



MEDIA RELEASE

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ENERGY SAVING LIGHT BULBS TO BOOST INTERMOCO REVENUES AND CUT CARBON EMISSIONS

In a landmark deal to save households millions of dollars in power costs and considerably lower carbon emissions, Intermoco Ltd. (ASX CODE: INT) announced today that it had entered into negotiations to acquire two companies (Energy Mad Ltd [www.energymad.com] and Advanced Energy Ltd.) which command the intellectual property, manufacturing and distribution rights for the highly successful new technology light bulbs, branded as 'EcoBulbs'.

Sales of the new product range are expected to exceed 75 million units over the next 4 years. EcoBulb is currently retailing in Australia at \$8.75.

"This acquisition is exciting for Intermoco because it will deliver profits immediately to our company," said Intermoco's CEO, Mr. Steve Black.

Mr Black said that access to the intellectual property owned by Energy Mad will enable Intermoco to deliver superior investment performance by supplying leading edge products that satisfy demand created from surging, environmentally aware world markets. For example, more than 3.5 million EcoBulbs have already been sold to New Zealand households, saving each at least NZ\$ 650 in power costs over the life of the bulb.

"Initially, Intermoco is buying ten per cent of Energy Mad and progressively moving to a position of control and our strategy is to derive ongoing revenues from international sales to Government agencies and leading retailers with existing and new products," he said.

“Intermoco will control the worldwide retail distribution of Energy Mad products, building from the successes of seven distribution projects in New Zealand conducted with partners such as Government Agencies, Shell and Foodstuffs.”

As Energy Mad grew in their home market, they separated distribution to the retail sector from their Intellectual Property and manufacturing business, generating the structure that Intermoco is now acquiring.

“With AEL, Intermoco buys a distribution business that complements our rapidly expanding smart meter technology and carbon credit measuring operation in Australia,” Mr Black said.

“Inherent within the acquisition is Intermoco’s requirement to sustain the existing marketing and merchandising programs, such as the Woolworths distribution agreement in Australia and further contracts with Singaporean and US retailers.”

“In New Zealand, for example, Energy Mad recently completed a 1,000 household pilot Ecosmarthome project that we can build into meaningful programs by using our smart meters in all the international markets we enter.

Intermoco has agreed to pay NZ\$ 5 million for the initial ten per cent of Energy Mad, and progressively increase ownership to a level of control.

Consideration for the AEL acquisition will be the allotment of call options, issue of which will be subject to shareholder approval. The options are to be issued in two tranches. The first tranche of 200 million is exercisable over 3 years in lots of 40 million at 15 cents subject to the achievement of sales targets of 10 million units per lot. The second tranche of 150 million is exercisable over 4 years at 30 cents, subject to the prior exercise of the 15 cent options and the achievement of additional sales of 25 million units.

Further information – Steve Black ph) 8699 8799 and/or Jeff Bennett ph) 8699 8799 mob) 0408 958 906