

Moller International Freedom Motors

Annual Shareholders Meeting

December 10, 2011

Call to Order

- The 2011 Annual shareholders meetings of Moller International and Freedom Motors, corporations operating and existing under the laws of the State of California and Nevada, respectively, are called to order today at 10:00 am, December 10, 2011.

Welcoming Address

- Paul S. Moller
 - Moller International President
 - Freedom Motors Chairman of the Board

Board of Directors — Current and Future

Dec 10, 2011

4

- Moller International

- Paul Moller
- Faulkner White
- Jim Toreson
- Mike Shanley
- Stephen P. Smith
- Andrew Mueller

- Freedom Motors:

- Paul Moller
- Jim Toreson
- Kerry Bryant
- Bill Strons

2012

- Paul S. Moller
- Faulkner White
- Jim Toreson
- Mike Shanley
- Stephen P. Smith
- Hugh Power

- Paul Moller
- Jim Toreson
- Kerry Bryant
- Bill Strons
- Stephen P. Smith
- Michael Marevich

- **Bruce Calkins, General Manager (Meeting Chairperson)**
- **Jah Mackey, Marketing Director**
- **Jennifer Moller, Office Manager**
- **Robert Churchill, Controller**
- **George Stevens, Lead Engineer**
- **Toni Granell, Engineer (intern)**

Survey of Attendees

- Attending for the first time?
 - Moller International and Freedom Motors shareholders?
 - Moller only? Freedom only?
- How did you hear of this meeting?
 - From an Email sent directly to you?
 - From an announcement sent to you by US Mail?
 - From the Moller International web site?
 - From a news service, on-line or print?

- For all attending, I would like to point out the common interests of Moller International and Freedom Motors, a Nevada Corporation, that is charged with the production of the Rotapower engine.

- From observation it is determined that there is a quorum of shareholders present.
- First order of business:
 - Reading of the minutes from last year's meeting.
 - Request to waive the reading of the minutes.
 - Second:
 - Vote:

- Overview of Corporate Activities in 2011
- Technical and Business in 2011—Moller International
- Technical and Business Goals for 2012—Moller International
- Business Goals for 2012—Freedom Motors
- Marketing Presentations
- Q & A
- Election of Board of Directors
- Adjourn
- Open House
 - Snack

Rotapower engine key to Skycar and related technology

- That's how our engine program start-up developed a life of its own
- In 1997 Moller International (MI) exclusively licensed manufacturing of its Rotapower engine to Freedom Motors (FM)
- MI retained rights to aircraft and ducted fans
- MI and FM found manufacturing climate in California poor
- Together sought to license production of the basic Rotapower engine elsewhere
- FM retains rights to a compound version of the engine

Moller International – Activities in 2011

Dec 10, 2011

11

- Primarily engine-related business and technical support to Freedom Motors
- Completed all fairings and components to accept liquid-cooled engines on M400X Skycar
- Received permission to use Lake Minden for demo flight
- Complete 3rd generation compound rotary engine development and tests
- Continued FCS development
- Developed new patentable engine technology improvements that should increase power output by 20% and fuel economy by 15-to-20%

Negotiations in China

Dec 10, 2011

12



Mike and Rica Shanley,
MI International
Marketing Director



MOU Provisions:

Dec 10, 2011

14

- Moller International (MI); a private company in China (to be announced); a local Economic and Development Zone to form a Joint Venture (JV) in the People's Republic of China.
- JV's total investment for first, second and third installment for the Moller Skycar Project = 84.5 billion Rmb (**\$13.7 billion USD**)
- Production plans through 2018 with goal of reaching 100,000 units per year

MOU Provisions:

Dec 10, 2011

15

- MI to provide the JV with rights to use its Intellectual Property (IP) as it relates to aircraft, Rotapower aviation engines, ducted fan designs, flight control systems
- MI receives \$4 million in “up front” equity investment and will receive an additional 5%-to-10% of the IP’s value for its use by the JV
- MI receives 25% ownership in the JV
- MI to receive a royalty on each unit produced and sold in China. Amount to be negotiated.

- JV to:
 - Finance the Skycar Project
 - Build facilities in China, including Office complex, dormitory, 5-Star hotel, R&D, Leisure, Commercial and Marketing centers, Wind tunnel test facility, Rotapower engine production facility, and 5 showrooms for products
- Economic and Development Zone to:
 - Land allocations
 - Policy, Licensing and Administrative support
 - Government backed financing, grants, etc.
 - Industry support

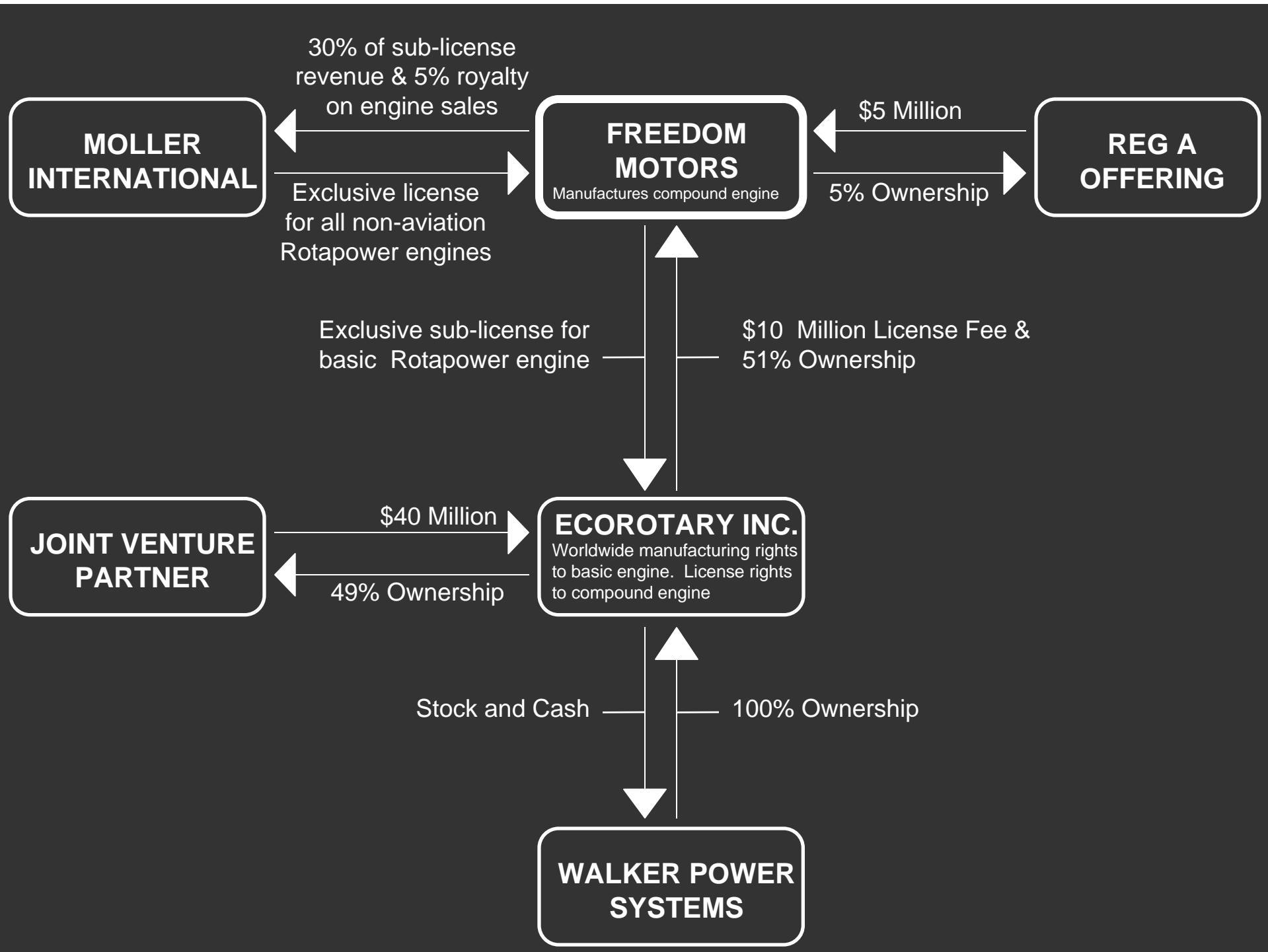
Rotapower Engine's Potential Market

Dec 10, 2011

17

- 0.25% penetration rate = \$400 million in sales
- LOI's for over 900,000 engines (approximately \$1 billion in sales)
- Telecommunications industry needs 250,000 engines over next 3 years and have carried out successful tests on our engine
- Motor scooter/Motorcycle market is projected at 75 million units per year by 2015. The Rotapower 150cc engine addresses 80% of this market

- Submitted a “Regulation A” to the SEC for a proposed offering to raise \$5 million
 - Awaiting qualification from the SEC
 - Goal to become effective concurrent with finalized major license agreements
- Yesterday (12/9/2011) we received a comment letter from the SEC regarding the offering. We will be reviewing it and determine its impact next week. Initial impressions remain positive.



- Global Rotary has licensed one model of our Rotapower for use in a hybrid car in China.
- Coordinating with JV in China regarding component production for aviation engine

Goals for MI and FM for 2012

Dec 10, 2011

21

- Joint Venture for basic Rotapower engine production
- Demonstrate the M400X Skycar in a major public exhibition (Spring, weather permitting)
- Begin prototype development of the Skycar 200 LS and/or Conquestor
- Deliver Beta versions of basic rotary engine to LOI suppliers
- Continue development of compound engine
- Work with JV in China
- Begin work on production version of Skycar 400 (based on M400X Skycar)
- Produce three Neuera aircraft
- Increase staff as required

Introducing:

- John “Jah” Mackey
 - Moller International Marketing Director

Sponsors

- Space Science Corporation
 - Lindsay Quarrie
- Clic Goggles
 - Hugh Power

Special Recognition

- Robert Basham
 - First Moller International shareholder
 - Founder and coordinator of the Supporters of Moller International (SOMI)
 - Ardent champion of the Skycar
 - Awarded an honorary membership in SASPAC

Election of Board Members

Dec 10, 2011

25

- Moller International nominees:
 - Paul Moller
 - Faulkner White
 - Jim Toreson
 - Mike Shanley
 - Stephen P. Smith
 - Hugh Power
- Freedom Motors nominees:
 - Paul Moller
 - Jim Toreson
 - Kerry Bryant
 - Bill Strons
 - Stephen P. Smith
 - Mike Marevich