



August 1, 2016

## **Global Power Announces Several Initiatives to Reduce Indebtedness and Structure for Profitable Growth**

- | ***Sold TOG business for cash***
- | ***Initiated process to sell Braden Mexico facility***
- | ***Evaluating additional real estate assets to sell***

IRVING, Texas, Aug. 01, 2016 (GLOBE NEWSWIRE) -- Global Power Equipment Group Inc. (OTC:GLPW) ("Global Power") today announced that it has undertaken several initiatives to restructure its operations, lower its operating costs and reduce indebtedness.

On July 29, 2016, the Company sold the stock of TOG Holdings, Inc., a wholly-owned subsidiary, for \$6 million in cash to Doncasters Group, subject to traditional post-closing working capital adjustments, escrow withholdings and disposition expenses. Part of the Mechanical Solutions Products segment, TOG manufactures fastener and valve-related repair and replacement products for steam and natural gas turbines. Proceeds from the sale of TOG will go towards reducing indebtedness.

The Company is also in the process of selling its Braden Mexico facilities, an approximate 150,000 square foot manufacturing facility that had supported fabrication of auxiliary equipment for utility-scale natural gas turbines. The manufacturing that had historically occurred at Braden Mexico will be consolidated into the Company's global network of outsource manufacturing partners. In addition, the Company is evaluating other real estate assets for potential sale to enable further debt reduction.

Terence J. Cryan, Global Power's President and CEO, commented, "We have made solid progress in our restatement process and the improvement of our internal controls. In addition, we have had to attend to other challenges involving our Products segment's businesses. For one, we have been working on enhanced integration of the acquisitions that formed our Electrical Solutions product category. Also, the closure of the Braden Mexico manufacturing facility will eliminate unnecessary fixed costs and further leverage our successful outsourced manufacturing model that has been integral to our overall Braden operations for many years. Braden will continue to maintain active operations in Mexico with an engineering, execution and sales office. Finally, the divestiture of TOG permits us to focus more on the core businesses of our Products segment, while repaying some debt. In the meantime, our Services segment continues to provide a broad breadth of quality maintenance and specialty services and solutions to our power generation and industrial customers."

He concluded, "Since assuming my role as CEO last year, we have reestablished a Company culture throughout our Products and Services segments that is focused on meeting and exceeding customer expectations for quality and timeliness. In addition, we have revamped the leadership within both segments and reduced our overall cost structure. We believe our efforts put us in a better position to resume growth and achieve higher levels of profitability going forward."

### **About Global Power**

Global Power Equipment Group Inc. is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global power infrastructure, energy and process industries. The Products segment includes two primary product categories: Mechanical Solutions (formerly Auxiliary Products) designs, engineers and manufactures a comprehensive portfolio of equipment for utility-scale natural gas turbines while Electrical Solutions provides custom-configured electrical houses and generator enclosures for a variety of industries. The Services segment provides lifecycle maintenance, repair, on-site specialty support, outage management, construction and fabrication services for the industrial, chemical/petrochemical process, oil and gas and power generation industries. The Company routinely provides information at its website: [www.globalpower.com](http://www.globalpower.com).

### **Forward-looking Statement Disclaimer**

This press release contains "forward-looking statements" within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding the timing and the Company's ability to file the restated financial information and 2016 quarterly reports, regain SEC reporting compliance, and related matters. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties. Our actual results, performance or achievements may differ materially from those

expressed or implied in the forward-looking statements. Risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, decreased demand for new gas turbine power plants, reduced demand for, or increased regulation of, nuclear power, loss of any of our major customers, whether pursuant to the loss of pending or future bids for either new business or an extension of existing business, termination of customer or vendor relationships, cost increases and project cost overruns, unforeseen schedule delays, poor performance by our subcontractors, cancellation of projects, competition for the sale of our products and services, including competitors being awarded business by our customers that had previously been provided by Global Power, shortages in, or increases in prices for, energy and materials such as steel that we use to manufacture our products, damage to our reputation, warranty or product liability claims, increased exposure to environmental or other liabilities, failure to comply with various laws and regulations, failure to attract and retain highly-qualified personnel, loss of customer relationships with critical personnel, effective integration of acquisitions, volatility of our stock price, deterioration or uncertainty of credit markets, and changes in the economic, social and political conditions in the United States and other countries in which we operate, including fluctuations in foreign currency exchange rates, the banking environment or monetary policy.

In addition, more information may arise during the course of the Company's previously-announced ongoing accounting review of its previously issued financial statements that would require the Company to make additional adjustments or revisions or to restate further such financial statements. The time required to complete the financial statements and accounting review may cause our results to differ materially from those described in the forward-looking statements. Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the SEC, including the section of our Annual Report on Form 10-K filed with the SEC on March 9, 2015 titled "Risk Factors." Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

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