



29 June 2010

**Pursuit Dynamics PLC
("PDX" or "the Company")**

New bio-fuels line of business launched

PDX today announces the formal launch of its new bio-fuels line of business with a range of new products and services for the Generation One corn based bio-fuels market, as well as the Company's first contract wins under the new management. The new PDX Ethanol Reactor System ("ERS") will be installed at the new customer plants in the coming months.

Since October 2009 the Company has undertaken an extensive review of its bio-fuels strategy with a view to understanding how best to commercialise the opportunity. This review was underpinned by a rigorous re-engineering and testing program conducted jointly with ICM Inc. ("ICM"), the industry leader in the design and construction of ethanol plants, having built over two thirds of all corn ethanol plants globally.

The results of the testing and validation work indicated that the plants utilising PDX's technology can expect significant commercial benefits, including improved production yields, reduced operating costs and substantial throughput improvements.

PDX believes that the total addressable universe of Generation One corn-based ethanol plants in the US comprises those manufactured by ICM and Delta-T. In aggregate they number 120 out of the 180 existing US plants and account for most of the 12 billion gallons per annum that is estimated to be produced annually in the US. PDX has set a target of rolling out PDX's products to 60 of the ICM and Delta-T plants over the next two to three years.

As phase one of the ERS's commercial roll out of the ERS, PDX is pleased to announce that a leading ICM plant (Marquis Energy, LLV) and a leading Delta-T plant (Pacific Ethanol, Inc's Boardman plant) are participating in the operational validation of the new ERS.

PDX is currently in negotiation with a number of other plants who wish to be part of phase two, the commercial roll out of the ERS product. A further statement will be made as contracts are signed.

Commenting on the announcement, Roel Pieper, CEO, said:

"Today's announcement completes the launch of our fourth line of business and we are well on course to meeting the targets that we set ourselves earlier this year. Following extensive validation work with ICM, I am very pleased to be announcing a suite of cutting edge solutions for the Generation One bio-fuels market that will result in substantial cost savings and enhanced productivity for our customers. In addition, the new contracts that we have won and the promising new business pipeline that we are seeing indicate that our new bio-fuels strategy is beginning to pay dividends. The bio-fuels line of business has enormous potential for PDX and I am looking forward to continuing to drive forward the commercial development of this line of business."

Commenting on the announcement, Trevor Hinz, Director Business Development and Capital Sales at ICM, said:

"ICM is pleased to be providing PDX with critical product trial and evaluation support for the development and operational implementation of this new program. ICM is committed to the growth and promotion of the renewable fuels industry, and looks forward to working with PDX as it embarks on the operational and commercial rollout of the ERS."



PDX is also pleased to announce that it has developed the following new Generation One bio-fuels solutions:

1. PDX ERS Optimisation package – designed to reduce current plant operational costs as well as increasing overall efficiency.
2. PDX ERS Performance package – designed to enable a plant to operate at a higher volume output, whilst at the same time reducing the per gallon production cost of operations.
3. PDX ERS Calculator – this operational evaluation tool will support both the Optimisation and Performance packages, enabling any ethanol plant to measure, identify and optimise the key operational parameters that determine the main cost and margin influencing factors during full cycle operations.

These packages have been designed to allow the Company to provide appropriate solutions in different market conditions. This flexibility is particularly important given the uncertain state of the broader ethanol market and the possible increase in the ethanol blend wall, an event that is likely to lead the industry to increase production in order to meet rising demand.

PDX will install the ERS in its customers' ethanol plants at no additional cost and will work with various leading system integration partners, such as ICM, to upgrade the plants. The business model is based on PDX charging a fee for the use of the ERS on a per gallon basis that will vary according to the package operated by the user. PDX expects to charge an average of US \$2c per gallon for plants using the Optimisation package and on average US \$5c per gallon for plants using the Performance package.

The ethanol market is seasonal and so there are certain times of year when plants are not in operation. As a result, it will require at least two years for the PDX solutions to be implemented by the 60 plus customers that we have set as our target. A positive change in the US energy policy, however, which is expected as a result of the BP oil spill, could accelerate the implementation and acceptance roll out.

PDX also expects the Generation Two cellulosic market to offer a significant opportunity for the Company and it is expected to overtake the corn-based ethanol market over the next five to ten years. PDX has recently entered into a programme of trials with a major US organic materials producer that has developed a new process for cellulosic ethanol utilising PDX's equipment and know-how. The target is to develop a process engineering and intellectual property platform that could lead to a breakthrough in the emerging cellulosic ethanol market, capable of processing a wider range of non-food organic materials into ethanol. PDX expects to announce more about this line of business later this year.

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Notes to Editors

About PDX

- PDX(AIM: PDX) owns and commercialises the PDX Atomiser and Reactor technologies that enable significant reductions in energy usage, process acceleration and result enhancement for a wide range of industrial processes and applications.
- The PDX business model is now organized into four Lines of Business – bio-fuels, food and brewing, decontamination and fire suppression.
- PDX is headquartered in Huntingdon, UK with an office in Norwalk, Connecticut, USA.
- Further information is available at the Company's website: www.pdx.biz
- Publication quality photographs are available from Financial Dynamics.