

Press Release

Turbo Power Systems Inc (the "Company")

Redemption of Loan Notes

Further to the announcement made on 28 December 2006, the Company is pleased to announce the redemption of a further £4,500,000 loan notes, which completed on 6 January 2007. Following this redemption a total of £9,360,000 loan notes (£5,000,000 Loan Notes 2003 and £4,360,000 Loan Notes 2005) have been redeemed in exchange for either common shares of no par value in the Company ("Common Shares") or A-Shares in Turbo Power Systems Ltd ("A-Shares").

The Company is pleased to announce that the fundraising transaction announced on 20 October 2006, involving the Placing and Loan Note Redemption, is now complete.

Following this transaction the capital structure of the Company is as follows:

Common Shares	273,944,592
Loan Notes 2005	£1,789,000
A-Shares	115,000,000
Warrants over A-Shares	3,500,000

Details of these Common Shares, Loan Notes, A-Shares and warrants are set out in the circular to shareholders that was posted to shareholders on 20 October 2006.

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