

FOR IMMEDIATE RELEASE
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Maxwell Maxwell Technologies Realigns Power Systems Group to Develop and Market Ultracapacitor-Based Back-Up Power Solutions

*Telecom Field Trials Underway for First POWERCACHE® Energy Storage Module;
Commercial Introduction Scheduled for October 2003*

San Diego, CA – Maxwell Technologies, Inc. (Nasdaq: MXWL) announced today that it has realigned its Power Systems Group to focus on developing and marketing ultracapacitor-based back-up power solutions for telecommunications and other industrial applications that require “zero downtime” power reliability.

Richard Smith, Maxwell’s executive vice president for strategic business development noted that the power blackout that crippled much of the northeastern United States and eastern Canada last week underscores the need for enhanced back-up power solutions for telecommunications and other mission critical systems.

“We have been collaborating for some time with uninterruptible power supply (UPS) system integrators and fuel cell and other back-up power generator manufacturers to develop more reliable, lower-maintenance alternatives to current UPS offerings,” Smith said. “The first of these systems, using our POWERCACHE® energy storage modules for short-term ‘bridge’ power, already are being deployed in field trials by telecommunications service providers in the US and Europe.”

Maxwell’s initial PowerCache product, a 48-volt, rack-mounted, module containing 22 of the company’s BOOSTCAP® large cell ultracapacitors, was developed specifically for telecommunications switching centers and base stations. Unlike battery-based systems, POWERCACHE® modules require no maintenance and perform reliably through hundreds of thousands discharge/recharge cycles, guaranteeing “life of the application” reliability.

Smith said that industry sources estimate that the global market opportunity for such modules, each of which supports one rack of telecommunications equipment, totals approximately 2.7 million units.

ABOUT MAXWELL TECHNOLOGIES

Maxwell sells reliability. We develop, manufacture and market electronic components and systems that perform reliably for the life of the applications into which they are integrated. Our BOOSTCAP® ultracapacitors and ultracapacitor-based energy storage systems uniquely address applications in transportation and consumer and industrial electronics. Our high-voltage grading and coupling capacitors are used in electric utility infrastructure and other applications involving transport, distribution and measurement of high voltage electrical energy. Our radiation-mitigated microelectronic products include power modules, memory modules and single board computers that primarily address applications in aerospace. For more information, please visit our website: www.maxwell.com.

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, the impact of competitive products and pricing 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, 2002. 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