



For Immediate Release: January 9, 2008

HAMMOND POWER SOLUTIONS INC.

COMPLETES SALE OF ITS INTEREST IN

MOLONEY ELECTRIC INC.

Guelph, Ontario, January 9, 2008 – Hammond Power Solutions Inc. (“HPS”) today announced that it has finalized the sale of Moloney Electric Inc., to Universal Power Transformer Private Limited. As previously reported December 17, 2007, HPS has sold all of its interest in Moloney Electric Inc., and related real estate for approximately \$7.2 million.

“The proceeds received from this transaction will be utilized in the implementation of our strategic initiatives and the expansion of our core business”, William G. Hammond, Chairman & CEO of Hammond Power Solutions Inc., commented.

About Hammond Power Solutions Inc.

Hammond Power Solutions Inc. (TSX: HPS.A) is a North American leader for the design and manufacture of dry-type custom electrical engineered magnetics and is also a leading manufacturer of standard electrical dry-type transformers. Leading edge engineering capabilities, high quality products, and fast, responsive service to customers’ needs have all served to establish HPSI as a technical and innovative leader in the electrical and electronic industries. HPSI has two manufacturing plants in Canada, one in the United States and one in Mexico.

This press release contains forward-looking statements. These statements are based on HPSI management’s assumptions and beliefs in light of the information currently available to them. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. When relying on forward-looking statements to make decisions, HPSI cautions readers not to place undue reliance on these statements, as a number of important factors could cause actual results to differ materially from any intentions expressed in such forward-looking statements. HPSI does not undertake to update any forward looking statements that may be made from time to time by or on behalf of HPSI.

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