

August 20, 1998

Turbodyne's UN endorsements are blatantly false. Insiders continue to sell into fraudulent promotion.

On August 17, 1998 Turbodyne Technologies, Inc. (NASDAQ Symbol: TRBD) (Price: \$7.8437) issued a press release stating that Joseph Ben-Dak of the United Nations Development Programme ("UNDP") had accompanied its Chairman Edward M. Halimi for negotiations in London and Moscow. Turbodyne has used Dr. Ben-Dak and the UNDP to promote its stock several times. On July 2, 1998 Turbodyne announced that Dr. Halimi was scheduled to visit Moscow with Dr. Ben-Dak of the UNDP. On April 11, 1997 Turbodyne announced that it had been awarded a designation from United Nations Flag Technology Program and that Dr. Ben-Dak chief of the United Nations Global Technology Group had issued the letter of designation.

The simple fact is that Mr. Ben-Dak has not been an official of the UNDP since April 1, 1997. According to the UNDP's Office of Human Resources, Mr. Ben-Dak was employed by the UNDP for a single five-year period beginning on April 2, 1992. The Global Technology Group that he managed has been terminated. Turbodyne's press releases concerning "UN Flag Technology" endorsement or status were not authorized by UNDP and in no way represent UNDP's position with regard to Turbodyne's technologies or related financing. Mr. Ben-Dak's departure from the UNDP occurred ten days before Turbodyne's original announcement of its designation from the United Nations Flag Technology Program.

Mr. Ben-Dak has been involved with other stock promotions. On March 18, 1997 GK Intelligent Systems, Inc. (AMEX Symbol: GKI) announced that it had received official notification from the UNDP that it had been designated as a Flag Technology. According to GKI's Form 10-SB-A, filed on October 2, 1997, Mr. Ben-Dak had served as vice chairman of the board of directors of GKI since September 1996, six months before the designation. It also states that Mr. Ben-Dak had recently undertaken a "full-time project" for the company. In this Form 10-SB-A, Mr. Ben-Dak is also listed as owning 6.4%, or 1 million shares, of GKI. This did not include an additional 500,000 unvested warrants. On August 13, 1998 GKI announced that its Chairman and several other key employees, including a board member, its Chief Financial Officer, Chief Information Officer and Corporate Counsel, had given notice of their resignation. GKI's stock, which had risen from less than \$0.50 per share in March 1998, to a high of \$19.75 in mid-July, 1998, fell from \$8 3/16 to \$3 1/2 per share. It closed on August 19th at a price of \$2 per share.

Mr. Ben-Dak is also listed as a director of Greystone Financial Services, Inc. (NASDAQ Symbol: GFSV), a firm that has filed several Form 144s with the SEC to sell stock in GKI. In its Form 10-Q filed January 23, 1998 Mr. Ben-Dak is shown as one of three directors along with Thomas V. Ackerly. On April 20, 1990, the NASD censured Thomas V. Ackerly and the firm of Greystone, Nash, Incorporated where Mr. Ackerly served as president. The NASD fined Greystone, Nash and Mr. Ackerly \$1.3 million and barred Mr. Ackerly from association with a member of the NASD. Greystone, Nash was forced to close as a result of an SEC action.

Contrary to its many claims, Turbodyne possesses no valuable technology. It has received no endorsement from the UNDP on behalf of the United Nations or any associated UN agencies. Its alleged revolutionary product is merely an easy to duplicate and manufacture electric motor driven supercharger. Despite announced deals with 14 companies and claims of billions of U.S. dollars in sales potential, Turbodyne's version of an electric supercharger has failed to

generate any sales in the last five years. If the Turbodyne product actually improved the efficiency of the internal combustion engine, its value would be certain and its creator would not have had to sell it to a Vancouver stock promoter for \$500,000 worth of a Canadian penny stock. Furthermore, if in fact there were demand for such a device, existing vehicle and after-market engine component manufacturers with far greater resources than Turbodyne, could readily produce their own versions of an electric supercharger.

Turbodyne continues to use its combination of false technology and sales potential claims to allow inside option and warrant holders to benefit from its fraudulent stock promotion. Turbodyne's recent Form 10Q filing shows that between March 31 and June 30, 1998 the company issued 3,758,844 shares. Turbodyne issued these new shares at an average of approximately \$4.27 per share. These shares represent an extraordinary 10.4% dilution to existing shareholders. The Form 10Q also disclosed that between June 30 and August 10, 1998 Turbodyne issued yet another additional 1,120,349 shares at an average of approximately \$3.58 per share. Since March 31, 1998 Turbodyne has increased the number of shares it has outstanding by at least 4.9 million, or 13.5%, without an underwriting or any sort of prior notice to shareholders. As a result, it now has over 41 million shares plus 6 million stock options and warrants outstanding.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.