18th January, 2012

Energy Technologies Limited

ABN 38 002 679 469

EGY signs Term Sheet

The Board of Energy Technologies Limited (ASX: EGY) announces that EGY has signed a Term Sheet in relation to the business of an established company (the Company) in the energy sector. In consideration of a non refundable deposit of $50,000 the Company will allow EGY sufficient access to the company's records to carry out due diligence with a view to proceeding to purchase by a share or asset purchase.

The agreement between the parties requires that the particulars of the Term Sheet remain confidential. There is no binding sale agreement between the parties, and there is not presently an offer capable of acceptance. EGY intends to engage in further discussions with the Company during and after the due diligence process. The Board considers that there are several important issues which will require agreement and therefore shareholders are reminded that the arrangements may not develop into a formal binding purchase agreement.

It is expected that the due diligence process will be completed by 31st March 2012. The Board of EGY will update shareholders as developments occur.

At the conclusion of the current steps, the parties may move to negotiation of a formal legally binding agreement. EGY will continue to keep shareholders informed of any material development in relation to the proposed acquisition.

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For further information please contact:

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About Energy Technologies Ltd.

Energy Technologies Ltd is a developer and supplier of components and technology for the electricity and gas energy sector. Markets addressed include electricity distribution and consumer power supplies. Design facilities are located in Australia and Hong Kong.

The company is focused on growth by acquisition and development of companies and technologies that service the electricity supply industry. The company has recently sold its main operating company and has begun discussions, regarding acquisition, with owners of several Australian businesses providing products and services to the electricity industry.

Energy Technologies Ltd provides its services through 2 divisions:

Cogenic: *designs and develops low emission, high efficiency electricity generators with cogenerated heat for hot water systems.*

Duhunty Poles Pty Ltd: *holds the exclusive rights for Australia and New Zealand for patented technology for the production of light weight, unburnable, non conductive power poles and manufactures poles to 17m at a purpose built factory in Victoria. Website www.dulhuntypoles.com*