

## Press Release

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18 January 2007

### **TURBO POWER SYSTEMS RECEIVES RAIL ORDER WORTH US\$14M**

Turbo Power Systems Inc ("The Company"), the innovative power generation and conditioning equipment supplier, is pleased to announce it has received a new order from Bombardier Transportation worth US\$14m.

The Company's Power Electronics division has reached agreement with Bombardier , to supply 406 auxiliary power units in support of their contract with the Chicago Transit Authority ("CTA") for a new fleet of metro subway cars. The initial confirmed order is for 406 units, spares, training and engineering services and is worth US\$14m. Delivery of the 406 units will take place between 2008 and 2011.

In addition, the CTA have a number of phased options to extend their commitment to 706 units. If all of these options are taken up then the value of the contract to Turbo Power Systems will increase to in excess of US\$20m.

The CTA operates the second largest subway system in the USA, covering Chicago and its 40 surrounding suburbs, with over 200 miles of track and 144 stations. Bombardier were announced as the preferred bidder for the production of the rail cars in May 2006. They have previously provided new metro cars for the subway systems in cities such as New York and Washington D.C.

The auxiliary power unit forms a key part of the electrical distribution "backbone" of the subway car, providing a quality power source for sub-systems such as the air-conditioning equipment.

Michael Hunt, Chief Executive Officer of Turbo Power Systems, said: "The Company is delighted that it has been selected for such a prestigious programme by Bombardier. The contract is the largest single rail equipment order that TPS has won, and clearly demonstrates that we are now one of the leading global suppliers of this technology. The investment that we recently announced for new facilities in Gateshead, was specifically targeted at programmes such as this and we look forward to building on this continued success in the rail sector".

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### **NOTES TO EDITORS**

#### **About Turbo Power Systems**

Turbo Power Systems develops innovative products for power generation and power conditioning. The Group was established in 1993 as a spin-off from Imperial College, London and was floated on the London stock exchange in July 2000 and soon after obtained a secondary listing in Toronto. In July 2001, the Group acquired Intelligent Power Systems Limited (I~Power) specialising in power electronics.

#### **Bombardier Transportation**

Bombardier Transportation is the global leader in the rail equipment manufacturing and servicing industry. Its wide range of products includes passenger rail cars and complete rail transportation systems. It also manufactures locomotives, freight cars, propulsion & controls and provides signalling equipment and systems.

#### **Forward Looking statements**

This news release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events, or performance, and underlying assumptions and other statements that are other than statement of historical fact. These statements are subject to uncertainties and risks including, but not limited to, the ability to meet ongoing capital needs, product and service demand and acceptance, changes in technology, economic conditions, the impact of competition, the need to protect proprietary rights to technology, government regulation, and other risks defined in this document and in statements filed from time to time with the applicable securities regulatory authorities.