FOR IMMEDIATE RELEASE

World's Largest Solar Energy Project Announced By Stirling Energy Systems, Inc. and Southern California Edison

PHOENIX, Arizona, Aug. 10, 2005 — Stirling Energy Systems, Inc. (SES) today announced an agreement with Edison International (NYSE:EIX) subsidiary Southern California Edison (SCE), the nation's leading purchaser of renewable energy, that will result in construction of a massive, 4,500-acre solar generating station in Southern California. When completed, this power station will be the world's largest solar facility, capable of producing more electricity than all other U.S. solar projects combined.

The signed 20-year power purchase agreement, which is subject to California Public Utilities Commission approval, calls for development of a 500-megawatt (MW) solar project in the Mojave Desert northeast of Los Angeles, using Stirling Energy System's innovative Stirling dish technology. The agreement includes an option to expand the project to 850 MW. Initially, SES would build a one MW test facility using 40 of the company's 37-foot-diameter dish assemblies. Subsequently, a 20,000-dish array will be constructed during a four-year period.

INTERVIEWS:

Interviews are available with Bruce Osborn, CEO of SES and Robert Liden, General Manager, SES by contacting John Reed by email: jreed@gauger-associates.com or by phone: (415) 434-0303 or cellular phone: (415) 846-4862.

Interviews are available with Southern California Edison by contacting: Gil Alexander, SCE Corp. Comm., Media Relations, Tel. (626) 302-7835 (Pax 27835), Cell phone (626) 688-9562 and Fax (626) 302-8066.

QUOTES:

"We are very pleased to see this large-scale application of SES technology to provide clean, renewable solar energy to SCE customers," said Bruce Osborn, CEO of SES. "We believe this is truly a breakthrough event for solar energy, and we are particularly proud to be serving and supporting such an excellent and progressive customer in renewable energy as SCE."

"At a time of rising fossil-fuel costs and increased concern about greenhouse gas emissions, the SES project would provide enough clean power to serve 278,000 homes for an entire year," said SCE Chairman John Bryson. "Edison is committed to facilitating development of new, environmentally sensitive, renewable energy technologies to meet the growing demand for electricity here and throughout the U.S."

"We are especially pleased about the financial benefits of this agreement for our customers and the state," said Alan Fohrer, SCE chief executive officer. "The contract requires

no state subsidy and provides favorable pricing for ratepayers because tests have shown the SES dish technology can produce electricity at significantly lower costs than other solar technologies."

Although solar Stirling dish technology has been successfully tested for 20 years, the SES-SCE project represents its first major application in the commercial electricity generation field. Experimental models of the SES dish technology have undergone more than 26,000 hours of successful solar operation. A six-dish model SES power project is currently operating at the Sandia National Laboratories in Albuquerque, New Mexico.

"This solar dish Stirling facility employs the world's most efficient sun-to-electricity conversion technology," said SES General Manager Robert Liden. "This power purchase agreement is quite complex and took many months to hammer out but represents an excellent beginning for both companies' long-term relationship." Osborn added "We see SCE as an excellent customer for us to begin building our company and realizing its potential."

How It Works

The SES dish technology converts thermal energy to electricity by using a mirror array to focus the sun's rays on the receiver end of a Stirling engine. The internal side of the receiver then heats hydrogen gas, which expands. The pressure created by the expanding gas drives a piston, crank shaft, and drive shaft assembly much like those found in internal combustion engines but without igniting the gas.

The drive shaft turns a small electricity generator. The entire energy conversion process takes place within a canister the size of an oil barrel. The process requires no water and the engine is emission-free.

Comparison to Other Solar Technologies

Tests conducted by SCE and the Sandia National Laboratories have shown that the SES dish technology is almost twice as efficient as other solar technologies. These include parabolic troughs which use the sun's heat to create steam that drives turbines similar to those found in conventional power plants, and photovoltaic cells which convert sunlight directly into electricity by means of semiconducting materials like those found in computer chips.

About Stirling Energy Systems: SES, based in Phoenix, Arizona (http://www.stirlingenergy.com) has created a solar Stirling dish technology for the production of electricity from the heat of the sun that is almost twice as efficient as other solar technologies as tested by SCE and Sandia National Laboratories. The company has an operating model power plant comprised of six SES dishes located at Sandia National Laboratories in New Mexico. The company can be reached at: (602) 957-1818.

About Southern California Edison: An Edison International (NYSE:EIX) company, Southern California Edison (http://www.sce.com & http://www.edisonnews.com) is one of the nation's largest electric utilities, serving a

population of more than 13 million via 4.6 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.

PHOTOGRAPHS: High-resolution jpg's can be downloaded at http://www.stirlingenergy.com - Visuals also available at http://www.edisonnews.com.

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