

AB 118 AQIP ZEV and Other Clean Vehicle Rebates Workgroup
February 26, 2009



Real Solutions for California's Air Quality Challenges...Available in 2009



- AQIP program broadly intended to increase the use of alternative fuels and vehicles to help achieve CA's climate change objectives
- ZEV rebate program focused on spurring ZEV purchases by partially offsetting the higher cost of ZEV vehicles
- Major challenge for ZEV program has been limited number of ZEVs currently available in the market
- Broader selection of freeway capable, affordable ZEV choices is an enabler for ZEV program success

- Current ZEV choices available to consumers are limited
 - Very small number of freeway capable ZEVs in market now
 - Not likely that other 4-wheeled ZEVs will come to market in year 1 of the ZEV program
- NEVs speed limitations may restrict utility of the vehicle for some consumer's daily driving requirements
- Of the 4-wheeled, freeway capable ZEVs currently available, some are priced well beyond the reach of average consumers (even with rebates)
 - Limits number of consumers who can purchase

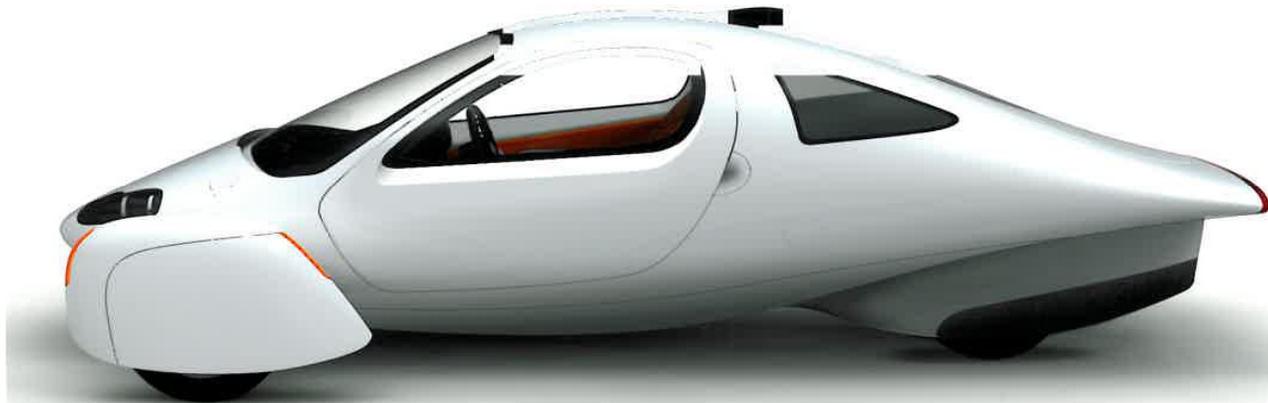


ZEMs Enhance ZEV Program

- Including 2/3 wheeled ZEVs (“ZEMs”) is an important enabler for ZEV program success:
- Increases number of choices available to consumers
 - Some ZEMs in market now, others coming to market during year 1 of the ZEV program
- Increases the number of freeway-capable choices available to consumers
 - Dramatically increases potential utility to consumers for daily driving requirements
- Increases the number of affordable choices available to consumers
 - Cost of ZEMs typically lower than ZEVS

- Important to include ZEMs in the ZEV rebate program in order to enhance the program's impact and success
- ZEMs could be sub-divided based on freeway capable vs. non-freeway capable (or enclosed vs. non-enclosed) as a means to “scope out” recreational vehicles
 - Could include freeway-capable ZEMs in year 1 and consider adding others in year 2
- Could also include program requirement for purchaser to demonstrate annual “VMT” exceeds specified level to ensure primary vehicle use is not recreational
 - May not be relevant for all vehicles; Aptera clearly not off-road

Our mission: To delight our customers with superior commuter vehicles capable of revolutionary transportation efficiency!



Our mission of moving people efficiently (using less energy) supports AB 118 objectives!



Aptera 2e available in 2009

- Two passenger plug-in electric vehicle coming to market in Q4 2009
 - Enabler to support ZEV rebate program objectives available in the near-term





Aptera 2e Market Position

- Marketed as a highly efficient commuter vehicle
 - Fully highway capable with top speed of 90 mph
 - Range of 100 miles per charge
 - With 2 adult passengers, over 200+ lbs of cargo, electrical accessories on and freeway driving
 - More than sufficient for avg. American daily driving of 39 miles
 - Fully enclosed with cargo storage and typical auto amenities
- Affordably priced for mass-market
 - Individual consumers and corporate / governmental fleets
- Recharges overnight on traditional 110 volt outlet
 - No special infrastructure required for consumer to recharge
- Most efficient vehicle available with 200+ mpge



Aptera's California Presence

- Aptera is headquartered in Vista, California
- Current employment approaching 100
- Production launch during 2nd half of 2009
 - Initially launching exclusively in California
- Employment expected to grow to:
 - Approximately 100 in 2009
 - More than 400 in 2010 and growing exponentially with growth of the sales
- Capital investment > \$10 million in 2009
- Enterprise extensions in sales and key supplier base creates potential for additional CA employment

aptera™ ZEMs Enable ZEV Program Success

- Aptera and other manufacturers of ZEMs share ARB's objective of improving CA air quality
- We believe that ZEMs have an important role to play in helping the ZEV rebate program succeed as ZEMs are:
 - In the market now with more coming soon
 - Some of the most efficient vehicles available
 - Freeway capable (many, not all)
 - Affordable for many consumers
- ZEV program rebates could be a very meaningful stimulant for potential purchases, particularly in relation to the lower purchase price
 - ZEV rebate could be as much as 10% of total purchase price



The future + the present =

