

Press Release

7th April 2011

Turbo Power Systems Contract Win Bombardier Monorail Project - Sao Paulo

Turbo Power Systems is delighted to announce the award of a contract from Bombardier Transport for the design, development and supply of 380 off Auxiliary Power Unit Systems for the Sao Paulo Expresso Tiradentes Monorail Project in Brazil to a value of US \$13m.

A Letter of Intent has been issued and accepted. Full contractual documents will be issued following formal agreement of terms and conditions which are in the process of being finalised.

Delivery of prototype units will be in November 2011. Thereafter, delivery of production units will commence and be completed in 2013. It is anticipated that final assembly of production units will be equally shared between TPS in the UK and Vale Solucoes Em Energia S.A. ("VSE"), under licence, in Brazil. This production sharing arrangement is the first commercial collaboration between VSE and TPS under the Agency Agreement announced on 1 December 2010.

VSE is a related party for the purposes of the AIM Rules for Companies as the parent company of TAO Sustainable Power Systems Limited ("TAO"), which in turns holds 75.4% of the issued share capital of TPS.

The commercial terms of the shared final assembly arrangement between VSE and TPS have yet to be concluded. The conclusion of a final agreement with VSE will be subject to TPS' independent director, Ric Piper, after having consulted with finnCap Ltd, the Company's nominated adviser, considering that the terms of the transaction being entered into with VSE are fair and reasonable insofar as the Company's shareholders are concerned. The conclusion of this agreement will be notified to shareholders in due course.

For further information, please contact:

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