

## Qconnectis Trading Statement

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Qconnectis plc  
29 August 2007

For Immediate Release  
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Qconnectis plc  
("Qconnectis" or "the Company")

### Trading Update

Following the recent financial year end, the Board of Qconnectis plc is pleased to provide shareholders with an overview of trading in the period.

The Company has continued to grow revenues substantially in comparison to the previous financial year, thus maintaining Qconnectis' track record of significant sales growth year-on-year.

Qconnectis recently announced the launch of Leakfrog, a new product for monitoring domestic water leakage developed in partnership with Thames Water. Shipping of final production Leakfrog units to Thames Water began in June and subsequent field trials have proved highly successful, such that the Board remains optimistic regarding the future take-up and growth of this new product range.

Turning to Qconnectis' Internet-based smart metering products and services, customers continue to roll out the core iStaq GSM data logging and myMeter web service product ranges. Additional web site developments for Scottish Water have been completed, providing their customers with additional value-add services. We have seen repeat business from other customers, such as Aquavitae and a number of the NHS Trusts, as they add more sites. Marketing campaigns, together with an expanded sales resource, have borne fruit and a number of new customers using Qconnectis' technology to monitor energy and water efficiency have been acquired. These include Jardine Motors, Smith Bellerby, Crawley Borough Council, Bury Metropolitan Borough Council and AGA Rayburn.

With energy and environmental concerns so high in global political and economic agendas, there has been a significant increase in interest in smart metering and energy/water efficiency products from utilities internationally. Additionally, the recent UK Government Energy White Paper raises the potential for smart metering to be introduced to all 22 million homes in the UK. In the water sector, the Department for Environment, Food and Rural Affairs ("Defra") earlier this month announced plans to permit compulsory water metering in large parts of the UK. These trends are likely to generate significant contract opportunities and distribution partnerships for the Company going forward.

To maximise these opportunities and thereby accelerate its growth, Qconnectis has reached an agreement with Security Change Ltd whereby the latter has agreed to provide the Company with a #250,000 secured convertible loan facility repayable by 31 January 2008. If not previously repaid, the loan may be converted at the request of the loan holders at a price based on the market value of the shares.

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Editors' notes - About Qonnectis

Qonnectis' patented technologies enable the analysis of remote meter data to facilitate water leakage control, customer profiling, and energy and water management efficiency. Its products are already being used by a wide range of UK and overseas utilities as well as large commercial and domestic users of energy or water.

The iStaq family of products work by sending meter readings to Qonnectis' secure data centre via SMS text messaging over the GSM network. The data is then aggregated and published online via utility-branded "myMeter" websites operated by Qonnectis. The data can also be sent directly to utilities' billing systems. Customers can access real-time information via a web browser using the "myMeter" service. For more information, please visit [www.qonnectis.com](http://www.qonnectis.com).

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