

Press Release

21 December 2011

Turbo Power Systems Inc Amended Loan Agreement

TPS, the innovative electrical machines and electronic systems provider, announces that its wholly owned UK subsidiary, Turbo Power Systems Limited, has today entered into an agreement to temporarily amend its existing loan agreement with TAO Sustainable Power Solutions (UK) Limited ("**Tao**") (the "**Loan Agreement**") to extend its finance facility by a further £350,000 for a period of up to 60 days from today.

All other terms of the original Loan Agreement, as previously notified, remain unchanged (but for this temporary extension of £350,000 being repayable within 60 days which brings the total sum outstanding under the Loan Agreement to £8,150,000). The Loan Agreement is secured by a first charge over the assets and undertakings of Turbo Power Systems Limited, the Company's wholly-owned UK subsidiary.

Related Party Transaction

Tao, which holds 75.4% of the issued share capital of the Company, is a related party for the purposes of the AIM Rules for Companies ("**AIM Rules**") and the entry into of the loan agreement with Tao therefore constitutes a related party transaction for the purpose of the AIM Rules.

The Company's independent director considers, having consulted with finnCap Ltd, the Company's nominated adviser, that the terms of the transaction being entered into by Turbo Power Systems Limited with Tao is fair and reasonable insofar as the Company's shareholders are concerned.

For further information, please contact:

Turbo Power Systems Inc.
Peter Brown, CEO

Tel: +44 (0)20 8564 4460

FinnCap (NOMAD, broker and financial advisor)
Marc Young / Henrik Persson

Tel: +44 (0)20 7600 1658

Kreab Gavin Anderson (Financial PR)
Ken Cronin / Michael Turner

Tel: +44 (0)20 7074 1800