

MagnaDrive Approved for Use at Duke Energy Nuclear Project

Bellevue, Washington, June 29, 2006 – MagnaDrive Corporation, a supplier of patented torque transfer technology to industry, announced that it has received approval to supply Adjustable Speed Drives (ASDs) and Couplings to the Duke Energy mixed-oxide, or MOX for short, nuclear fuel test project. The MOX project creates electricity from recycled nuclear weapon plutonium. Duke will start testing use of MOX in 2008 at its Catawba plant and plans to use MOX at all four of its nuclear reactors in the Charlotte, North Carolina area by 2012.

MagnaDrive's technology is being utilized at other United States Department of Energy (DOE) nuclear facilities in the United States. The DOE Hanford Site in Washington and Savannah River Site in South Carolina have been using MagnaDrive products for several years.

“Over the last three years the DOE has been experiencing significant reductions in maintenance expense and improved reliability through use of MagnaDrive's technology at nuclear research facilities,” stated Jim Cich, MagnaDrive's President and CEO. “Vibration is reduced by more than 70% which leads to longer seal and bearing life. These benefits are especially important in a mission-critical environment such as a nuclear facility.”



MagnaDrive Totally Enclosed ASD for the DOE Hanford Site.

About MagnaDrive

Bellevue based MagnaDrive Corporation was founded in 1999. The company's revolutionary disconnected torque-transfer technology reduces total cost of ownership by lowering maintenance and operating costs, increasing process availability, and improving system reliability. The technology is protected by 20 domestic patents and over 150 international patents. The impact and potential of the technology was recognized by *Industry Week* magazine, which selected MagnaDrive as a Technology of the Year in 2001. In 2004 and 2005 the company was chosen as one of the 500 fastest growing private companies in America by *Inc.* magazine and one of the *Fast 500* technology growth companies by Deloitte. More information about MagnaDrive is available at www.magnadrive.com. For a self-paced online tutorial about MagnaDrive's technology, please see the MagnaDrive Education System at www.magnadriveeducation.com.

About Duke Energy

Duke Energy is a diversified energy company with a portfolio of natural gas and electric businesses, both regulated and unregulated, and an affiliated real estate company. Duke Energy supplies, delivers and processes energy for customers in the Americas. Duke Energy is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: <http://www.duke-energy.com>.

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