



**PRESS RELEASE**

10 May 2010

**Turbotec Products Plc ("the Company")**

**Court Judgment in relation to Relationship Agreement**

The Board is pleased to announce that, following the handing down of judgment in Court this morning, the Company has been successful in its defence of the claim brought by its majority shareholder Thermodynamics Inc. ('TDYT') in relation to the payment of administration fees under the Relationship Agreement of 28 April 2006 entered into by, amongst others, the Company and TDYT. Although they remain to be finalised in detail, the Company has been awarded substantial costs, including an order of payment on account of £350,000 by TDYT to the Company within the next two weeks.

In his judgment, His Honour Judge Dight, sitting as a Judge of the High Court, stated that the annual administration fee had been calculated solely by reference to TDYT's cash needs and bore no relation to the services that TDYT had claimed to provide, adding that it was clear to him that the provisions of the Relationship Agreement for the payment of the administration fee were not a genuine transaction but a disguised return of capital. The Judge did not accept that the continued funding of TDYT, in order to pay the salaries of Mr. Lerman and Mr. Ferraro, was proper.

The Judge also supported the Company's view on its correct interpretation of the provisions of the Relationship Agreement and its treatment of the administration fee, in that TDYT were entitled to either the administration fee or dividends for a particular year, but not both.

The Company's Chairman, Tom Nairn, commented 'we are absolutely delighted that our consistent position in protecting the rights of all shareholders has been vindicated, and we now look to focus on the task of growing the business and delivering real value to all shareholders without any further distractions.'

**Turbotec Products Plc**

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