

For Immediate Release

Paragon Airheater Technologies Invests \$1.4 Million into Second New North American Basketed Elements Manufacturing Line

*New Manufacturing line will give Paragon a 65% production increase
to 450 baskets a day*

(Corona, CA, June, 2006) – Paragon Airheater Technologies, the fastest growing manufacturer of high-performance seals and baskets for rotary, regenerative airheaters, has announced a \$1.4 million investment into the construction of a second automated basketed elements manufacturing line in North America. Paragon has been rapidly advancing into the U.S. and world energy markets, having recently been awarded multiple multi-million dollar contracts for their newest product line of basketed elements introduced in November 2005.

“We have an proprietary triple-layered element configuration for our baskets that is specifically designed to help prevent plugging in coal applications,” says John Guffre P.E., Research Scientist for Paragon. “Our design gives a very low pressure drop, which means less electricity is required to power the fans, delivering better plant efficiency.”

“Paragon continues to invest into improving the technology in the energy marketplace,” continues Guffre. “This new facility, just one step of a multi-phased manufacturing expansion strategy that we are implementing, will increase our basket production by 65% to 450 baskets produced a day. Because of increased energy company demand for our patented design in basketed elements, we have had to accelerate our plant development program significantly.”

About Paragon: Specializing in the manufacturing of high-performance seals and related replacement parts for rotary, regenerative airheaters, Paragon is establishing a broad presence in the energy market. Their high-quality seals are specially designed to provide maximum efficiency while withstanding the harsh operating conditions normally encountered in the airheater. Paragon's exclusive and patented design for both radial/axial and circumferential/bypass seals, surpass original equipment manufacturer standards, providing maximum performance and improving airheater efficiency.

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