

FREE ENERGY INTERNATIONAL INC.

260-4611 Viking Way
Richmond, British Columbia
V6V 2K9
(604) 657 - 5638

NEWS RELEASE

Free Energy International Inc. signs Formal Agreement with EnEco Industries Inc.

Vancouver, B.C. August 28, 2008 – **Free Energy International Inc. (TSXV: FFX) (formerly Fairfax Capital Inc.)** is pleased to announce that Free Energy and EnEco Industries Inc. have agreed to establish a joint venture in connection with the proposed financing, design, construction and operation of a municipal gasifier and biomass waste facility in Prescott Valley, Arizona that will apply the Free Energy Technology and EnEco Technology to the processing of up to 200 tons per day of municipal solid waste to produce energy for sale into the Arizona power grid.

Free Energy is in the process of negotiating financing, a waste supply contract and land purchase agreements.

The project is a big win for the environment as it uses EnEco's state of the art gasification technology to convert municipal solid waste and biomass to clean energy with little or no emissions and allows for the recovery of all metal and glass in its original form in order to preserve the ecological footprint formed when each can or bottle was made. This process does produce large amounts of heat. Free Energy, utilizing its thermal superconductor technology will move this heat to an electrical generating plant. Initial engineering indicates that the facility can dispose of in excess of 200 tons of waste per day while creating 6 megawatts of electricity.

Additionally, Free Energy has developed a process using superconductor technology that can use the excess heat for atmospheric water capture that has the capability of producing up to 300,000 litres of water per day. This water is potable and can be used for irrigation or, with minor secondary filtration, as clean drinking water.

About Free Energy International Inc.

Free Energy is incorporated in British Columbia, has its headquarters in Vancouver and has its base of operations in Richmond. Its principal business is developing innovative technologies for the solar thermal, heating and cooling industries based on a new class of extremely efficient, low-cost thermal superconductors. The company is listed on the TSX-Venture Exchange and has 12,746,103 shares issued and outstanding.

Information on the technology can be viewed at the Free Energy website at www.freeenergysolutions.ca.

About Eneco Industries Ltd.

EnEco is a British Columbia corporation incorporated in 1991. EnEco has developed and commercialized proprietary gasification technology able to process unsorted municipal solid waste. The process converts the biomass fraction of municipal solid waste at low temperatures to

syngas, leaving aluminum cans, bottles, copper wire, etc. in the original state (i.e., not melted or slagged) in order to allow highest value and lowest environmental impact recycling. Syngas is completely decomposed in a second process and generates a great deal of heat in the process. This heat is used to create power. EnEco's CORE and TOPS technology allow one hundred percent diversion of municipal solid waste and sewage sludge from landfill. Information about EnEco's capabilities may be found at their website: (www.eneco.ca)

ON BEHALF OF THE BOARD OF DIRECTORS OF FREE ENERGY INTERNATIONAL INC.

"Alf Sanderson"

Alf Sanderson, President

For further information please contact the Company by phone at 604-657-5638 or by email alf@freeenergysolutions.ca

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