

FOR IMMEDIATE RELEASE**CHATTANOOGA EPB CHOOSES TANTALUS FOR CITY-WIDE SMART GRID NETWORK
Deployment of TUNet AMI Network Coincides with High-Speed Fiber Implementation**

Vancouver, BC – June 2, 2009 – Tantalus Systems Corp. (Tantalus) announces that Chattanooga EPB (EPB) has signed a contract to fully deploy the Tantalus Utility Network (TUNet®) using the city's fiber optic Smart Grid for automatic meter reading, outage management and other applications.

EPB is building their fiber optic Smart Grid in order to provide more options for customers to manage their energy use while improving EPB's operational efficiency and reliability. Tantalus will provide the software and communications equipment to operate an automated meter system for EPB's Smart Grid. EPB will be able to quickly and cost-effectively roll out an advanced metering system that is also adaptable for future applications such as Demand Response and Distribution Automation.

Installation is scheduled to start this summer at houses located in the initial fiber optic Smart Grid footprint. EPB will implement a 1000-meter pilot test to ensure that TUNet is delivering maximum performance for their customers. Within five years, EPB expects that all of its 168,000 residential and business customers will receive smart meters. TUNet uses a wireless Local Area Network to communicate with endpoints not directly connected to the fiber network. Data delivered via TUNet can be integrated into utility applications including billing, outage management, forecasting and a host of customer service systems.

"EPB's vision for the future is a system that provides rapid, two-way communication with every meter, home and device," said David Wade, Senior Vice President of EPB's Electric System. "This communications backbone network will enable EPB's electric system to be smart, self-healing and make it possible and practical for the company and consumers to interact in cost and energy efficiency programs. With TUNet, we can get more value from our Smart Grid by using it to optimize operations, efficiency and service to our customers."

Wade cited a variety of other ways that customers will benefit from Tantalus' Smart Grid technology including its ability to continuously monitor and manage meters and other endpoints to deliver a reduction in outages, faster restoration if there is an outage, and additional billing flexibility to customers.

"EPB is one of only a handful of utilities to take full advantage of the possibilities available with a fiber optic Smart Grid. It's a natural fit," said Eric Murray, President of Tantalus. "The aim of Tantalus and our technology is to improve the way energy is distributed, monitored and used. Chattanooga has set a strong example of how it will use technology to become a more efficient and responsive utility while getting additional value from its investment."



About Chattanooga EPB

A non-profit agency of the City of Chattanooga, EPB was established in 1935 and is one of the largest publicly-owned providers of electric power in the country, serving more than 168,000 residents and businesses in a 600 square-mile area. Today, EPB is both an electric utility and a communications company, providing communications services for local businesses using their all fiber optic infrastructure.

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About Tantalus

Tantalus provides two-way, real-time data communications networks to monitor and control electric, gas and water utilities. TUNet® – the Tantalus Utility Network – is an end-to-end WAN/LAN/HAN communications system that operates with both RF and IP-based networks including FTTH, Fiber, WiFi, WiMAX and GPRS/cellular, either individually or in combination. TUNet is built for the Smart Grid. It unites a utility's applications, making advanced metering, outage management, power quality monitoring, load control, and distribution automation cost-effective and practical throughout both urban and rural service areas. For more information, please visit www.tantalus.com.

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