

FOR IMMEDIATE RELEASE
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Maxwell Technologies Completes Divestiture of Non-Core Computing Systems and Glass-to-Metal Seals Business

Company to Focus on High-Reliability Power and Microelectronics Products

San Diego, CA – Maxwell Technologies, Inc. (Nasdaq: MXWL) has completed separate transactions divesting its non-core computing systems and glass-to-metal seals businesses as part of the company's strategy of focusing exclusively on high-reliability, high-value, proprietary power and microelectronics products.

Carl Eibl, Maxwell's chief executive officer, said that the company has sold its I-Bus/Phoenix computing systems business to a group of that unit's senior managers for \$7 million of debt. He said that Maxwell also has sold its TeknaSeal glass-to-metal seals business to a group of private investors in a separate transaction that will generate net proceeds of approximately \$5 million in cash.

"These transactions support Maxwell's strategy of concentrating on our core power and microelectronics product platforms to drive the company's future growth and profitability," Eibl said.

Eibl said that Maxwell received an immediate net cash payment of approximately \$4 million for TeknaSeal, and that the remaining \$1 million of the purchase price has been deposited in an escrow account and will be paid out quarterly, beginning in 2003. He said that the note Maxwell took in exchange for the computing systems business calls for payments over three years, beginning in 2004.

With the divestiture of the computing systems business and relocation of the former I-Bus/Phoenix power systems business to Maxwell's electronic components facility, Eibl said that the company will vacate and sell the 90,000 square-foot San Diego facility that had housed I-Bus/Phoenix's North American operations.

“By the end of the year, Maxwell’s operations will be located in two primary facilities, one in San Diego, and another in Rossens, Switzerland,” Eibl said. “This lean, efficient operating structure positions the company for significant profit leverage as our core businesses grow.”

Maxwell Technologies applies industry-leading capabilities in power and microelectronics to develop and commercialize components and systems for customers in multiple industries, including transportation, telecommunications, consumer and industrial electronics, medical and aerospace.

This news release contains forward-looking statements that are subject to risks and uncertainties. These include development and acceptance of products based on new technologies, demand for original equipment manufacturers’ products reaching anticipated levels, general economic conditions in the markets served by the company’s products, cost-effective manufacturing of new products, achievement of anticipated reductions in operating expenses, and risks and uncertainties involved in foreign operations. These and other risks are detailed from time-to-time in the Company’s SEC reports, including the report on Form 10-K for the fiscal year ended December 31, 2001. Actual results may differ materially from those projected. These forward-looking statements represent the Company’s judgment as of the date of this news release. The Company disclaims any intent or obligation to update these forward-looking statements.

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Contact:

Michael Sund
Maxwell Technologies, Inc.
8888 Balboa Avenue
San Diego, CA 92123
Tel: +1 (858) 503-5171

E-mail: msund@maxwell.com