

NEWS RELEASE



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XCEL WINS MAJOR CONTRACT FROM THALES OPTRONICS

XCEL Power Systems Ltd, located in the UK, has been awarded a contract by Thales Optronics Limited to provide low voltage power supplies for the Phalanx program. The contract is worth approx \$0.5M, and deliveries will commence in Q3 2003.

Commenting on the contract, Richard Weller, General Manager of XCEL Power Systems Ltd, stated "Thales Optronics continues to be a key customer for XCEL Power Systems, and we are delighted to be supporting a new build of Phalanx equipment with our products".

Graham Jefferies, Executive Vice President of Microtel International Inc commented, " This latest contract from Thales Optronics we believe is indicative of the buoyant nature of the global defense market and reinforces XCEL Power Systems' position as a key supplier to this market place. "

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