

RedFlow Limited

ACN 130 227 271



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Company Announcements Office
Australian Securities Exchange Limited

Company Update – August 2012

Negotiations with Systems Integrators

RedFlow Limited is pleased to announce that negotiations with international systems integrators are progressing well.

In relation to one such negotiation which is with a large European based global conglomerate, a terms sheet has been agreed which involves the joint development on a MW scale pilot demonstration energy storage system to test various applications and business cases. The demonstration system is expected to be located at a USA customer site and the project budget is approximately \$5m to be funded jointly by the European conglomerate and their customers. The two year objective is to develop a branded and marketed AC energy storage system product for USA and Europe incorporating our ZBM batteries. Nothing is binding on either party unless and until such time as a definitive agreement is executed by both parties. The first draft of a joint development Agreement is expected shortly.

In relation to another, which is a large Asian based vertically integrated conglomerate, negotiations have commenced with due diligence to continue in Australia shortly with a view to reaching agreement upon the broad terms of an ongoing commercial relationship by October 2012.

Other early stage negotiations are continuing.

University of Sydney Collaboration

RedFlow Limited is pleased to announce that it has signed an agreement with the University of Sydney.

As part of our future product development plans, RedFlow has signed an agreement with the University of Sydney to commence the development of certain next generation materials and components over the next three years.

This is being undertaken via an Australian government sponsored ARC linkage project which will provide funding of \$420,000 against \$202,500 being committed over three years by RedFlow and incorporates an exclusive option licence to exploit all registrable intellectual property rights on commercial terms to be agreed. This team consists of two professors, and a number of researchers and PhD students who will work on specific aspects of zinc-bromide batteries over the next three years.

For further information contact:

Howard Stack Chairman, RedFlow Limited Phone: +61 7 3376 0008 Mobile: +61 411 885 100 Email: howard.stack@redflow.com	Chris Winter CEO, RedFlow Limited Phone: +61 7 3376 0008 Mobile: +61 415 189 122 Email: chris.winter@redflow.com
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About RedFlow

RedFlow is a leading developer and manufacturer of zinc-bromide flow batteries.

RedFlow's standard 5kW/10kWh zinc-bromide battery module (ZBM) is designed to be integrated into electricity storage systems for a range of stationary applications.

Currently RedFlow's ZBMs are being evaluated by a number of companies interested in integrating them into their own electricity storage systems.

The ZBM's specific characteristics of daily deep charge and discharge capability make them ideal for storage of intermittent renewable energy, managing peak load on the grid as well as for supporting off-grid ('island') power systems.

RedFlow currently has over 65 systems deployed in the field in a number of different electricity storage applications in Australia, USA and other countries.

RedFlow manufactures both ZBMs and integrated electricity storage systems at its Brisbane, Australia, facilities and is developing an overseas outsourced manufacturing capability.

More information can be found at www.redflow.com