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Carl B. Tilley
131 Hiwassee Road
Lebanon, TN 37087

Hello Carl:

As you requested I am providing herein a brief summary of the most current activities with respect to the status of the buyer prospects regarding the various technologies. Since I realize this is to be provided with the next newsletter I have intentionally left the names of the specific parties out as past experiences with many of the stockholders has taught me some of them do not fully comprehend the nature of doing business of this magnitude, simply put, buyers in this realm do not want their names or business concerns discussed outside of the obvious need to know circles.

That said, and I trust all those who read this will take a moment to carefully think about this and understand this can be critical to our mutual success as they said in WWII, "loose lips sink ships".

Here then is the status up to this morning:

During the first week of January we received an e-mail from a major aerospace company that visited and did a preliminary evaluation back in December. The contact advised that his management has asked him to pursue our technology further by means of additional testing at our facility. At this time they are designing the tests they will want to perform, I expect to hear something regarding their requested schedule in the next several weeks.

In addition, on January 7th two engineers from a major recreational products manufacturer spent a number of hours at the facility. They discussed the device powering the building, drove the DeLorean and ran some "with & without" (the device connected) tests on the TATV. Their conclusion was very positive, to say the least, and I met with them last week to discuss their "next step". My understanding is that they would like to provide us with one of their products to "electrify" for a more thorough evaluation. As of last Friday afternoon I was told I would have a written proposal from them regarding what they would like to have retrofitted, a budget they would like to adhere to and the means of testing they would employ. Said proposal is to be in my hands sometime this week.

As you know after the recreational products company engineers left I drove back to Vermont stopping on Wednesday (1/8) evening and Thursday (1/9) for meetings with a prospective buyer. As a result of these meetings I received a written communication last Thursday (1/16) with some questions asked for clarification. I responded the same day and now anticipate a more formal document, perhaps an actual proposal sometime in the next couple of weeks.

At 5:03 Thursday evening (1/9), while driving home from the all day meeting mentioned above, I received a call on my cell phone asking me to prepare a short description of the technology to be e-mailed to the CEO of a major automobile manufacturer.