

## LINCOLN COMPOSITES EXPANDS CAPACITY

Hexagon Composites ASA (HEX) announced today that its wholly owned subsidiary, Lincoln Composites, Inc., has initiated the financial and planning steps to move its production facility of TUFFSHELL® Containers for Compressed Natural Gas [CNG] and Hydrogen for on-board vehicle storage into a more efficient and modern operation manufacturing facility. Lincoln Composites will move into the building adjacent to the TITAN™ facility in Lincoln, Nebraska, by the end of 2008. The move will represent an investment of \$5 million USD.

The current manufacturing operation and support staff will transition into the roughly 50,000 square foot facility. The existing operation will be maintained until the new manufacturing facility is complete and the necessary product and quality certifications are fulfilled. There will be a period where both facilities will be operating in order to meet customer demands.

This state-of-the-art facility will take advantage of automation to increase production capacity by more than 60% and significantly increase efficiency while also enhancing product quality. The work-cells will be designed to be highly efficient and flexible to accommodate the various customer requirements.

Erik Espeset, Hexagon Composites Group President, notes "This move to promote increased capacity and improved efficiency and quality has been a vision of Hexagon since acquiring Lincoln Composites in 2005. The present market conditions and Lincoln's competitiveness make this the opportune time for an expansion of this nature. Lincoln Composites' Fuel Containers used for CNG and Hydrogen storage are well situated to meet the world wide increasing demand for alternative low emission fuel solutions. Lincoln technology is also driven into non-traditional markets such as Bulk Hauling applications where we offer 8,5m<sup>3</sup> TITAN™ tanks manufactured in the accompanying facility as well as large 0,5m<sup>3</sup> tanks which will be manufactured in the new facility."

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Lincoln Composites is a leading designer and manufacturer of filament wound, high pressure composite products for commercial markets. Lincoln Composites' products include: Natural Gas Vehicle (NGV) and hydrogen cylinders, modular fuel systems, accumulator cylinders, and oil and gas products. Over 80,000 TUFFSHELL® fuel containers have been sold for storage of compressed natural gas and hydrogen. Further information on Lincoln Composites is available at [www.LincolnComposites.com](http://www.LincolnComposites.com).

Hexagon Composites ASA is a publicly traded corporation listed on the Oslo Stock Exchange (HEX). The corporation is a global niche producer of pressure vessels and other composite products. In addition to Lincoln Composites, Inc., the Hexagon family of companies includes four other subsidiaries: Raufoss Fuel Systems AS; Ragasco AS; and

Devold AMT AS. The Hexagon companies maintain market leadership positions due to the enabling technologies, the efficient manufacturing, and the value-added, quality products provided by each subsidiary. The Hexagon companies' products are used in a variety of applications in commercial markets.

*This press release includes forward-looking statements regarding the present intentions and expectations of management of Hexagon Composites. Certain factors beyond Hexagon's control could cause results to differ materially from those in these forward looking statements. Risk factors include general market conditions and competition in the markets for Hexagon's products.*