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## **TANTALUS SECURES \$20 MILLION IN EQUITY FINANCING**

### ***Investment to Accelerate Product Development and Corporate Growth***

Vancouver, BC – July 5, 2007 – Tantalus Systems Corp. (“Tantalus” or “the Company”) announces that it has raised \$20 million CAD in equity proceeds via a private placement to a consortium of international institutional funds led by two major European investors. Proceeds from the financing will be used to accelerate product development of Smart Grid applications and market expansion.

“This funding represents a tremendous vote of confidence for Tantalus and a strong endorsement of our technology,” said Dr. Dominic Geraghty, the Company’s President & CEO. “The investors recognize the bright future for Advanced Metering, Distribution Automation and Demand Response – the cornerstones of the Smart Grid – and the distinct value that TUNet® (Tantalus Utility Network) brings to its distribution utility customers.”

National Bank Financial Inc. acted as exclusive agent for the offering and placed the Tantalus shares with institutional investors in Europe, Canada and the United States.

Since its launch in 2004, TUNet has emerged as a top-tier Advanced Metering Infrastructure (AMI) solution with sales to utilities across the U.S. and Canada, and business alliances with providers of complementary technologies. The ability of TUNet to remotely monitor and control devices such as meters within a utility’s distribution grid in real-time as well as automate key maintenance processes puts it at the forefront of the revolution in energy management. TUNet is designed to help utilities distribute, monitor and control energy more intelligently.

“The utility industry is in a state of profound change,” said John McEwen, Tantalus’ Chair and President & co-CEO of Discovery Capital, a long-standing investor in the Company. “Increasing costs for power, an aging grid and workforce, and a growing emphasis on conservation are driving adoption of Smart Grid technologies. Utilities in most countries, states and provinces are actively investigating smart metering programs, the first stage in the development of the Smart Grid. In many jurisdictions, the programs have already been mandated. Backing by some of the world’s foremost institutional funds confirms the potential for technologies in this sector – estimated to be in the tens of billions of dollars – and the important role it will play in the way energy is monitored, managed and valued.”

Last year was highlighted by key sales wins across North America including commitments for full deployment of TUNet at several utilities. New applications for Commercial & Industrial metering, and multi-commodity electric, water and gas metering were well received by customers. The Company and its customers also earned awards for innovations in advanced metering, adding to a long list of industry commendations.

Geraghty added that the investment capital provides Tantalus the extra financial capability to launch a full suite of AMI, Distribution Automation and Demand Response products, which provide utilities and consumers with the data and the tools to better manage energy resources.

“Tantalus is already ahead of the curve in developing Smart Grid applications,” he said. “We are now in a position to further accelerate the process and deliver a strong and complete family of products. The new investors, alongside our original investors, share a belief that these technologies can revolutionize the way energy is managed, and that Tantalus has the vision, team and products in place to be the leading player in this industry.”

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**About Tantalus Systems Corp.**

Tantalus designs, manufactures, and markets two-way, real-time data communications networks to monitor and control electric, gas, and water utilities. TUNet® – the Tantalus Utility Network – is a single, multi-purpose communications backbone specifically designed to help utilities automate their distribution infrastructure. Tantalus’ long-range wireless networks unite a utility’s applications, making advanced metering, outage management, power quality monitoring, load management, and distribution automation cost-effective and practical throughout both urban and rural service areas. For more information, please visit [www.tantalus.com](http://www.tantalus.com).