

PowerFilm, Inc.

Portable and Remote Contract Win

PowerFilm, Inc. ("PowerFilm" or the "Company"), the developer and manufacturer of thin, flexible solar panels, today announces a new purchase contract from a leading developer and innovator of advanced wireless technologies for solar panels to be used in its GPS asset tracking systems. This brings the total value of purchase orders for this growing application to over \$2.3 million for the year.

PowerFilm's products were selected for this application on the basis of their thin, durable product profile, which makes them easily adaptable and ideal for incorporation into GPS systems used on a wide variety of goods containers in all weathers and conditions, including trucking fleets, railroad cars and shipping containers.

These GPS systems will be used for tracking the cargo of trucking fleets by using antennae to transmit cargo location data to satellites, which, in turn, transmit the data to centralised tracking systems. The use of PowerFilm's products will enable solar recharging of the systems' batteries, eliminating the cost and inconvenience of battery replacement.

Furthermore, the consequent increased reliability of power supply will allow the customer improved management of transportation assets and reduced logistics costs over time. Reliability of power supply is of key importance for GPS asset tracking to maintain the information feed that allows valuable cargo to be pinpointed at any time in the course of delivery. Increased emphasis on tracking capabilities to enhance asset management could lead to increased future demand for PowerFilm products for portable and remote applications.

Mike Coon, CFO and COO of PowerFilm, said:

"This purchase order affirms our belief that there is strong demand for our panels in selected applications in the portable and remote power market.

"The use of our products for GPS systems is a natural fit that fully exploits the thin, durable profile they offer. The market is an exciting one that could bring yet more valuable orders over time."

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About PowerFilm

PowerFilm, Inc. (AIM:PFLM), founded in 1988, is a developer and manufacturer of thin, flexible solar panels. The Company listed its ordinary shares on the AIM market of London Stock Exchange plc in May 2006, raising approx \$18 million to expand production capacity to meet growing product demand. The Company's principal target markets are portable and remote power, military, and building integrated solar power. PowerFilm has developed a proprietary thin film manufacturing process which consists of roll-to-roll manufacturing of solar cells using an amorphous silicon sunlight absorber layer deposited on a flexible plastic substrate. This proprietary manufacturing process includes an automated low-cost interconnection of individual solar cells within the overall solar panel. The thin plastic substrate on which the Company's solar panels are manufactured is as thin as 1/1000th of an inch (0.025 mm) thick, making them much thinner and more lightweight, flexible and durable than rigid crystalline panels, which enables easier integration and allows for simple, robust, low cost installations.