MTI Reports Notable Advancements

Increased Product Revenue at MTI Instruments Subsidiary

Two New Development Contracts and Expanded Global Testing of Mobion(R) Power Solutions at MTI Micro Subsidiary

ALBANY, N.Y.-- Mechanical Technology, Incorporated ("MTI") (OTC: MKTY), a company engaged in the design, manufacture and sale of test and measurement instruments and systems through its subsidiary MTI Instruments, Inc. ("MTI Instruments"), and in the development and commercialization of Mobion(R) off-the-grid portable power solutions through its subsidiary MTI MicroFuel Cells Inc. ("MTI Micro"), today announced increased third quarter product revenue at MTI Instruments, and progress towards commercialization of its Mobion(R) product at its MTI Micro subsidiary.

Despite weak economic conditions, MTI reported a 14.4% gain in third quarter product revenue compared to the same quarter last year for the sale of its instruments products. Year to date product revenue through the third quarter increased by 5.7% compared to the same period in 2009.

"We attribute this increase in revenue to our recent improvement in product offerings, our focus on international growth, organizational efficiency gains, and the unmatched customer service and support our employees provide to our customers," said Peng Lim, CEO and Chairman of MTI. "We believe that we are well positioned to capitalize on the anticipated industry upswing while we continue to emphasize our effectiveness in capturing new opportunities. We will continue to invest in and increase our growth efforts at MTI Instruments in 2011."

At its MTI Micro subsidiary, the Company entered into two important contracts - one with a global original equipment manufacturer (OEM) and one with a US government agency. MTI Micro has also started a global testing program for its Mobion(R) power solutions with various industry and opinion leaders.

On October 22, 2010, MTI Micro entered into a third phase developmental contract with a global power tool manufacturer for the development of customized Mobion(R) prototypes for power tool applications which have mass market appeal. This third customization phase is anticipated to be one of the last key requirements in the testing of this concept.

On October 26, 2010, MTI Micro was awarded a firm fixed contract from a United States Department of Defense agency for the development of proof of concept fuel cells for technical testing and subsequent demonstration in a capabilities based experiment. MTI Micro completed its delivery of the required fuel cell units to the DOD on November 4, 2010.

Additionally, MTI Micro has deployed production-ready Mobion(R) units for field testing
with ten leading OEMs and seven governmental agencies, including multiple agencies within the Department of Defense.

"At MTI Micro, we believe we are gaining traction with leading OEM customers and government agencies, as evidenced by the signing of these development contracts in the second half of 2010," said Peng Lim, CEO and Chairman of MTI. "We also believe that the field testing now being conducted is the final phase necessary prior to the full commercialization of our Mobion(R) charger platform. If the field testing is successful, we believe our OEMs and governmental agencies may sign supply agreements or product customization contracts with MTI Micro for final production of our Mobion(R) platform."

About MTI

MTI is engaged in the design, manufacture, and sale of test and measurement instruments and systems through its subsidiary MTI Instruments, Inc. MTI Instrument's products use a comprehensive array of technologies to solve complex, real world applications in numerous industries including manufacturing, semiconductor, solar, commercial and military aviation, automotive and data storage. MTI is also engaged in the development and commercialization of Mobion(R) off-the-grid portable power solutions through its subsidiary MTI MicroFuel Cells Inc. MTI Micro has a team of entrepreneurial business executives, researchers and scientists; a proprietary direct methanol micro fuel cell power system and a number of system prototypes demonstrating size reductions and performance improvements; and related intellectual property. MTI Micro has received government funding and developed strategic partnerships to facilitate efforts to achieve commercialization. For more information about the Company please visit www.mechtech.com.

Statements in this press release which are not historical fact including statements regarding management's intentions, hopes, goals, beliefs, expectations, projections, plans, anticipation, outlook or predictions of the future are forward looking statements. Such statements include the expectation of our ability to commercialize our Mobion fuel cell system and increase MTI Instruments sales. All forward-looking statements are made as of today, and MTI disclaims any duty to update such statements. It is important to note that the Company's actual results could differ materially from those projected in forward-looking statements. Factors that could cause the anticipated results not to occur include the lack of liquidity in our common stock; our need to raise additional financing for our New Energy segment; revenue growth of our test and measurement instrumentation business may not be achieve; our inability to build and maintain relationships with our customers; significant periodic and seasonal quarterly fluctuations in our results of operations; and the other risk factors listed from time to time in the Company's SEC reports, including, but not limited to, our annual report on Form 10-K for the year ended December 31, 2009 and our quarterly report on Form 10-Q for the quarter ended September 30, 2010.

Source: Mechanical Technology, Incorporated