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Executive Summary

Energy Independence is in the Air!

The Self Powered Systems™ the firm is bringing to market, include a revolutionary, patent pending, technology, which converts ambient heat into electricity. This non-magnetic breakthrough has the potential to go to production in the near future. The system has proven capability to recharge batteries from heat extracted from the air; an alternative to the need to plug-in. This technology can give electric cars unlimited range, as well as turn them into power plants.

MPI is also developing breakthrough magnetic energy technologies including **POWERGENIE™** (*Power Generation of Electricity by Nondestructive Interference of Energy)*. Based upon proprietary discoveries in MPI's labs, generators are being designed that operate continuously, without fuel, extracting electricity by converting an abundant, renewable, extremely dense, energy source that has never before been commercialized. The process will create no pollution. Variations will provide a permanent power supply that can eventually replace the need for batteries of all sizes. Conventional power costs are rising. The cost of electricity from these technologies promises to be less than any competing form of power generation today, or in the foreseeable future.

"Now here is the good news. Any policy that causes the expected future oil price to fall can cause the current price to fall, or to rise less than it would otherwise do. In other words, it is possible to bring down today's price of oil with policies that will have their physical impact on oil demand or supply only in the future.

Any steps that can be taken now to ... reduce the future demand for oil in the U.S. or elsewhere, can ... lead both to lower prices... today."

Martin Feldstein, chairman of the Council of Economic Advisers under President Reagan, is a professor at Harvard. These extracts are from his article: We Can Lower Oil Prices Now. The Wall Street Journal, July 1st, 2008

These technologies will be scaled to a wide range of applications. These include the relatively small power needs of consumer devices. They can turn future cars into decentralized power plants. Fabrication of these remarkable generators can readily be achieved worldwide.

A Sample Range of Applications

Application	*Output*
Consumer devices - cell phones, laptop computers, etc.	**A few watts**
Portable and emergency generators	**1kW (Kilowatt)**
Homes	**4 or more kW**
Automotive Vehicle propulsion	**50 kW and more**
Maritime propulsion	**500 kW and more**
Aerospace industry and central power plants	**1 mW (Megawatt and more)**

Prototypes of the non-magnetic system have been in operation for more that one year and successfully run an electric car for more than 4,800 miles with no need to plug-in. Since conversion of heat from ambient air is inconsistent with the conventional comprehension of relevant physics, those concerned might find the following article by Dudley of interest:

http://www.execonn.com/maxwell/maxwells_demon.html

Magnetic system prototypes are currently being developed in the laboratories. A breakthrough proof-of-concept **POWERGENIE** example has been evaluated by Lee Felsenstein, EE (see brief bio below). He felt it was analogous to the early work on the transistor, which eventually led to a Nobel Prize and the creation of Silicon Valley. Patent applications are pending.

With future cars able to become power plants when parked, the commercial potential of these technologies is huge, with applications throughout the roughly $6 trillion worldwide market for energy, as well as a revived domestic automotive industry. The Company forecasts rapidly growing revenues and profits, with sales beginning in 2008. Positive impacts on global social, economic, and environmental conditions are anticipated.

As we establish the commercial viability of these revolutionary energy conversion systems, MPI will implement a global partnering, patenting and licensing strategy to catalyze worldwide adoption of the technology. This strategy maximizes chances of ongoing success by:

1) generating early contract revenues and investment through key strategic alliances;
2) protecting MPI's proprietary technology with a formidable patent portfolio;
3) building a foundation to support worldwide market adoption of MPI technology.

Revenues from licenses and Joint Ventures are conservatively projected to exceed $1 billion annually by 2012.
2008: $25 million; **2009:** $100 million; **2010:** $300 million; **2011:** $600 million, **2012:** $1 b.

A Brief Overview

Conventional wisdom suggests we will be dependent on oil, gas, coal and nuclear power for the foreseeable future. Alternative energy sources are thought to be limited to solar, wind, fuel cells, biofuels, and other solutions with little chance of rapidly replacing conventional and uranium fuels. However, far more vital approaches to energy conversion have begun to emerge. We believe they hold the promise of cost competitive electric power and automotive propulsion. These systems generate electricity, consume no fuel in the traditional sense and produce no pollution.

Scientists have long been aware the earth is immersed in an extremely dense sea of energy that permeates every nook and cranny of the universe. For many years, only visionaries like Nikola Tesla recognized this huge reservoir could be a source of usable energy. Tesla, the genius who gave birth to alternating current, said in a talk to electrical engineers in 1891: "Ere many generations pass, our machinery will be driven by a power obtainable at any point in the universe. …Throughout space there is energy." A growing number of scientists and engineers consider it possible to tap energy from space for practical use.

MPI engineers have determined that our experiments lead directly to practical, cost-effective, technology. The question of where this energy comes from may be debated for some years. It may eventually be agreed by scientists to be the quantum vacuum, also known as the Zero Point Field. The non-magnetic devices convert ambient heat. The quantum vacuum may also be involved.

A recent U.S. Patent, No. 7,379,286, not directly connected to the work of MPI, is entitled: Quantum Vacuum Energy Extraction. It provides a comprehensive discussion of the Zero Point Field. Extracts can be found at ZPEnergy.com

MPI's proprietary technology extracts electricity by utilizing unique inventions. The non-magnetic

systems reflect a remarkable breakthrough. Where magnetics are involved, Nobel physicist Werner Heisenberg once said: “We could utilize magnetism as an energy source”. A magnetic device was built by Wesley Gary in 1874. It was shown to Harvard and MIT professors. Hans Coler, a German inventor supported by Hitler’s navy, demonstrated a working 6 Kilowatt, solid-state, magnetic "space energy receiver” in 1937. The Allies bombed his lab during WWII. At the time, there was no comprehension as to the source of the energy. Coler wrote: “These fundamental researches…have made the first real and large breach in the citadel of present scientific belief.”

The non-magnetic work reflects more than 25 years of experience in the science and technology concerned by a Ph.D. scientist. It has powered a cell-phone; extended the range of a golf cart about 120 miles; and recharged batteries running a 204 hp electric outboard motor in a test tank at full throttle for more than a week. The batteries retained more than 80% of full charge.

MPI has a team of outstanding engineers developing pre-commercial magnetic generators, leading to the development of **POWERGENIE** as well as magnetic Demonstration Devices and toys. Low power pre-production prototypes are anticipated during 2008. 1 kW Modules will follow. Magnetic modules can be combined for greater power output, in a manner analogous to solar cells

This work heralds the beginning of a profound transition in the global economy and the quality of life on earth. Great numbers of new jobs will emerge. Energy independence is likely to be realized by all countries, large and small, rich and poor. Reversing the rising prices of gas and oil, as well as reducing air pollution -- and slowing what is becoming extremely dangerous global warming, is inherent in the achievement. MPI management believes these are likely to be near-term events.

A Brief History of MPI

In recent decades, the search for clean, commercially viable sources of energy has been the goal of many inventors, scientists and visionaries, including MPI founder, CEO and Chairman, Mark Goldes.

In 1984, a magnetic system that seemed promising came to his attention and MPI began that year. The firm was incorporated in 1987, to acquire and commercialize breakthrough technologies for electricity generation and distribution. MPI engineers and scientists have closely scrutinized many technologies and devices claiming such advances. From the hundreds examined in this rigorous process, only three have so far survived to become key technologies: **non-magnetic** ambient heat to electric devices and **magnetic devices** briefly described above, and superconducting polymers the Company calls **Ultraconductors™**, a product being developed in an MPI subsidiary company called RTS (Room Temperature Superconductors, Inc.). As the emergence of commercially practical energy technology in the parent has ended the need for RTS to be a separate firm, it will soon become a Division of MPI.

Ultraconductors are the commercial equivalent of a room temperature superconductor. They result from more than twenty years of published, peer reviewed, scientific research, including fifteen years of development. *Scientific American* has said the development of such a superconductor would “surely initiate a second industrial revolution.” Potential markets are estimated in multiple billions of dollars.

In 1995, MPI was awarded a Phase I, Small Business Innovation Research (SBIR) contract by the U.S. Air Force to identify early commercial applications of Ultraconductors. Following Ultraconductor tests by the USAF, a highly competitive Phase II SBIR contract was awarded to

MPI. The two MPI contracts — and two additional SBIR awards which went to RTS – were completed by the RTS scientific team. Ultraconductors have been independently reproduced and tested in the U.S. by Fractal Systems Inc., under a USAF contract.

A current Executive Summary for RTS, along with a soon to be updated business plan in a password protected area, can be found on the website: www.ultraconductors.com MPI and RTS technologies are highly synergistic.

Some Key MPI People

Mark Goldes - Chairman and CEO – Founded the non-profit Aesop Institute and began full-time work to uncover alternatives to fossil and uranium fuels in 1973. Earlier he served as Chairman and CEO of the Aesop Company, a specialized financial consulting firm, and later founded SunWind Ltd., a renewable energy company, as the first Institute commercial affiliate. MPI was the second commercial firm to be born as an Institute affiliate. Mr. Goldes is also Co-Founder, Chairman and CEO of Room Temperature Superconductors Inc., MPI's subsidiary. A Biography can be found on the MPI website.

Sue Engle - Corporate Secretary & Project Manager - After a decade of Backstage Management in music, film and television in her native Britain, Europe, and later N.Y. and L.A., Ms. Engle performed Project Management and Product Development with The Children's Group's several major children's toy catalogs. In 1993, she began overseeing manufacturing in Asia, including development of products from early design stage to final shipment. She also inspected factories for compliance with decent worker and environmental practices and materials sourcing. In 1999, she established her own company, Marble Hill, focusing on product development and manufacturing in Asia, working with individuals and existing domestic companies.

Lee Felsenstein – Electrical Engineering Consultant - Earned his BSEE at UC Berkeley. His first employment was with Ampex. Lee was the Moderator for the Homebrew Computer Club in Silicon Valley, for more than a decade. Twenty three companies were begun by members. They included Steve Wozniak and Steve Jobs, who co-founded Apple. From 1992 to 2000, he was a Senior Associate with Interval Research, a Palo Alto, California, computer lab funded by Paul Allen, designed to help create and support future computing technologies. Lee earlier designed two computers that now reside in the Smithsonian Institution. He received the Electronic Frontier Foundation Pioneer Award in 1994 and was inducted into the Computer Museum of America Hall of Fame in 1998. On April 3rd, 2007, Lee received the Editor's Choice ACE Award by Electronic Engineering Times magazine. In this short video interview, he talks about our breakthrough (without mentioning MPI, which has permission to use the clip below). http://video.yahoo.com/video/play?vid=379134&fr=yvmtf

Dr. Kevin Shambrook – Scientific Consultant – Dr. Shambrook was previously a Senior Project Manager with Hughes Aircraft Co. and a Vice President at Doric Scientific Inc. His work experience spans 30 years and includes the management of diverse engineering and manufacturing projects, corporate planning, and new product introductions. Dr. Shambrook earned his Ph.D. at UCLA. For fourteen years he served as President, Chief Scientist, and co-founder of MPI's subsidiary company, Room Temperature Superconductors Inc.

Funding Status

MPI and RTS together have raised a total of more than $8 million in capital provided by private Angels. $5 million of that sum was invested in RTS, including $4 million directly and another $1 million indirectly through MPI, the parent company. An additional $600,000 was provided by the four completed U.S. government contracts related to Ultraconductors.