



**Press Release**

**26 March 2007**

**XL TechGroup, Inc.**

("XL TechGroup" or "the Company")

**GenXL invests in first company**

XL TechGroup (AIM: XLT), the systematic architect and builder of an ongoing stream of high value new companies, is pleased to announce that its value creation joint venture, GenXL LLC ("GenXL"), has entered into its first company development agreement.

GenXL has taken a 45% equity stake in EnGen LLC for an undisclosed but small sum. A further 45% is directly owned by GEN3 Partners Inc. ("GEN3") which has been working with and investing in EnGen since 2000. The remaining 10% is owned by the core team of three scientists who developed the technology.

XL TechGroup established GenXL in June 2006 as a 50/50 joint venture with GEN3 to capture the value of those prospects that do not fully meet XL TechGroup's company building criteria but still demonstrate considerable potential worth. Over and above XL TechGroup's core business model, GenXL will review a significant flow of opportunities from both XL TechGroup and GEN3 in order to generate new companies, standalone product lines and technology licensing opportunities or an appropriate mix of these.

EnGen is exploiting a unique platform technology that has a range of potential supercapacitor battery applications across various sectors where there are clear unmet market needs. For example, the transportation market requires a cost-effective combination of the energy density of a rechargeable battery, with the power density and cycle life of supercapacitors. The consumer electronics market needs to extend lithium-ion battery life, either by changing their chemical composition or by coupling them with a supercapacitor, while supercapacitors in industrial applications could increase a lead acid battery's life and power reliability by working in conjunction.

EnGen is working with one of the leading companies in the global supercapacitor sector, on developing a prototype hybrid supercapacitor for use in a range of industrial and other areas. The funds being invested by GenXL will enable EnGen to complete a working dry prototype, which is anticipated to be completed by the end of the first half of 2007. On this basis, EnGen would expect to reach formal agreement on a technology licensing agreement shortly thereafter. This agreement would be both product and geographically specific, and would give EnGen the financial and commercial freedom to work independently or with other partners in areas such as lithium-ion batteries and pure ultracapacitors.

The supercapacitor market in the USA was relatively small at about US\$200 million in 2005, but is forecast to grow rapidly to approximately US\$600 million by 2012 (Source: Frost & Sullivan 2006). The market for lithium-ion batteries in the USA is much larger at about US\$4.5 billion in 2005 but is growing more steadily towards an estimated US\$6.3 billion in 2011 (Source: Frost & Sullivan 2006).

John Scott, CEO of XL TechGroup, commented: "This is the first company development for GenXL, which was created to provide even greater value for XL TechGroup shareholders through a steady flow of new companies, standalone product lines and technology licensing opportunities over and above our core business model. GenXL has been reviewing a range of opportunities since it was established last year, a number of which are looking very promising, and we now look forward to a steady flow of news over the coming months."

**- Ends -**

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**NOTES TO EDITORS**

**About XL TechGroup**

XL TechGroup is in the business of significant value creation. Working with major international corporate and technology partners such as AES, Procter & Gamble and leading universities, XL TechGroup first identifies global unmet market needs and then targets and exploits these by the systematic creation of successful, disruptive technology businesses. These are built from scratch, and are then funded and developed by XL TechGroup through to the point of a trade sale or a stock market listing.

XL TechGroup's unique and proven methodology selects the best opportunities in order to create one-to-two new companies annually, where each company is expected to achieve a valuation of at least US\$400 million within four years from its creation. While an XL TechGroup company might perform a stock market listing at an earlier point in this four year timeframe, XL TechGroup would retain its controlling interest and would continue to assist with the company's development.

XL TechGroup's companies to date are: AgCert International plc ([www.agcert.com](http://www.agcert.com)), TyraTech LLC ([www.tyratech.com](http://www.tyratech.com)), DxTech LLC ([www.dxtech.com](http://www.dxtech.com)), PetroAlgae LLC ([www.petroalgae.com](http://www.petroalgae.com)) and QuoNova LLC.

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For further information, see [www.xltechgroup.com](http://www.xltechgroup.com)

**About GEN3 Partners**

GEN3 Partners Inc. is a product innovation consulting firm that dramatically improves the impact, predictability and productivity of corporate innovation processes through a superior approach to identifying their greatest opportunities and solving the technical barriers to achieving them. Based in Boston and St. Petersburg, Russia, GEN3 works with CEOs, business unit general managers, and heads of marketing, product development, manufacturing and other executives to dramatically improve their return on product innovation.

For more information, please visit: [www.GEN3.com](http://www.GEN3.com)