



1222 Research Park Drive, Davis CA 95618  
www.moller.com info@moller.com 1+ (530) 756-5086

## HIGHLIGHTS

I apologize for the delay in providing my usual up date newsletter but so many exciting developments are underway and I have been waiting to present them in their final form. I have now decided to give you a current up date with a promise that I will provide a follow-up newsletter within the next 45 days to cover those soon-to-be-completed activities and agreements.

## JETSON UPDATE

We have completed the Jetson Firefly's airframe as shown and are in the process of completing the undercarriage system that will be used on all Jetson models. The new undercarriage has a full 12 inches of travel for maximum impact safety.

Two additional M200G airframes will be completed shortly. The quadruple-redundant stability system is progressing well under the direction of our in-house electronic design consultant. This system is sufficiently generic that it will function with minor software changes for the M400 Skycar as well.

## FUNDING THE M400 SKYCAR FAA CERTIFICATION AND PRODUCTION

It is understood that the M400 Skycar will require FAA certification before it can be readily used by the public, but many individuals and companies have indicated an interest in participating in its future well before it is certified.

This interest is reflected by a potential funding opportunity I recently encountered whereby Moller International would consider allowing

### Inside This Issue

|   |   |
|---|---|
| Highlights.....                                   | 1 |
| Jetson Update .....                               | 1 |
| Funding the M400 Skycar.....                      | 1 |
| Marketing the Jetson.....                         | 2 |
| Engine & Engine Related Product Development ..... | 2 |
| Low-Cost Biofuel .....                            | 4 |
| California Legislative Liaison.....               | 4 |
| Goodbye to a Good Friend .....                    | 5 |

the interested funder an opportunity to market the Skycar volators in the future. I had the honor of being invited to speak at the World Summit on Innovation and Entrepreneurship. This conference was held in Dubai and was attended by people from over 50 countries. Following the conference I was invited to meet with individuals and companies from a number of countries to discuss immediate marketing of the Jetson and, following its FAA certification, the M400.

Certainly one could not find a better market opportunity for both the Jetson and the Skycar than in Dubai where huge tracts of land are being created as man-made islands (see [http://guide.theemiratesnetwork.com/living/dubai/the\\_world\\_islands.php](http://guide.theemiratesnetwork.com/living/dubai/the_world_islands.php)). There are no connections between the islands, which are expected to be occupied by hundreds of thousands of relatively wealthy people from all over the world. For example, it was recently reported that Sir Richard Branson has purchased his own island in Dubai. What better way to get to your island than by Jetson or Skycar?

A steady dialogue has been maintained with these interested parties since my return.



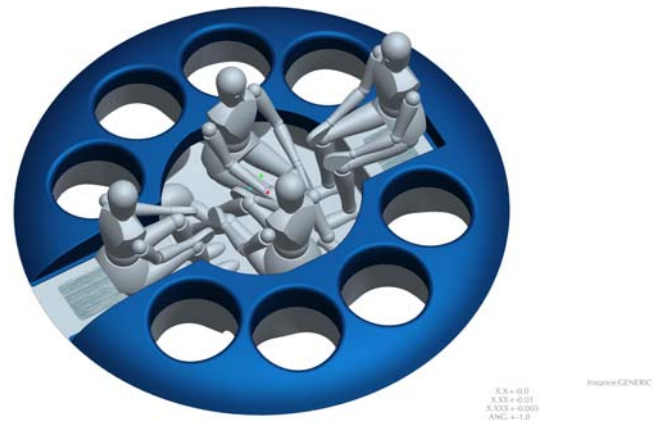
M200G



Airframe for Firefly 3



M200E



Seating for Firefly 3  
Rescue Vehicle

## MARKETING THE JETSON

We have established that various Jetson models have a role to play in a number of paramilitary and civilian applications. To aid us in our effort to connect with many of the potential users, we have hired a consultant to assist in business development. This individual oversaw the Department of Defense's major acquisition programs under the Reagan and Bush administrations as well as exercised oversight of international programs and U.S. Arms Control Compliance activities.

If you would like to review our current business plan, including the anticipated marketing and production ramp up of the M200 Jetson volators please contact Bruce Calkins at [bruce@moller.com](mailto:bruce@moller.com) or (530) 756-5086.

## ENGINES AND ENGINE RELATED PRODUCT DEVELOPMENT

We have successfully completed our initial tests on our 27cc Rotapower engine, developed for the power tool and recreational product markets. We achieved 2.5 hp from this 4-pound engine. The picture on the next page illustrates the size of the Rotapower 27cc engine with that of a 4-stroke piston engine of similar horsepower.

(Continued on the next page)

# ENGINES AND ENGINE RELATED PRODUCT DEVELOPMENT (continued)



Our 150cc Rotapower engine has undergone extensive testing both on our dynamometer (“dyno”) and coupled to a generator. We integrated the engine into a motor-generator set to demonstrate its ability to reduce the size of a standalone electrical power-generating source. Shown is a comparison of two motor gen-sets with comparable power output.

This is one of the most exciting developments within both Moller International and Freedom Motors. As you are probably aware, Freedom Motors is the exclusive licensee for non-aircraft use of the Rotapower engine. The Rotapower gen-set is unique in its ability to address the plug-in hybrid electric vehicle (PHEV) car market and both Moller International and Freedom Motors have been approached by hybrid car manufacturers and are participating in plans to put the Rotapower engine into volume production in a number of countries. I will have far more to say about this in my next newsletter.

For anyone interested in an extensive report on the attributes of the Rotapower engine, please contact Bruce Calkins at [bruce@moller.com](mailto:bruce@moller.com) or by phone at (530) 756-5086.



The Rotapac 10 KW generator being held by Paul is shown as a comparison to the 13.5 KW generator from Gillette (weight is 350 lbs)

## LOW-COST BIOFUEL

University of Maryland researchers have created a process to convert large volumes of plant products, from leftover brewer's mash to paper trash, into ethanol and other biofuel alternatives to gasoline. Developed by University of Maryland professors Steve Hutcheson and Ron Weiner, the technique, called the Zymetis process, produces biofuels from cellulosic sources including waste paper, brewing by-products, leftover agriculture products including straw, corn cobs and husks, and energy crops such as switchgrass.

The secret to the process is a Chesapeake Bay marsh grass bacterium, which scientists found has an enzyme that quickly breaks down plant materials into sugar, which can then be converted to biofuel. The Zymetis researchers were unable to isolate the bacterium in nature, but they discovered how to produce the enzyme in their own laboratories. The result was Ethazyme, which degrades the tough cell walls of cellulosic materials and breaks down the entire plant material into processable sugars in one step, at far lower cost and with fewer caustic chemicals than current methods.

Scientists estimate the technology could potentially produce 75 billion gallons of carbon-neutral ethanol annually. Hutcheson projects a \$5 billion enzyme market for biofuels.

This is an exciting development because, given the choice of fuels to use in the Jetson and Skycar, we would choose either ethanol or biodiesel.

Visit <http://link.abpi.net/1.php?20080318A2> to learn more.

## CALIFORNIA LEGISLATIVE LIASON

About two years ago Moller International engaged a consultant to help with our ongoing effort to educate the California Legislature of the potential benefits of the Rotapower engine. In addition we wished to inform policy makers and their staff of the potential changes that may occur as Personal Air Vehicles like the Skycar become more readily available.

The two key messages we want to send are (1) the Skycar and related products are good for California economically and environmentally; and (2) the Rotapower engine's low emissions characteristics are superior to technologies in common use today.

These messages are being delivered to the Governor's office, the State Legislature, various Governmental Departments and local municipal governments.

So far our actions have resulted in the following accomplishments:

- 1) We have established active communications with the Governor's office. They have been provided with material on the Skycar and Rotapower engine technology, as well as position papers and letters on related issues.
- 2) We have completed several direct discussions with Legislators and their staff regarding the Skycar and the Rotapower engine. We provided a Legislative agenda and needs document as well as established public positions on introduced legislation.
- 3) Initial department-level discussions were undertaken, to include briefing California's Department of Transportation (CALTRANS). This organization recently created a committee dealing with alternative transportation, and we anticipate an active supporting role to this body.

(Continued on the next page)

(from page 4)

## CALIFORNIA LEGISLATIVE LIASON

4) We have established relationships with environmentalists, scientists and other businesses with like-minded goals and objectives. MI has taken a position on various pieces of proposed or amended legislation, joining with others in support or opposition of various measures. In doing so we networked with a variety of groups from large to small. They included, the California League of Conservation Voters, The Motor Vehicle Dealers Association, Azure Dynamics, The Gas Technology Institute, California Professional Scientists, Sempra Energy, The Silicon Valley Leadership Group and over three dozen other business and governmental entities.

5) Legislative positions

- a) MI took position(s) on 40+ pieces of Legislation
- b) MI was represented in meetings with staff over 48 times to discuss legislative positions that resulted in or from position papers
- c) MI was listed in 42 separate legislative analysis/reports
- d) MI was represented before committees almost 50 times
- e) The Sierra Club and MI were listed in the same analysis 18 times
- f) The Union of Concerned Scientists and MI were listed in the same analysis 14 times.
- g) California State Auto Association and MI were listed in the same analysis 9 times.
- h) Friends of the Earth and MI were listed in the same analysis 6 times.

6) We had the opportunity to make presentations on our technologies to several of the Senate and Assembly Standing Committees, including: Natural Resources and Wild Life, Environmental Quality, Revenue and Taxation, and Appropriations.

In conclusion, this program has achieved a number of successes in the short time it has been underway. Creating a foundation for future public policy decision-making is a long and difficult process, but we believe that there is a general awareness that Moller International is a willing and qualified participant and we look forward to assisting the California Legislature in any way that we can.

## GOODBYE TO A GOOD FRIEND

It is with sincere sadness that we inform you that Wolfgang Borgstede has passed away. Wolfgang was a member of the Board of Directors for Freedom Motors, as well as a very active participant in both Moller International and Freedom Motors activities. His energy, wit and enthusiasm will be sorely missed.



**Moller International**  
1222 Research Park Drive  
Davis, CA 95618  
USA

**Phone:**  
1+ 530-756-5086

**Fax:**  
1+ 530-756-5179

**E-Mail:**  
info@moller.com

***Making New Concepts in  
Aviation a Reality™***

---

*We're on the Web!*

*Visit us at:*  
[www.moller.com](http://www.moller.com)

---

**"SAFE HARBOR" Statement:**

This newsletter may contain forward-looking statements. The words "estimate", "possible" and "seeking" and similar expressions identify forward-looking statements, which speak only as to the date the statement was made. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted, or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. The risks and uncertainties to which forward-looking statements are subject include, but are not limited to, the effect of government regulation, competition and other material risks.

Skycar®, Aerobot®, RotaFan™ and Rotapower® are trademarks of Moller International in the USA and other countries. All other trademarks are the property of their respective owners.

This newsletter is being sent to subscribers who opted-in to receive information. You can elect to no longer receive further mailings. Simply forward this message or send a new message to info@moller.com with "unsubscribe" as the subject of the message. If you have trouble with this process, you can call us at (530) 756-5086.

Moller International  
1222 Research Park Drive  
Davis, CA 95618

