



4 February 2014

Flowgroup plc
(the "Company")

**Compliance approval for upgraded power module
& Update on domestic installation programme**

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy technology products, announces that it has achieved BSI G83/2 compliance for its in-house power electronics control system. The Company also announces that the roll out of 120 domestic Flow Boilers is progressing in line with expectations.

BSI G83/2 compliance

The power electronics control system includes a bespoke, high efficiency, transformerless grid-tie inverter, designed by the Flow Products team. Previously standalone, the grid-tie inverter can now be housed inside the power module, where it conditions the power generated by the mCHP appliance and then exports it to the local grid. This is a lower cost, Company owned purpose built solution. Following completion of the development of the power electronics control system, the mCHP product has successfully completed G83/2 testing at BSI. G83/2 is an Engineering Recommendation as laid down by the ENA (Energy Networks Association) for the connection of embedded generation (solar PV, wind turbines, mCHP etc.) technologies to the distribution networks.

Domestic install update

As announced previously, our domestic Flow Boiler pilot to install up to 120 boilers in customer homes started successfully in November 2013, with installations planned through to March 2014.

The primary aims of this domestic installation pilot are to refine training and installation procedures and monitor and evaluate customer response ahead of our commercial launch later this year. A key element of the Company's launch strategy is the creation of a nationwide installation infrastructure. These domestic installations provide important experience for the Group's installation partners.

The pilot is going very well with installations running smoothly, positive customer feedback and performance and reliability meeting our expectations. This correlates with the data that Flowgroup already possesses having conducted over 30,000 hours of product testing.

Tony Stiff, CEO of Flowgroup, comments:

"The Flow boiler is a game-changing product and is one of the biggest projects in the European heating industry, the one the industry is talking about. G83/2 compliance for our power electronics control system illustrates our commitment to designing the best possible product, to take advantage of the opportunity we have. Our commercial launch schedule is on track with our domestic installations providing invaluable experience for our nationwide installation partners. We'll now be releasing regular updates, as we move forward to our commercial launch in the second half of 2014."

Flowgroup plc

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