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**MTI INSTRUMENTS RECEIVES PURCHASE ORDER FOR
OVER \$1 MILLION FROM THE U.S. AIR FORCE**

Albany, N.Y., August 2, 2007 – MTI Instruments, Inc. (“MTII”), a worldwide leader in precision measurement solutions and a subsidiary of Mechanical Technology Incorporated (MTI) (NASDAQ: MKTY), today announced it received a purchase order, for \$1.140 million, from the U.S. Air Force (USAF) for the purchase of MTII PBS-4100Plus portable aircraft engine balancing systems.

PBS-4100Plus units are used to automatically collect and record aircraft engine vibration data, identify vibration or balance trouble and calculate a solution to the problem, resulting in reduced engine vibration, longer engine life and lower fuel costs. Customers for these units include military forces, major airlines, and aircraft engine manufacturers in over fifty countries.

In addition to the firm \$1.140 million order, the requisition also includes three options for the USAF to purchase up to an additional \$1.140 million in PBS-4100Plus portable aircraft engine balancing systems within the following three years. If all options are exercised, this contract will total \$2.280 million in PBS-4100Plus sales. Shipments under the firm \$1.140 million order will commence immediately and MTII expects to ship all units by the end of the fourth quarter of 2007.

“We are pleased that the U.S. Air Force once again has chosen our aircraft balancing systems as part of the critical equipment used in their aircraft maintenance programs,” said Robert Kot, Vice President and General Manager of MTII. “This new purchase order from the U.S. Air Force is the result of a long standing relationship with them and is a result of our strategic efforts to increase sales in 2007.”

The PBS-4100Plus system is currently being used in ten major USAF aircraft platforms including surveillance, stealth, and transport aircraft, attack fighters, and strategic bombers.

About MTI Instruments, Inc.

MTI Instruments, Inc. (MTII), a subsidiary of Mechanical Technology Incorporated (NASDAQ: MKTY) headquartered in Albany, NY, is a worldwide supplier of precision non-contact physical measurement solutions, precision balancing equipment and semiconductor wafer inspection tools. MTII products use a comprehensive array of technologies to address

complex real-world applications in numerous industries including manufacturing, semiconductor, commercial/military aviation, automotive and data storage. Mechanical Technology Incorporated is also engaged in the development and commercialization of award winning Mobion[®] cord-free advanced portable power systems, through its subsidiary MTI MicroFuel Cells Inc.

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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, the intention of MTII to deliver PBS-4100Plus systems to the USAF by the end of the fourth quarter of 2007, MTII's sales dependence on a small number of customers; MTII sales revenue growth may not be achieved; and the importance of any relationship with the USAF. All forward-looking statements are made as of today, and MTI and MTII disclaim any duty to update such statements. It is important to note that MTII'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, 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.