MTI Reports on Activities on First Half of 2011

Net Profit of $0.02 Per Share and 61% Increase in Product Revenue at MTI Instruments for the First Half of 2011; Completion of Field Testing Program with DOE at MTI Micro.

ALBANY, N.Y.-- Mechanical Technology, Incorporated ("MTI") (OTC: MKTY.PK), 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® off-the-grid portable power solutions through MTI MicroFuel Cells Inc. ("MTI Micro"), today reported earnings for the six months period ended June 30, 2011 of $97 thousand, or $0.02 per diluted share, compared to a loss of $1.7 million, or ($0.35) per diluted share, for the same period in 2010.

MTI also reported increased product revenue in its test and measurement instrumentation business for the six months ended June 30, 2011 in comparison to the same period in 2010 by $1.78 million to $4.68 million as well as second quarter product revenue of $2.14 million, up 31.5% in comparison to the same period in 2010. This rise in revenue was due to higher capacitance product sales combined with an increase in shipments of new aviation balancing systems.

“We continue to see higher demand for our instrumentations products as evidenced by increased sales of more than 61% over the same period in 2010,” said Peng Lim Chairman and CEO of MTI. “This is a significant accomplishment in the phase of a weak economy. In 2011, we continue to see the momentum building as part of our on-going strategy of increasing operational efficiency, decreasing costs and increasing customer satisfaction.”

In addition, during the first half of 2011, MTI Micro successfully completed its program under a grant from the Department of Energy (DOE) awarded in 2009 entitled: Commercialization of 1 Watt Consumer Electronics Power Pack. MTI Micro has achieved all technical performance targets required by the DOE and has completed broad base field-testing as part of this grant. At this time, MTI Micro is waiting on several outstanding proposals with various OEMs and governmental agencies for purchase orders and contracts which are essential to further the commercialization process.

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® off-the-grid portable power solutions through 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, increase MTI Instruments sales, or sustain or increase MTI’s net profit. 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 MTI Micro; revenue growth of our test and measurement instrumentation business may not be achieved; 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 and our quarterly reports of Form 10-Q.

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Source: Mechanical Technology, Incorporated