

Press Release

London, UK, 26 October 2009

Exclusive Motor and Variable Frequency Drive Development & Manufacturing Agreement

Turbo Power Systems Inc. ("TPS"), the electrical machines and power electronics company, is pleased to announce that it has signed an exclusive five year development and manufacturing agreement with McQuay International, the major international capital equipment manufacturer involved in the design and manufacturing rights agreement announced by TPS on the 9 and 14 January 2009.

It is envisaged that multiple funded product developments will be completed under this agreement with the first commencing before the end of 2009. Following an initial development period which is expected to be between two to three years, the combined revenues associated with the manufacture and licensing of the various products could be in the region of US\$10 million per annum if McQuay's sales expectations are fulfilled.

McQuay International delivers engineered, flexible solutions for commercial, industrial and institutional Heating, Ventilation and Air Conditioning (HVAC) requirements with reliable products, applications expertise and responsive support. As part of [Daikin Industries](#), a Fortune 1000 company, McQuay is the second largest air conditioning, heating, ventilating and refrigeration company in the world.

Paul Summers, CEO of TPS, said:

"I am delighted to have the opportunity to enter into this long term agreement with such a prestigious company as McQuay International. This represents a major commitment to TPS and demonstrates McQuay International's confidence in the benefits that our technology can bring to their business and customers in terms of energy efficiency, operating and through life costs."

Under the five year agreement, McQuay International will exclusively source motors and variable frequency drives ("VFDs") for its future products from TPS and will have exclusive use of TPS technology in the HVAC market. TPS will have exclusive manufacturing rights for a period of five years once each product has been released for production. TPS will share the IPR related to the new and existing products developed for McQuay, and will undertake a technology transfer process to allow McQuay the option of supporting its products after the agreement has expired.

The motors and VFDs provided by TPS will power the refrigeration compressors in the HVAC products to provide highly energy efficient and low maintenance solutions to McQuay's customers.

About Turbo Power Systems

Turbo Power Systems Inc. (TSX:TPS.TO AIM:TPS.L) is a leading UK based designer and manufacturer of innovative power solutions. The Group's products are based on its' core technologies of power electronics and high performance electric motors and generators targeted at the energy, industrial, transport and defence markets.

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