

STATEMENT FROM BEACON POWER CORPORATION

Tyngsboro, Massachusetts – November 1, 2011

Bill Capp, Beacon Power President and CEO, states:

“Beacon Power has devoted considerable resources and applied extensive effort to build a first-tier team of engineering, technical and other employees, refine our technologies, perfect our patents and other intellectual property, obtain the regulatory and other approvals as required to derive appropriate revenues for our services, and produce the advanced flywheel systems necessary to operate our presently deployed and planned facilities. Those efforts have been very capital-intensive over a several-year period. While great progress has been made in every area, each continues to be a work in process and requires additional investment.

Accordingly, we determined that the revenues generated from operation of our merchant facility in Stephentown are not sufficient to fully support those business operations, and our company has been operating at a loss. In addition, the current uncertain economic and political climate, loan conditions mandated by the Department of Energy, as well as Beacon’s recent delisting notice from NASDAQ, have severely restricted access to additional investments through the equity markets.

After careful consideration of all available alternatives, our Board of Directors determined that filing for Chapter 11 on October 30, 2011, was a necessary and prudent step that will allow us to operate our business without interruption. We will use the Chapter 11 process to more rapidly restructure our overhead, pursue potential investors, and definitively resolve our loan obligations. In the meantime, our 20 MW flywheel plant in Stephentown is functioning at full capacity and it is our intention for it to remain operational.

Reports in the media have drawn similarities between Beacon Power and another DOE loan guarantee recipient, Solyndra. Although both companies have faced financial challenges, the similarities end there:

- Beacon’s loan guarantee was for \$43 million as compared to Solyndra’s \$535 million; of this we have drawn \$39.5 million.
- Beacon used the DOE funding to build a first-of-its-kind flywheel energy storage plant that provides a critical electric power balancing service to help maintain a reliable grid. Solyndra built a facility to manufacture proprietary solar panels, the contents of which are being auctioned off.
- Beacon’s flywheel plant is fully operational and earning revenue with excellent performance; Solyndra closed its doors immediately.
- Beacon employees remain on the job and all have accepted a 20% pay reduction to retain jobs; Solyndra immediately fired more than 1,000 employees.

- The DOE is first in line as the sole secured creditor of our 20 MW flywheel plant in Stephentown; with Solyndra, the DOE is second in line behind a \$75 million private loan.
- Beacon is a direct beneficiary of a recent FERC ruling that will increase payments for high-performance energy storage resources like our flywheels that perform services on the grid; Solyndra was attempting to compete in a market of rapidly declining prices, increasingly driven by Chinese competition.
- Beacon Power is a public company whose financial reports are transparent and compliant with SEC and other government regulations. Solyndra was a privately held company.

Despite the need for this restructuring, we believe that our long-term prospects are favorable. Our goal in taking this action is to minimize job loss, and to continue to find ways to apply our innovative technology in the frequency regulation and energy storage markets. We remain committed to maintaining our business and shareholder relationships and aim to resolve this matter as quickly and efficiently as possible. ”