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U.S. DOT MOVES TO APPROVE FUEL CELLS FOR AIRPLANE USE

- Important step for commercialization of Mobion[®] in the consumer market -

Albany, N.Y., and Arlington, VA., September 20, 2007 – MTI MicroFuel Cells Inc. (MTI Micro), developer of the award-winning Mobion[®] micro fuel cell technology for handheld electronic devices and a subsidiary of Mechanical Technology Incorporated (MTI) (NASDAQ: [MKTY](#)), and the Methanol Institute, the trade association of the global methanol industry, announced that the U.S. Department of Transportation (“DOT”) today issued a proposed rulemaking to allow passengers to carry and use micro fuel cells and methanol fuel cartridges on-board airplanes to power consumer electronic devices.

The proposed rulemaking which allows passengers to carry micro fuel cells in the airplane cabin along with up to two spare fuel cartridges per person would harmonize U.S. transportation regulations with global regulations adopted by the International Civil Aviation Organization (“ICAO”) that went into effect on January 1, 2007. A number of countries around the world, including Canada, China, Japan, and the United Kingdom, have already incorporated the passenger allowance into their national standards.

“For everyone that boards an airplane, safety is of paramount importance. Today’s action by the U.S. DOT is a clear endorsement that fuel cell systems and methanol fuel cartridges can meet the most rigorous safety standards,” said Methanol Institute Vice President for Communications & Policy Gregory Dolan. “We are working together with industry leaders like MTI Micro who has been very active in helping advance codes and standards to establish the regulations favorable to bringing products to market.”

“At MTI Micro, our Mobion[®] direct methanol fuel cell technology has reached the stage where we believe we could be one of the first companies to introduce micro fuel cells for consumer handheld electronics applications,” said Peng Lim, CEO of MTI. “This DOT decision is important because it lays the groundwork for Mobion[®] to be carried in airplane passenger compartments and it validates our longstanding choice of methanol as a fuel.”

As part of its commercialization plan, MTI Micro is working towards manufacturing readiness in 2008 and commercially available products in 2009.

About MTI MicroFuel Cells

MTI MicroFuel Cells Inc., a subsidiary of Mechanical Technology Incorporated, (NASDAQ: MKTY), is the developer of the award winning Mobion[®] 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.

About the Methanol Institute

The Methanol Institute serves as the trade association of the global methanol industry. Our member companies include the principal producers of methanol, as well as methanol distributors, industry suppliers and consumers. MI works to encourage the use of methanol as a hydrogen carrier for variety of fuel cell technology applications. For more information about the Methanol Institute please visit www.methanol.org.

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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; MTI Micro's future business prospects, technology and performance; the market potential for and progress MTI Micro is making in developing its Mobion[®] fuel cell systems and preparing for manufacturing; the impact that the proposed rulemaking by the DOT may have on MTI Micro's business prospects; and, the timing or success of entry into the consumer market by MTI Micro. 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, and competition; 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.