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Environmental Power Corporation and Organix, Inc. Establish Alliance to Produce High Value Soil Amendment Products

TARRYTOWN, N.Y., November 6, 2008 – Environmental Power Corporation (NASDAQ: EPG), a leader in the renewable bioenergy industry, today announced that its wholly owned subsidiary, Microgy, Inc., has entered into a strategic alliance agreement with Organix, Inc., of Walla Walla, Washington, to produce a peat alternative, RePeet™, using solids recovered from selected Microgy anaerobic digestion facilities.

“This is a very exciting alliance,” said Rich Kessel, President and Chief Executive Officer of Environmental Power. “This arrangement allows Environmental Power to produce another high-value product from waste streams, in addition to our premium-based Renewable Natural Gas (RNG®). We are looking forward to working with Organix to identify appropriate sites and produce RePeet™.”

Organix is the creator of RePeet™, a renewable and responsible peat moss alternative made entirely from anaerobically digested dairy manure. The company’s patent pending FibeRite system converts the residual into the market ready peat substitute. Peat is a soil amendment that is found in almost every horticultural soil mix and potted plant in North America. Peat and peat replacement products typically have much higher market value versus standard compost materials. Most of the peat moss used in the U.S. comes from Canada and is subject to high transportation costs, short harvest windows and adverse weather that can significantly impede peat extraction.

A typical large scale Microgy RNG® project can produce 40,000 to 70,000 cubic yards of RePeet™ product per year, with associated revenues to the company dependent on specific project arrangements. RePeet™ is produced for local and regional landscapers, nurseries and as a primary ingredient in the bagged soil amendment products found on garden center and retailer shelves nationwide.

“We are very optimistic about the future of this collaboration with Microgy,” states Russell V. Davis, President of Organix. “Environmental Power has proven that their digestion model works and, like us, are interested in uncovering the upside opportunities associated with anaerobic digestion residuals, which we believe to be significant. We are looking forward to working with Microgy to expand RePeet™ and other byproducts from their anaerobic digestion projects.”

ABOUT ENVIRONMENTAL POWER CORPORATION

Environmental Power Corporation is a developer, owner, and operator of renewable energy production facilities. Our principal operating subsidiary, Microgy, Inc., develops and operates proven large scale, commercial anaerobic digestion based projects which produce a versatile methane-rich biogas from livestock waste and other organic sources. For more information visit the Company's web site at <http://www.environmentalpower.com>.

ABOUT ORGANIX, INC.

Organix, Inc. is a Walla Walla, Washington based organic residuals management firm that specializes in transforming dairy residuals into high value, market ready products. For more information visit the Company's web site at <http://www.organix.us/>

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.