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**Flowgroup plc
("Flow" or the "Company")**

Flow Products signs MoU with NRG Energy, Inc.

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy technology products, announces that its subsidiary Flow Products has signed a Memorandum of Understanding ("MoU") with NRG Energy, Inc. to initiate a trial for the testing and evaluation of Flow's innovative microCHP products for the US heating market.

The purpose of the trial is to assess the Flow boiler for its potential for commercialisation in the USA. The companies will now commence a planning and preparation phase for the trial in advance of two Flow boilers being delivered for evaluation to begin. The trial units will be deployed in a dedicated facility in Texas. The evaluation will examine the performance characteristics and the various heating applications together with installation and service requirements for the product in the US market. The testing is planned to take place in three stages and be completed in the Spring of 2015. During the final stage Flowgroup and NRG Energy will assess the potential for commercialisation before deciding whether or not to progress to the planning of a subsequent commercialisation in the US.

NRG Energy, Inc. (NYSE: NRG) is a Fortune 250 company. Its retail electricity business serves nearly 3 million customers across the country. The US has 79.5 million natural gas connected homes with the average annual gas consumption 46% greater than the UK average. In addition, the electricity price is three times higher than natural gas prices in twenty states. Flowgroup therefore believes that the market and economics for microCHP are attractive in the US.

Tony Stiff, CEO of Flowgroup, comments: "Our short term focus remains the launch of our Flow microCHP boiler and proposition to the large UK market where we believe significant potential exists. We have also been developing relationships with major strategic players in other attractive markets for Flow's products. This MoU represents the first step into the US retail energy market, linking up with one of the leading players in US energy, a company with considerable vision for the energy businesses of the future and one which has already demonstrated leadership in this sector. We believe that this relationship, and the US market, could have the potential to generate significant returns for the Company."

Elizabeth Killinger, President of NRG Retail, adds: "As we enter into this new Era of Personal Power where consumers can safely generate power in their own homes, we believe consumers will come to rely on appliances like the one Flowgroup offers. We are delighted to work with Flowgroup as we create a portfolio of distributed generation solutions for residential customers."

Flowgroup plc

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