

23 December 2009



Amendment to Loan Note Terms

The Board of Turbo Power Systems ('TPS' or 'the Company'), the innovative power generation and conditioning equipment supplier, is pleased to announce that it has reached agreement to amend the terms for repayment of the 2005 Loan Notes, which would have been due in March 2010.

As part of the 25 June 2009 agreement reached with the 2008 Loan Note Holders the Company undertook to address, within 2009, its plans for repayment of all existing Loan Notes.

The Company is pleased to announce that the 2005 Loan Note Holders have agreed, by special resolution, to amend the terms of the 2005 Loan Note to allow for either an immediate conversion into Turbo Power Systems Inc. Common Stock at an enhanced rate of £0.0215 (previously £0.12 per share) at the Loan Note Holder's request, or early repayment in cash by 31 January 2010, at the Company's request, at a reduced rate of 20%, in full and final settlement.

As part of this agreement the 2008 Loan Note Holders have agreed to waive the requirement for the Company to maintain a cash balance of at least £750,000 until 1 April 2010. This requirement had previously been temporarily waived but was due to be re-instated on 31 December 2009. This short term increase in available cash will help the Company meet the early repayment requirements of the amended 2005 Loan Note. The Board anticipates that the Company should be able to operate above the original threshold thereafter.

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