

## **Leading National and Regional Distributors of Plumbing Supply Products Select SKYE International Tankless Water Heaters**

### **Sales Efforts Gain Momentum**

SCOTTSDALE, Ariz.--(BUSINESS WIRE)--SKYE International, Inc. (OTCBB: [SKYI](#)), developer and marketer of next-generation tankless water heaters, announced today that leading national and regional wholesale distributors have elected to distribute SKYE International's FORTIS™ whole-house electric tankless water heaters. The Company has gained significant penetration among plumbing supply distributors, despite having commenced commercial production less than five months ago. Skye International sells through several large national distributors, as well as local and regional wholesalers such as National Wholesale with six locations, Locke Supply Company with locations in Arizona, Texas, Oklahoma, Kansas and Missouri and Benjamin Supply and Canyon Pipe in Arizona.

Since commencing production, SKYE International has increased production to approximately 1,000 units per month, representing approximately 60% of the available production capacity in its 30,000 square foot contract manufacturing facility located in Tempe, Arizona. The Company believes that by the end of the 2009, FORTIS™ water heater production should reach an annualized rate of 20,000 per year.

“We believe we have created a truly unique product that will change the way consumers heat their water for years to come,” said Gregg Johnson, SKYE International's, Executive Vice President. “We are gratified that in such a short time since launching the FORTIS™ line, that leading distributors have elected to carry it. We expect these distributors will play an important role in allowing the Company to reach the growing number of consumers who have recognized the benefits of tankless technologies, as well as those that seek to conserve energy. We look forward to announcing additional distributors as we increase our penetration further.”

FORTIS™ tankless electric saves the average household about 10% to 60% of water heating costs when compared to conventional storage tank based water heaters. With industry leading efficiencies, compact design, stainless steel construction and state-of-the-art on-board diagnostics, Skye's FORTIS brand is the clear choice for the discerning buyer. A 10 year limited warranty also gives you the peace of mind that a Skye stands behind the quality it builds into every product.

For further information, visit [www.tankless.com](http://www.tankless.com)

This press release contains forward-looking statements within the meaning of the federal securities laws, including statements concerning product development activities and sales and licensing activities. Such forward-looking statements are not guarantees of future performance, are sometimes identified by words of condition such as "should," "may," "expects" or "intends," and are subject to a number of risks and uncertainties, known and unknown, that could cause actual results to differ materially from those intended or anticipated. Such risks include, without limitation: the possibility that the market will not respond positively to the Company's products, that early interest in the Company or its products will fail to result in commercially viable

products, challenges arising from competition, problems encountered in commercializing technologies, such as the Company's Paradigm technology, the potential of undetected infringing technology or non-infringing competitive technologies, difficulties experienced in product development, roadblocks experienced in sales and marketing activities, longer than expected sales processes, difficulties in recruiting knowledgeable and experienced personnel, possible problems in ramping up product production, potential problems in protecting the Company's intellectual property, and problems securing the necessary financing to continue business operations. Further information concerning these and other risks are included in the Company's filings with the Securities and Exchange Commission, including the Company's most recent Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2008. The Company undertakes no obligation to update or revise such forward-looking statements to reflect events or circumstances occurring after the date of this press release.

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