



FOR IMMEDIATE RELEASE

Tantalus Technology to Power Johnson City's Smart Grid

Vancouver, BC – February 02, 2010 – Tantalus Systems Corp. announces that Johnson City Power Board (JCPB) has selected Tantalus for a system-wide Smart Grid communications network.

The JCPB provides electricity and related services to over 74,000 metered locations in Washington County, along with portions of Sullivan, Greene, and Carter counties in Tennessee, making it the tenth largest public utility within the Tennessee Valley Authority (TVA) system. Tantalus will provide the JCPB with a full-scale, two-way smart metering solution that supports interval and on-demand reads, remote connect/disconnect services, instant outage/restoration alerts, and over-the-air firmware upgrades.

The JCPB selected the Tantalus platform because it is a flexible communication network that can evolve as the utility's needs expand. Rapid and reliable communication between the utility and every home and business endpoint will enable JCPB to offer variable rate pricing options in compliance with the TVA's proposed requirements for Time-of-Use (TOU) billing and load control applications. The Tantalus system is designed to support a full range of Demand Response (DR) functionality, from tiered pricing to load shedding to in-home signalling. This enables a utility to offer customers freedom of choice over when, how and to what degree they want to be involved in energy efficiency. Data provided by the Tantalus system can also be used to determine the success of DR initiatives.

Deployment of the TUNet network is scheduled to begin in spring 2010 with completion planned for late 2011. JCPB is simultaneously deploying a fiber-optic ring to connect the utility's operations center and its 30 substations, which will also be able to provide economical, high bandwidth backhaul for Tantalus' Smart Grid applications.

"Our immediate goal is to make ready for the TVA's proposed transition to time-of-use pricing," said Homer G'Fellers, Johnson City Power Board's President & CEO. "Moving forward now with these two projects will provide an extremely robust and capable platform to support data intensive applications. There's a significant opportunity to enhance service while continuing to provide cost-effective power to our customers."

Seven TVA Distributors have now deployed Tantalus technology. These range from rural cooperatives that provide energy to remote communities in rugged Appalachian Mountain service areas, to standout municipal utilities like EPB Chattanooga and Pulaski Electric System that leverage wireless and Fiber-to-the-Home (FTTH) networks for Smart Grid functionality. The flexibility Tantalus affords ensures that a utility can balance current communications options and cost-effectively migrate to next generation WAN technologies as Smart Grid applications and operational needs dictate.

Eric Murray, President & CEO of Tantalus added: "Building an energy efficient community requires participation from both the utility and the people it serves. The Johnson City Power Board realizes that communications is central to the success of this effort. Investment in network infrastructure that scales as the utility's needs grow, and which supports a wide range of Smart Grid functionality, gives the utility the freedom to adapt to ever-changing economic, environmental and customer service priorities."

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About Tantalus

Tantalus provides two-way, real-time data communications networks to monitor and control electric, gas and water utilities. TUNet® – the Tantalus Utility Network – is an end-to-end WAN/LAN/HAN communications system that operates with both RF and IP-based networks including FTTH, Fiber, WiFi, WiMAX and GPRS/cellular, either individually or in combination. TUNet's patented and patents pending technologies are purpose built for the Smart Grid. The Tantalus network unites a utility's applications, making advanced metering, outage management, power quality monitoring, load control, and distribution automation cost-effective and practical throughout both urban and rural service areas. For more information, please visit www.tantalus.com.

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