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Environmental Power Announces Opening of New Corporate Headquarters in Tarrytown, NY

Region's Commitment to Renewable Energy and Proximity to Financial Community Expected to Facilitate EPG's Continued Growth

TARRYTOWN, N.Y., March 26, 2008 – Environmental Power Corporation (NASDAQ:EPG), a leader in the renewable bioenergy industry, today announced that it has completed its move to its new corporate headquarters in Tarrytown, NY. The company's relocation from its previous headquarters in Portsmouth, New Hampshire, positions Environmental Power to execute on a deep pipeline of renewable energy facilities through greater access to the region's financial community.

“We have a strong array of renewable energy projects across the country, both under construction and under development,” said Rich Kessel, President and Chief Executive Officer of Environmental Power. “With the company poised for significant growth in the coming years, it is more important than ever for us to have a close connection to the financial community in the New York region where many of our largest investors are located. In addition, we are encouraged by the forward-looking positions that state and Federal elected officials in New York and nearby states place on renewable energy and by the diversified pool of talent in the metropolitan New York area, especially candidates with expertise in engineering and the energy industry.”

The company will initially employ approximately 20 people at the headquarters but expects to grow to 30 full-time employees over the next year.

Environmental Power's wholly owned subsidiary, Microgy, Inc., develops renewable energy facilities that generate methane-rich biogas from agricultural and food industry waste. This biogas can be conditioned to natural gas standards and distributed via a commercial pipeline as renewable natural gas (RNG[®]).

Microgy currently operates four facilities, including Huckabay Ridge, the largest RNG facility in North America, which produces an annual 635,000 MMBtu of RNG – the energy equivalent of 4.5 million gallons of heating oil. The company's project pipeline includes a number of large-scale facilities under active development in California, Texas, Nebraska and early-stage projects being developed with the assistance of Cargill, Incorporated.

“We are in a prime position to capitalize on the growing need for green, cost-effective, domestically-produced energy,” said Kessel. “Our RNG is fully compatible with existing transportation and generation infrastructure and can help utilities work towards state Renewable Portfolio Standards. In addition, our facilities prevent methane emissions and therefore generate a significant amount of greenhouse gas offset credits.

“As we complete this move, we are also very mindful -- and appreciative -- of the support that the Portsmouth community has offered Environmental Power and its employees throughout our growth and evolution,” Kessel concluded.

ABOUT ENVIRONMENTAL POWER CORPORATION

Environmental Power Corporation is a developer, owner and operator of renewable energy production facilities. Its principal operating subsidiary, Microgy, Inc., holds an exclusive license in North America for the development and deployment of a proprietary anaerobic digestion technology for the extraction of methane gas from animal wastes and other organic waste for its use to generate energy. For more information visit the Company's web site at www.environmentalpower.com.

CAUTIONARY STATEMENT

The Private Securities Litigation Reform Act of 1995, referred to as the PSLRA, provides a "safe harbor" for forward-looking statements. Certain statements contained in this press release, such as statements concerning planned manure-to-energy systems, our sales pipeline, our backlog, our projected sales and financial performance, statements containing the words "may," "assumes," "forecasts," "positions," "predicts," "strategy," "will," "expects," "estimates," "anticipates," "believes," "projects," "intends," "plans," "budgets," "potential," "continue," "targets" "proposed," and variations thereof, and other statements contained in this press release regarding matters that are not historical facts are forward-looking statements as such term is defined in the PSLRA. Because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to: uncertainties involving development-stage companies; uncertainties regarding project financing, the lack of binding commitments and/or the need to negotiate and execute definitive agreements for the construction and financing of projects, the sale of project output, the supply of substrate and other requirements and for other matters; financing and cash flow requirements and uncertainties; inexperience with the development of multi-digester projects; risks relating to fluctuations in the price of commodity fuels like natural gas, and our inexperience with managing such risks; difficulties involved in developing and executing a business plan; difficulties and uncertainties regarding acquisitions; technological uncertainties; including those relating to competing products and technologies; risks relating to managing and integrating acquired businesses; unpredictable developments; including plant outages and repair requirements; the difficulty of estimating construction, development, repair and maintenance costs and timeframes; the uncertainties involved in estimating insurance and implied warranty recoveries, if any; the inability to predict the course or outcome of any negotiations with parties involved with our projects; uncertainties relating to general economic and industry conditions,

and the amount and rate of growth in expenses; uncertainties relating to government and regulatory policies and the legal environment; uncertainties relating to the availability of tax credits, deductions, rebates and similar incentives; intellectual property issues; the competitive environment in which Environmental Power Corporation and its subsidiaries operate and other factors, including those described in our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, well as in other filings we make with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date that they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.