



**XP Vehicles, inc.**

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Advisory

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## **Congressional briefing: XP VEHICLES, INC.**

XP Vehicles, Inc. is an electric powered automotive manufacturer with disruptive, proprietary technologies enabling safe, durable and energy efficient vehicles that markedly exceed the performance of existing commercial vehicles.

At present, Congress has appropriated funds through the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, for a loan program for which XP Vehicles has unique qualifications under Section 136 of the Energy Independence and Security Act of 2007, as amended. XP Vehicles was one of the first entities accepted by the special Department of Energy (DOE) funding program and is in final review for the loan/grant funding tranche to be completed in December of 2008. Support is sought for approval of the funding by the DOE administrative group in charge of this funding.

XP Vehicles has assembled a team of over 100 companies across the country with the vision to do for electric vehicles what NASA did to put Apollo 11 on the moon. The XP team includes Limnia, Inc., Kosmos/Kabar, Cooley, W.W. Grainger, Sandia National Laboratories, State Business Offices, and leading edge suppliers across a variety of industries. The goal is for energy independence, a cleaner environment and a safer world, while creating American jobs simply by building this innovative vehicle in an extraordinary manner. XP Vehicles is asking for less than 1% of the funding of the major Detroit automakers and expects to return this investment to the taxpayer many times over. Our position is that at least some of the \$25 Billion in funding that section 136 authorizes should be used to support America's future, not just the ailing industry stalwarts that represent America's past, and who are asking for more help now precisely because they have failed to deliver what the American consumer wants. Consumers across the country have written in to offer their support and thousands have stated that they expect to purchase a vehicle once they become available.

Fundamentally, existing electric and hybrid designs perform poorly due to their high weight to power ratio. Current battery technologies simply do not have the power to effectively propel vehicles made of steel and traditional materials. **Our vehicle is fundamentally different in that it directly addresses the issue of power to weight, by incorporating materials which drastically reduce the mass of the vehicle, while retaining important customer benefits, such as safety, durability, reliability, and range.**

There are many technology elements that contribute to the overall solution, but the main points are:

- The car body is made of a mix of ballistic and multiplexed membranes, which makes it highly resistant to cuts, dings and dents, making it extremely light and durable while damping all crashes to protect the occupants better than any car on the road.
- The frame is made of cellulose and polymer with metrics that beat steel and aluminum.
- The body uses membrane pressure structures similar to those used in the NASA Mars Landers, Homeland Security boats and dashboard air bags already in use in every car made in America, resulting in a light weight, responsive vehicle with very long range that can be made quickly at a very low cost.
- The electric drive utilizes a unique system based on a novel marriage of state-of-the-art fuel cell and battery technology available today.
- The manufacturing process resembles garment making more than car making, enabling much lower capital investment.

Key benefits include a vehicle:

- More likely to save your life and protect you and your family from injury due to the intrinsic safety of inflated materials to dampen shock, enabling the vehicle to survive a 30 MPH crash without damage.

- Lower costs to certify.
- More durable.
- Even the most extreme body repair work can generally be completed in under an hour.
- Able to look exactly like a "regular car", as these materials can be assembled into almost any shape and configuration.
- Able to provide America with 100% OIL INDEPENDENCE and JOBS!
- Fueled, in part, by water and energy you can make at home.
- Longer range because it weighs 1/3 the weight of a traditional hybrid.
- Fueled by quick, hot-swap, cassettes that enables almost continuous operation; i.e., can be driven across the country without turning it off.
- Less taxing to the electrical grid and able to operate entirely off the grid as one option.
- More environmentally sustainable.
- > 30% lower part count using lighter, easier to manufacture materials.
- Higher reliability with fewer parts that can go wrong.
- Able to be built in lower cost factories with 70% less floor space and manufacturing equipment, which translates into lower cost, higher quality cars for our customers.
- Able to return investors money significantly sooner because of a lower factory cost and a lower cost of materials, compared to competitive designs.
- Lower sales price than any other electric car for the same features.

In short, our vehicles will look similar to traditional steel bodied compact cars with a target price of under \$20k. Gross vehicle weight will top just over 1,000 lbs vs. about 3,000 lbs for a standard compact hybrid vehicle. The XP Vehicle is expected to be safer (riding in an inflated air bag), more durable (not subjected to potential dings and scratches like a conventional vehicle), longer range (60% lighter), and more cost effective to produce (sewing fabric vs. stamping sheet metal). Capital and plant space requirements are considerably lower as the woven material is inherently easier to work with than steel and the XP product requires significantly fewer parts.

Team XP consists of veterans from both Silicon Valley and the car industry, including pioneers of the first electric vehicle and such American classics as the Ford Mustang and Chevy Corvette and the EVI. Design and Factory facilities will be performed through multiple partners in underutilized facilities across multiple states.

Our initial vehicles include a four passenger sedan and a two passenger sports coupe targeted to capture part of the market for hybrid/electric vehicles. This market is expected to reach \$15 billion this year, led by the Toyota Prius, and growing at over 12% per year. We want to recapture some of this market for America. We expect to be in commercial production by 2011.

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