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NEWS

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ESS Technology Announces Sabre Reference Digital to Analog Converter World's Best Studio-Quality Audio DAC Delivering Unprecedented Dynamic Range of 134dB

FREMONT, Calif., Jan. 7, 2008 — ESS Technology (Nasdaq: ESST), a leading provider of high performance audio/video solutions, today unveils the Sabre Reference Digital to Analog Converter, the world's best studio-quality audio DAC as the latest member of the Vista™ family of high-definition audiovisual product line.

The Sabre Reference outperforms the best audiophile equipment with an unprecedented 134dB dynamic range and -118dB total harmonic distortion for 44.1 to 192kHz sampling rate, bringing true studio quality audio to consumer digital home entertainment products including Blu-Ray/HD-DVD players, Universal DVD/DVD-Audio/SACD players and Home Theater receivers.

The Sabre Reference's superior real-life performance is built upon a number of key ESS innovations. A patented multi-bit Hyperstream™ modulator with Dynamic Matching using 48-bit accumulator and 28-bit data path allows true reproduction of audio as it is mastered at the recording studio. Another patent-pending time-domain Jitter Eliminator enables unmatched audio clarity free from clock jitter common in digital audio systems.

The Sabre Reference's Hyperstream™ architecture supports mono, stereo, 4- and 8-channel output in current or voltage modes, featuring click-free soft mute and volume control, de-emphasis, zero detect and programmable roll-off filter characteristics. In addition, the Sabre Reference integrates an all-digital SPDIF receiver and supports multi-channel digital audio in PCM or DSD formats. Despite its ultra high performance, the Sabre Reference operates with extremely low power, consuming only 100mW in 8-channel mode.

Robert Wong, vice-president of marketing and worldwide sales for ESS Technology, commented, "Delivering the world's highest dynamic range is only one of the objectives. With our patented groundbreaking technologies, we are also providing studio-quality jitter free performance with unprecedented richness and clarity. We want to get a "wow" from every serious music enthusiast."

An increasing number of high-end audio/video system manufacturers are developing new products using Sabre Reference to be launched throughout 2008. The Sabre Reference is sampling now in 64-LQFP package and priced at \$29 in quantities of 1,000.

ESS will be presenting demonstrations of its products this week at the Consumer Electronics Show in Las Vegas at the Hilton. Appointments may be scheduled by calling 949-981-4496.

About ESS Technology

ESS Technology, Inc. designs and markets high-performance audio/video products for the consumer market.

ESS's VistaTM product line features high-definition solutions such as the Phoenix and Phoenix-II series of HD-Enhanced DVD processors, 1080p Video Up-converters, HDMI transmitters, Sabre series of HyperstreamTM audio digital-to-analog converters and other products for digital television.

ESS, headquartered in Fremont, California, has R&D, sales, and technical support offices worldwide. ESS Technology's common stock is traded on the Nasdaq Global Market under the symbol "ESST". ESS Technology's web site address is: <http://www.esstech.com>.

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The matters discussed in this news release include certain forward-looking statements that involve risks and uncertainties, including, but not limited to, the timely availability and acceptance of the Company's new products, the impact of competitive products and pricing, the dependence on continued growth in demand for PC and consumer multimedia products, as well as the other risks detailed from time to time in the SEC reports of ESS, including the reports on Form 10-K and Form 10Q. Actual results could differ materially from those projected in the forward-looking statements.

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