

**HYDRODEC GROUP PLC ("Hydrodec" or the "Company")**

Hydrodec partners with Con Edison to recycle used transformer oil

5 January 2009

Hydrodec is pleased to announce an agreement with Consolidated Edison Company of New York ("Con Edison") under which Hydrodec will receive all of Con Edison's used transformer oil.

Under the agreement, which commences 1 January 2009 and is for a period of 3 years, Hydrodec is to receive a minimum of 450,000 gallons per annum (approximately 1.7 million litres) of used transformer oil. This oil will be re-refined and converted into SUPERfine at the Canton, Ohio plant.

Con Edison is a subsidiary of Consolidated Edison, Inc. [NYSE: ED], one of the US's largest investor-owned energy companies, with approximately \$13 billion in annual revenues and \$29 billion in assets. The utility provides electric, gas and steam service to more than 3 million customers in New York City and Westchester County, New York.

Con Edison operates one of the most complex electric power systems in the world. It is also the world's most reliable, since fewer customers experience fewer outages for shorter periods of time compared with other utilities. The company delivers electricity to more than 3 million customers through a huge transmission and distribution network. Con Edison has built the world's largest system of underground electric cables to accommodate the congested and densely populated urban area it serves. The system features approximately 94,000 miles of underground cable. Con Edison's nearly 36,000 miles of overhead electric wires complement the underground system.

"Con Edison relies on hundreds of thousands of gallons of high quality transformer oil for the efficient and reliable operation of our electrical equipment in New York City and Westchester County," said David P. Roche, a senior scientist in the company's environmental health and safety group. "Once the transformer oil becomes degraded, it is removed and replaced. In the past, our used oil was burned for its fuel value. Committing to eliminate this practice, Con Edison chose Hydrodec to help manage our used oil in a sustainable way. By supplying our oil to be safely re-refined by Hydrodec, our environmental stewardship is maximized, conserving a valuable petroleum resource and providing a sustainable, high quality transformer oil to the electric industry."

John Gunn, Chairman of Hydrodec commented: "This agreement will provide Hydrodec with a significant amount of feedstock for our operations and shows acceptance of the Hydrodec technology as well as its green credentials in the United States. We are delighted that Con Edison selected Hydrodec to recycle its spent transformer oil which will, in turn, allow us to supply our US transformer manufacturing customers with SUPERfine."

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