012 Bloomberg New Energy Pioneer, Xtreme Power earned the 15th spot on Inc. Magazine's 500|5000 list of the fast growing private companies in the U.S. in 2012 – the company's second year in a row making the list. For more information, please visit www.xtremepower.com

SAIL Capital Partners LLC (www.sailcapital.com) is a leading investor in energy and water technology companies with a focus on sustainable innovation and exciting growth potential. With a global vision of markets and opportunities, we invest only in proven breakthrough technologies. To date we have invested in a number of the world's leading sustainable innovators, including: Xtreme Power, WaterHealth International, CNS Response, The Cleantech Group, Enerpulse, SNTech, FlexEnergy, Paragon Airheater Technologies, Ice Energy, M2 Renewables, Clean Technology Solutions, Kokam, and Dow Kokam. SAIL has offices in California, Washington D.C., Louisiana, and Toronto, as well as a global network of investors and advisors.