

PRESS RELEASE

NOVINIUM ESTABLISHES WARRANTY TRUST TO PAY WARRANTY CLAIMS AND TO BENEFIT THE IEEE FOUNDATION

July 31, 2006: Novinium® announced the establishment of the Novinium Warranty Trust (NWT). NWT is an irrevocable trust, which accumulates assets to pay future Novinium warranty claims from electric circuit owners who purchase cable rejuvenation services from Novinium, or its partners.

Cable rejuvenation is an economically attractive way to deal with failing URD cables that were installed in the 1970s and 1980s. Novinium cable rejuvenation extends the life of aging cable 40 years, which is comparable to the life of new cable, but at less than one-half the capital cost. To insure satisfaction, Novinium offers an unconditional 20- or 40-year warranty on its service, depending on the Novinium product chosen by the circuit owner.

Instead of an unsecured balance sheet account or insurance policy covering less than 1% of the total liability, Novinium deposits a portion of the money from each project into the irrevocable NWT. The NWT funds are held in investments and managed by U.S. Bank Corporate Trust Services. The principle and interest are accumulated by the Trust for up to 150 years.

At the end of the 20- or 40-year warranty period, funds and earnings, which have not been used to pay warranty claims (anticipated to be the lion's share of the trust assets— potentially upwards of US\$1 million), vest to the IEEE Foundation to “Encourage young people to be educated in Power Engineering, and/or to pursue careers in the Electric Power industry.”

Novinium is based in the Kent, WA and provides cable rejuvenation services and products to electric and telecommunication utilities in the United States and around the world. The primary products are novel fluids, methods, and tools to inject stranded underground cable. The injection process rejuvenates and extends the reliable life of the cable up to 40 years.

The IEEE Foundation raises and distributes millions of dollars for philanthropic programs that advance technology and education for the benefit of humanity and society as a whole. The IEEE Foundation engages in philanthropic activities that further the scientific and educational purposes of the IEEE and include (1) awarding grants to innovative projects that improve technological literacy, and (2) serving as fund administrator for educational and technical programs of IEEE units, such as the IEEE Power Engineering Society. The financial basis of the IEEE Foundation is comprised of a general fund, from which more than US\$500,000 in grants are awarded annually, and over 80 restricted funds are administered that support a variety of educational, historical preservation, and peer recognition programs of IEEE units.

U.S. Bank is a leader in the corporate trust industry— the largest trustee in the area of tax-exempt debt, the second largest in the area of asset-backed and mortgage-backed securities, the third largest in new corporate bond issuances, and the ninth-largest institutional custody provider. U.S. Bancorp, with assets of \$207 billion, is the 6th largest financial holding company in the United States.

CONTACT: Rich Brinton 425-778-8422 or rich.brinton@novinium.com