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FAFCO Inc. Announces the First All-Polymer, Do-it-Yourself Solar Hot Water System Designed to Reduce Water Heating Bills By Up to 50%

ORLANDO, Florida — February 7, 2007 — FAFCO Inc., the oldest and largest producer of solar pool heating panels in the United States, announces the world's first lightweight, affordable, all-polymer, do-it-yourself solar hot water system designed to reduce water heating bills by up to 50%. Hot2o™ is the culmination of a ten-year collaboration with the U.S. Department of Energy.

“The debut of Hot2o marks a significant milestone in the history of solar energy because of the technology, the potential savings to consumers worldwide and its ability to reduce the environmental impact associated with traditional energy sources,” said Freeman A. Ford, CEO and co-founder of FAFCO Inc. “Over the last decade, FAFCO has worked collaboratively with the U.S. Department of Energy’s National Renewable Energy Laboratory to develop a solar domestic hot water system that can be used by all markets in all geographies. It’s lightweight, affordable and easy-to-install. It offers tremendous savings to homeowners.”

The Hot2o solar hot water system replaces heavy, expensive, and difficult to ship glazed copper collectors with lightweight, inexpensive, and easy to ship polymer collectors. Hot2o is designed to work with any conventional residential hot water tank. The entire system fits in a single box and weighs less than 62 pounds. The system can be safely deployed on a roof by a single person

using typical household tools. Unique self-locking connectors and flexible polymer tubing avoids sweated fittings and reduces installation time, difficulty, and leak risk. Homeowners can begin seeing a return on investment as soon as the system is installed. Hot2o pays for itself in typically two to four years, as compared to ten to twenty years with traditional glazed copper solar hot water systems.

Homeowners who purchase and install Hot2o are eligible for federal solar energy tax credits under the Tax Relief and Health Care Act of 2006, which was extended through 2008. The extended tax credits include a \$1,000 credit for contractors who build or remodel homes to meet federal standards for conserving energy with the use of approved components such as high-efficiency windows, insulation, furnaces and water heaters; a 30% credit (to a maximum of \$2,000) for homeowners who invest in solar energy systems for generating electricity or heating water; and a 30% credit (with no cap) for businesses that invest in solar energy.

Hot2o is available worldwide. To find more information about distributors, visit www.hot2o.com.

About FAFCO Inc.

Thirty five years ago FAFCO pioneered the use of polymer for solar pool heating. In 2007, FAFCO is poised to do it again with solar hot water heating for the home. FAFCO Inc. is a California-based manufacturer of polymer heat exchangers with annual sales exceeding \$18 million. With more than 100 employees, FAFCO's headquarters are located in a 50,000 square-foot, custom-built, state-of-the-art solar research, design and production facility, in Chico, California.

FAFCO prides itself on providing high-quality, long-lasting products that help customers save money on energy costs and reduce the environmental impact associated with traditional energy sources. FAFCO pioneered the application of innovative new materials for solar collectors when in the late sixties it replaced expensive and difficult to install 100-year-old copper technology with inexpensive and easy-to-install polymer.

The main applications for FAFCO products are heating swimming pools utilizing solar energy and providing heat exchangers that enable customers to efficiently cool buildings. FAFCO has over 150,000 solar pool heating systems installed in the field—some as old as 30 years—that provide clean, efficient energy for customers worldwide.

To learn more about FAFCO visit www.fafco.com or call (530) 332-2100.