

ENERGY POWER SYSTEMS LTD

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ENERGY POWER SYSTEMS LIMITED

NEWS RELEASE

ENERGY POWER REPORTS FIRST QUARTER EARNINGS

Toronto, November 15, 2001. Energy Power Systems Limited (OTC BB: EYPSF & Frankfurt EPW) (www.epsx.com) ("Energy Power" or the "Company") announces that it has issued unaudited consolidated financial statements for the three-month period ended September 30, 2001. These statements reflect the following activities of Energy Power and its subsidiaries operating as an Engineering & Offshore Division and an Oil & Gas Division:

- consolidated revenues of \$5.5 million for the three-month period ended September 30, 2001 (\$4.5 million -2000);
- consolidated gross profits of \$1 million for the three-month period ended September 30, 2001 (\$0.7 million - 2000);
- consolidated EBITDA of \$0.6 million for the three-month period ended September 30, 2001 (\$0.1 million EBITDA -2000);
- consolidated income from continuing operations of \$0.4 million for the three-month period ended September 30, 2001 (\$0.1 million - 2000); and
- consolidated basic earnings per share from continuing operations of 7 cents per share (negative 5 cents per share - 2000).

Energy Power's first quarter 2001 unaudited results showed revenues increasing 22% to \$5.5 million for the three month period ending September 30, 2001 versus \$4.5 million for the same period in the previous year. Growth was derived by revenue gains in the Company's Engineering and Offshore Division further bolstered by new revenue sources from the Company's Oil and Gas Division.

Consolidated EBITDA of \$626,171 for the three month period ending September 30, 2001 was 926% higher versus a consolidated EBITDA of \$61,143 reported for the previous three month period. The substantial increase in EBITDA during the period was due in part to improved margins by the Company's Engineering and Offshore Division, additional cash flow from the Company's Oil and Gas Division and other income from corporate restructuring.

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Consolidated earnings from continuing operations of \$410,000 for the three month period ending September 30, 2001 was significantly higher than consolidated losses from continuing operations of \$147,934 reported for the previous three month period. The above reported earnings from continuing operations resulted in earnings per share from continuing operations of 7 cents per share versus losses from continuing operations of 5 cents per share for the previous three month period.

