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MTI Micro Demonstrates Technology Leadership with State-of-the-Art Mobion(R) Fuel Cell

- Technology advances to support product commercialization for consumer applications in 2009 -

ALBANY, N.Y., June 5 /PRNewswire-FirstCall/ -- MTI MicroFuel Cells Inc. (MTI Micro), developer of the award-winning Mobion(R) micro fuel cell technology for handheld electronic devices and a subsidiary of Mechanical Technology Incorporated (MTI) (Nasdaq: MKTY), demonstrated its integrated fuel cell chip used as the heart of its fuel cell systems for consumer product applications -- the company's target market for commercialization in 2009.

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"MTI Micro's proprietary Mobion(R) chip architecture significantly reduces the complexity of a fuel cell system's internal construction thereby reducing manufacturing costs, increasing performance, and enabling further system miniaturization," said Peng Lim, CEO of MTI. "These factors are critical for the successful launch of fuel cell products in the consumer market."

The state-of-the-art Mobion(R) chip integrates a power module with fluid conditioning that allows the system to run in a wide environmental range including temperatures from 0C to 40C at any humidity level - an industry standard and a requirement of many OEMs who want to integrate fuel cells into their products.

In preparing Mobion(R) for commercialization, this injection molded chip is being designed for high volume mass manufacturing. In addition, MTI Micro's team has continued integrating more functionality into its chips while reducing its part count, ultimately achieving one molded piece -- the Mobion(R) chip. The Company has also reduced its Mobion(R) chip size by over 40% to 9cc (small enough to fit in the palm of a hand) from 16cc six months ago.

The chips are based on 100% methanol feed, passive, direct methanol fuel cell (DMFC) technology, and represent a number of scientific breakthroughs that the Company believes will ultimately enable it to power portable devices longer than lithium-ion batteries, while allowing for instant, cord-free re- charging.

The Mobion(R) chip can be used in orientation independent systems and in laboratory testing, it has demonstrated power of over 50 mW/cm(2) while producing 1.4 Wh/cc of energy from the fuel. Based upon recently reviewed data published by competitors, Mobion(R) chips can produce two to three times more power.

"We believe this Mobion(R) chip is the first micro fuel cell technology designed with the performance, and manufacturability necessary to make a significant impact on the consumer portable electronics markets," said Lim.

Recently, the Company received Notices of Allowance from the US Patent and Trademark Office for two key patent applications upon which work continues relating to the design and development of the Mobion(R) chip -- the Direct Feed of Concentrated Fuel Under Passive Water Management and the Simplified Direct Oxidation Fuel Cell System. These key patents along with others pending make it possible to operate the chips without the need for fuel recirculation or water retrieval and pumping -- two issues that have complicated the development of DMFCs and made it difficult to reduce its size. The Company has filed more than 85 patents.

"As more companies try to move into the passive DMFC space and the micro fuel cell industry moves towards commercialization, we believe our pioneering patent work will become more valuable and more of a competitive advantage for MTI Micro," said Lim.

MTI Micro plans to pursue the consumer market with target applications which include hand-held communication, and other power-hungry portable electronic devices that can benefit from Mobion(R) extended run-time, cord- free rechargeable power packs with continuous access to power anytime, anywhere.

Mobion(R) chip specifications:

Technology: Passive DMFC, 100% methanol feed
Power Density: Over 50 mW/cm(2)
Size: 9cc
Energy from fuel: 1.4 Wh/cc
Temperature Range: 0C to 40 C (C=Celsius)
Humidity: 0% to 100%

About MTI MicroFuel Cells

MTI MicroFuel Cells Inc., a subsidiary of Mechanical Technology Incorporated, (Nasdaq: MKTY), is the developer of the award winning Mobion(R) direct methanol micro fuel cell technology. The Company has a world-class team of entrepreneurial business executives, researchers and scientists; a number of system prototypes demonstrating size reductions and performance improvements; significant related intellectual property; and has received government awards and developed strategic partnerships to help accelerate commercialization. More information is available at www.mtimicrofuelcells.com.

Statements in this press release which are not historical fact including statements regarding management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, among others, future prospects and applications for fuel cell systems; the ability of MTI

Micro to sell fuel cell systems to customers; MTI's ability to deliver fuel cell systems that withstand testing and meet requirements and expectations of prospective customers; MTI Micro's future business prospects, technology and performance; and, the market potential for and progress MTI Micro is making in developing its Mobion(R) chips, Mobion(R) fuel cell systems, including fuel cell systems or prototypes for applications related to the consumer market. All forward- looking statements are made as of today, and MTI and MTI Micro disclaim any duty to update such statements. It is important to note that MTI Micro's and MTI's actual results could differ materially from those projected in forward- looking statements. Factors that could cause the anticipated results not to occur include, among others, risks related to financing; uncertainties in development, manufacturing, competition and military demand for DMFCs; and the risk factors listed from time to time in MTI's SEC reports including but not limited to, the annual report on Form 10-K and Quarterly Reports on Form 10-Q.

SOURCE Mechanical Technology Incorporated (MTI)