

Intellectual property rights - Patents

We refer to Aalborg Industries' Newsletter "*Intellectual property rights - Patents*" of January 2005 in which we described our company's R&D philosophy and patent protection policy for the resulting, innovative boiler constructions. Protecting our immaterial property rights is becoming increasingly important in the competitive global boiler market.

The Korean boiler manufacturer, KangRim Industries Co. Ltd., has recently introduced its "new" design, the so-called PB-boiler, which in our and our consultants' opinion is a copy of our MISSION™ OL boiler, which was introduced in 1998. In the seven years since then, Aalborg Industries has designed and sold more than 900 MISSION™ OL boilers.

KangRim has asked the Korean Intellectual Property Office (KIPO) to evaluate whether their PB-boiler design infringes Aalborg Industries' patent rights in Korea. This is presently being investigated by KIPO.

As described in our January newsletter, Aalborg Industries is the legitimate owner of two patents for the well-known pin-tube elements, which constitute basic elements of for instance the MISSION™ OS and the MISSION™ OM boilers. KangRim has furthermore requested that KIPO evaluates whether the "new" design marketed by KangRim – that in our and our consultant' opinion also contains a copy of our patented pin-tube elements - infringes either of our two patents.

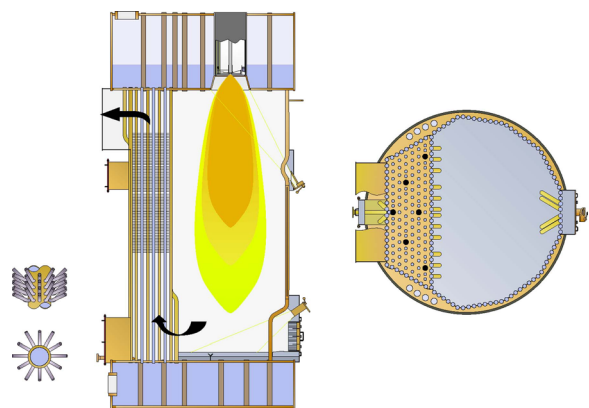
With the purpose of securing reliable and long-life operation of boilers equipped with pin-tube elements, Aalborg Industries has over the past few years carried out extensive research to prevent problems with cracks in the pin-tube elements. Following our research effort, we took out a patent in Korea to protect our innovative technology.

KangRim has petitioned KIPO to declare this patent invalid.

Aalborg Industries obviously cannot predict the final outcome of the described initiatives taken by KangRim. However, until the cases initiated by KangRim regarding (their infringement of our) patent rights and the validity of an already examined and issued patent are finally concluded, our position is, naturally, that our patents are valid. When/if our point of view is again supported by KIPO, Aalborg Industries is ready to take the necessary legal action in this connection as we consider KangRim's marketing and delivery of a copy of our MISSION™ OL boiler as well as their use of the patented pin-tube elements in any of their boiler designs clear infringements.

Consequently, we urge buyers of new boiler plants or After Sales boiler service to contact Aalborg Industries in order to make sure that they do not inadvertently violate any of the intellectual property rights of Aalborg Industries and thereby become a party to an illegal action.

Yours faithfully
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