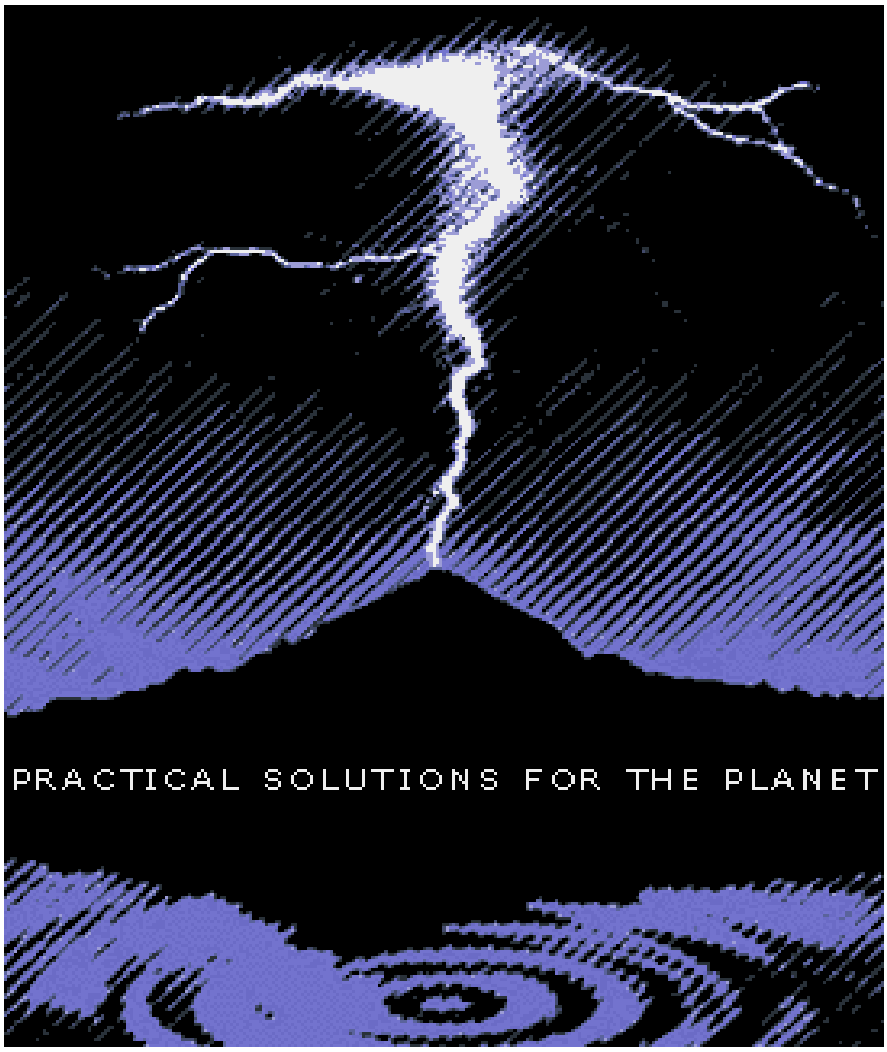
Strategic Plan

P O W E R T E C H N O L O G Y I N C .



June 30, 2005

Disclaimer

This Business Plan has been prepared by Power Technology Inc. ("PWTC" or the "Company") solely for information purposes. The information contained herein has been prepared to assist interested parties in making their own evaluation of the Company's business and does not contain all of the information that a prospective investor may require.

The Company has filed with the United States Securities Exchange Commission reports required by law. These reports are available on line at

http://freerealtime.brand.edgar-online.com/default.aspx?date=1994&sym=pwtc&qt=1&

The Company's most recent annual report, Form 10-KSB is available at:

http://freerealtime.brand.edgar-online.com/fetchFilingFrameset.aspx?FilingID=3711219&Type=HTML

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FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections about our industry, our beliefs and our assumptions. Words such as "anticipates", "intends", "plans", "will", "believes", "seeks", and "estimates", and variations of these words and similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed, implied or forecasted in the forward-looking statements. Such statements and estimates reflect various assumptions made by management of PWTC and their advisors concerning anticipated results and market conditions, which assumptions may or may not prove to be correct. No representation is made as to the accuracy of such statements and estimates.

In addition, the forward-looking events discussed in this Document might not occur. These risks and uncertainties include, among others, those described in "Risk Factors" and elsewhere in the Company's current Form 10-KSB. You are cautioned not to place under reliance on these forward-looking statements, which reflect our management's view only as of the date of this Document. Except as required by law, the Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. The reader is cautioned not to place undue reliance on any such statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties, including but not limited to our history of losses, our limited operating history, our need for additional financing, rapid technological change, and an uncertain market, that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the factors described in the Company's most recent annual report, Form 10-KSB. The Company undertakes no obligation to release publicly revisions made to any forward-looking statements to reflect events or circumstances occurring after the date of such statements. All written and oral forward-looking statements made after the date of this Document or attributable to us or persons acting on our behalf are expressly qualified in their entirety by this discussion.

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Executive Summary

Batteries

The primary business of the Company has been to develop improved technology for batteries to be used in electric vehicles, hybrid powered vehicles, solar power systems, electric motorcycles, electric bicycles, electric wheelchairs, electric power management, uninterruptible power supply systems, automobiles, aircraft, marine and submarine craft. The Company's battery technology has passed from the "proof of principle" stage. The Company has manufactured preliminary prototype batteries.

The goal of the Company has been the development of batteries that (i) are smaller and lighter than conventional batteries which produce the same electrical capacity, (ii) have a higher specific energy density, (iii) have a higher energy efficiency, (iv) have a quicker recharge rate, (v) will be more cost effective, and (vi) will be more environmentally friendly.

Breakthrough Design increases Battery Energy Density

PWTC has developed a superior battery with a unique reticulated vitreous carbon foam current collector structure, which increases the electrochemically active surface area within the battery 400 per cent, is light weight, produces more amp hours of energy and recharges very quickly. Conventional lead-acid batteries typically use lead molded into a grid pattern as a current collector. The surface area of a conventional lead current collector is approximately 4.6 cm(2) per cm(3) The Company's battery employs a high specific surface area, 18 cm(2) per cm(3), open-cell, reticulated vitreous carbon electrode structure coated with a lead-tin alloy to advance the reliable lead-acid chemistries to new performance levels by significantly increasing the utilization efficiency of PAM.

Because the capability of a battery is directly related to the surface area of its current collectors which are in contact with paste, their capability is usually enhanced by sculpting their surfaces to increase and open up their surface areas. The Company's technology further increases the surface areas of the plates without compromising their strength or resistance to vibration, erosion and loss of material. The Company's technology also increases the energy density for both the weight and size of the battery. The size of the Company's battery is significantly reduced compared to a traditional lead-acid battery of the same amp-hour capacity.

The Company's preliminary prototype batteries were independently tested by B C Research, Inc of Vancouver Canada, by the Long-Yuan Shuang-Deng battery company of China and by the Catella Generics Centre of Battery Technology ("Catella') in Sweden.

The test report from Long-Yuan Shuang-Deng battery manufacture states that the positive active material utilization efficiency of the Company battery was 63% as compared to the conventional lead acid battery's 35%.

The Catella report concluded that the Company's battery gives improved properties to lead-acid batteries. Catella's report says:

"The electrochemical utilization of the paste mass is considerably improved with the reticulated structure plates in lead-acid batteries. We have recorded an increase in the area specific capacity withdrawn by about

90 % in the current range 3 to 100 mA/cm(2). The plate weight is lower, by 20-25% for the positive and 45-50% for the negative, and the area larger, by about 30% for the positive as well as the negative, for the conventional plates used for comparison."

The following table shows part of the data summary in Catella test report. The test was to compare the performance of the Company's reticulated plates and conventional lead-acid battery grids. The test was carried out with single two volt cell arrangement which comprising two negative plates and one positive. Single cell testing is a common practice used by battery manufactures in the research stage for concept proofing and prototype testing.

	the Company Battery	Conventional Lead-Acid Battery
Cut Off Voltage (V)	1.75	1.75
Capacity (Ah) Amp hours	21.7	12.5
PAM Efficiency (%)	67	38

Battery Advantages

The Company's proprietary reticulated-structure battery has been independently proven to provide performance characteristics (most notably, high specific energy density) that are suitable to pure electric vehicles. The Company believes its lead-acid battery technology has the following advantages over conventional lead acid battery:

1. The reticulated grid offers up to four times higher effective surface area per unit volume as compared to a typical molded lead current collector grid used in conventional lead-acid batteries as shown in the following comparison photo. The higher surface area and the shortened distance between the Company's current collector wires and the active material particles, generate a higher utilization efficiency of the active material which is a key parameter for the improvement of the lead-acid battery.

2. The weight per unit volume of the reticulated grid, depending on the lead-alloy coating thickness, can be as much as two to four times lower than for a conventional grid. Thus, significant savings in battery

weight can be achieved. As a result of that, weight saving of the Company's battery plates for equivalent power delivered is 40% to 50% lighter than a conventional lead-acid battery. Fewer and lighter plates mean the Company battery is 30% to 50% smaller and lighter, compared to a regular lead-acid battery.

3. An increase of the active material utilization efficiency improves the specific energy. In electric vehicles the specific energy is directly correlated with the driving range. As a rule of thumb, a 50% improvement in specific energy increases the driving range of an electric vehicle by about 74%.

4. The reticulated structure increased the utilization efficiency by up to 65%. This increase coupled with the weight reduction, resulted in a specific energy increase of up to 60% versus a conventional lead-acid battery equipped with book-mould grid.

5. The cycle life of the Company reticulated battery was tested with deep cycle discharge protocol. Cycling results at a one-hour discharge rate showed the battery last 700 cycles before the battery could not be recharged to 80% of the rated specific capacity.

6. The amount to time required to fully recharge Company battery is significantly less than conventional lead acid battery. AccelRate Power Systems Inc., formerly Key Capital Group, (www.keycapital.net) manufactures battery chargers and tested the Company prototype. AccelRatre reported that with its battery charger, the Company's battery can be fully recharged in 2.5 hours compared to a conventional lead-acid battery that takes 6-8 hours. AcceRate's test report also shows there is insignificant temperature rise when charging as compared to a conventional lead-acid battery whose temperature rise under charge is significant.

The Company is unaware of any competitor which uses technology similar to its own for current collectors in lead acid batteries.

Ready for Commercialization

Pilot Plant Design

The Company has manufactured preliminary prototype batteries using methods that would not be suitable for commercial production. The Company intends to design and construct a pilot plant capable of manufacturing the Company's current collectors in commercial quantities for use in lead acid batteries. The manufacturing process will include manufacturing the reticulated vitreous carbon foam plates, casting a top frame and tab on the individual reticulated vitreous carbon foam plates, depositing the lead tin alloy on the reticulated vitreous carbon foam plate by electroplating, and casting side and bottom frames on the individual reticulated vitreous carbon foam plates. Once this process has been completed, the individual plate is suitable for use as a current collector. The battery paste is then applied to the current collectors, which then undergo a curing and assembling process. The manufacturing process and machinery necessary for pasting, curing and insertion of the Company's current collector into a battery case and completing the manufacturing of the Company's battery is substantially similar to existing processes, methods, and machinery commonly used in the manufacture of a typical lead acid battery.

The Company has engaged in discussion, planning, and negotiations with an engineering firm which specializes in manufacturing reticulated vitreous carbon foam and other advanced materials. This firm has provided the Company with a written proposal to provide the Company with the equipment, materials, and processes to manufacture reticulated vitreous carbon foam plates suitable for current collectors. Wirtz Manufacturing Company, Inc., a company which designs and builds equipment used in the manufacturing of

lead-acid batteries, has built the Company a prototype mold assembly machine to cast the top frame and tab onto the uncoated reticulated vitreous carbon electrode plates. The Company has engaged in discussion, planning, and negotiations with engineering and manufacturing firms which specializes in designing and manufacturing electroplating equipment. These firms have provided the Company with written proposals to construct various machines and systems for lead-tin electroplating of its reticulated vitreous carbon foam plates.

Reticulated vitreous carbon current collectors are more expensive and time consuming to manufacture than are current collectors manufactured by pouring molten lead into a grid patterns. The Company's battery will be more expensive to manufacture and its purchase price will be more than a traditional lead acid battery.

Preliminary testing by the Company indicates that various configurations of the battery meet or exceed some of the performance goals established by major governmental and industry groups for electric vehicle batteries. Its discussions with various manufacturers lead the Company to believe that there would be a significant demand for its battery, when it can be manufactures economically on a commercial scale. The Company also believes its battery has a number of applications such as electric vehicles, hybrid powered vehicles, solar power systems, electric motorcycles, electric bicycles, electric power management, uninterruptible power supply systems, aircraft, marine, and submarine craft and for starting batteries for automobiles. The Company is designing various prototype batteries for such applications.

Prototype Batteries

The Company has manufactured preliminary prototype batteries using methods that would not be suitable for commercial production. The Company is preparing to produce prototype versions of its battery that will be built in a variety of configurations using methods that the company anticipates will be practical for economically manufacturing batteries on a commercial scale. The Company has entered into an agreement with ERG Materials and Aerospace Corporation to provide the Company with 5000 reticulated vitreous carbon electrode plates for use as current collectors in the manufacture of prototype batteries and the Company has taken delivery of 1000 reticulated vitreous carbon electrode plates and an additional 500 reticulated vitreous carbon plates have been manufactured and are ready to be shipped to the Company. The number of reticulated vitreous carbon electrode plates used as current collectors in a single battery will vary depending on the type, size and amp hour capacity of a battery. The Company has entered into an agreement with Wirtz Manufacturing Company, Inc. to build a prototype mold assembly to cast the top frame and tab onto the uncoated reticulated vitreous carbon electrode plates. Wirtz Manufacturing Company, Inc. has built the prototype mold assembly machine and successfully cast the top frame and tab on uncoated reticulated vitreous carbon electrode plates. The top frame and tab must be cast on the reticulated vitreous carbon electrode plates before the lead tin alloy can be deposited on them by the electroplating process. The Company is negotiating with various companies to deposit the lead-tin alloy on the reticulated vitreous carbon electrode plates by the electroplating process. The Company has received proposals from two separate equipment manufacturers to provide the Company with automated lead tin alloy plating lines capable performing the electroplating process. Wirtz Manufacturing Company, Inc. has provided the Company with a written proposal to build a prototype frame assembly machine to cast the side and bottom frames onto the reticulated vitreous carbon electrode plates once the lead tin alloy has been applied. Based on its investigation of existing battery current collector pasting machines, and discussions with equipment manufactures and battery manufacturers, the Company believes that it will be able to use existing pasting machines, with some modifications on paste density, to apply battery paste to its current collectors. Further engineering is necessary before the prototype batteries can be manufactured. The Company is in the process of determining the most economical and practical method of manufacturing prototype batteries for industry evaluation

pending the completion of the design and construction its pilot plant. The Company has had discussions and negotiations with and proposals from various firms it believes are capable of electroplating the reticulated vitreous carbon electrode plates that have been and are being manufactured by ERG Materials and Aerospace Corporation. The Company is awaiting receipt of additional electroplating proposals to provide the electroplating before it decides how many prototype batteries it will produce and when it will produce them. Once the Company has manufactured and pasted its current collectors, the Company intends to employ an established battery maker to complete the manufacturing of its prototype batteries.

Technology is Patent Protected

The Company's success is dependent upon proprietary technology. The Company will rely primarily on a combination of patents, trade secrets, confidentiality procedures and contractual provisions with its employees, consultants and business partners and in its license agreements to protect its proprietary rights. In addition to its patents, the Company seeks to protect its products, documentation and other written materials under trade secret and copyright laws, which afford only limited protection. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to reverse engineer or otherwise copy aspects of the Company's products or to obtain and use information that the Company regards as proprietary. While the Company is not aware that any of its products infringe upon the proprietary rights of third parties, there can be no assurance that third parties will not claim infringement by the Company with respect to current or future products. The Company owns the rights to U.S. Patent 6,060,198, which is titled "Electrochemical Battery Structure and Method." Patent 6,060,198 was filed on May 29, 1998, was issued on May 9, 2000 and provides patent protection until May 28, 2018. This patent covers the basic invention of a metal battery plate comprised of rigid elongated tendrils that form a conductive structure with substantial additional surface area that is exposed to a battery. Thus, battery performance is markedly improved since a battery's capacity to deliver electrical current is a straight-line function of the amount of plate surface area in contact with the battery paste. The Company also owns the rights to national patent applications deriving from International Patent Application Number PCT/US02/30607 filed September 25, 2002 at the World Intellectual Property Organization under the Patent Cooperation Treaty, titled Current Collector Structure and Methods to Improve the Performance of a Lead-Acid Battery. This patent application offers improved battery technology by disclosing a vitreous carbon substrate coated with a metallic alloy as a substitute for the porous metal battery plate, thereby reducing a battery's weight and improving its cycle life. The Company has filed patent applications on the technology in strategic locations that include the United States, Canada, Japan, China, and Australia and has also filed a European regional patent application for the same technology. In addition, the Company owns the rights to U.S. Patent Application Serial Number 11/048,104 titled Method of Manufacture of a Battery and Current Collector, which covers an improved process of manufacturing a battery with a vitreous carbon substrate.

COMPANY

GENERAL

The Company is fully reporting, public owned company and it files reports required by law with the United States Securities Exchange Commission. The common stock of the Company is traded on the NASD Electronic Bulletin Board over-the-counter market, and is quoted under the symbol "PWTC". The Company has filed with the United States Securities Exchange Commission reports required by law. These reports are available on line at

http://freerealtime.brand.edgar-online.com/default.aspx?date=1994&sym=pwtc&qt=1&

Common Stock

The Company's Articles of Incorporation authorize 750,000,000 shares of Common Stock, $.001 par value. As of January 31, 2005, the Company had 125,880,201 shares of common stock, $.001 par value, that were issued and outstanding, which were held by 145 stockholders of record.

Registrar and Transfer Agent

The registrar and transfer agent of the Company is Pacific Stock Transfer Company, P.O. Box 93385, Las Vegas, Nevada 89193; telephone (702) 361-3033.

Certified Public Accountants

The certified public accountants of the Company are Malone & Bailey, PC, 2925 Briarpark, Suite 930, Houston, TX 77042 (713) 266-0530.

Attorneys

The Company’s General Counsel and SEC Securities Counsel is Stephen Zrenda, Esq., 100 N. Broadway, Suite 2440, Oklahoma City, OK, 73102 (405) 235-2111.

Strategic Vision

Our world faces two challenges related to renewable portable electrical power. The first is in transportation in which lightweight, high energy density electrical storage systems are not cost effective for mass use and face years of development. Without a cost-effective solution to mobile (or portable) energy devices, it will be difficult for electricity to meet most of the world’s ground and air transportation needs. The second challenge arises when the electricity is generated from certain solar-electric generators, such as PV cells, or wind machines. Such electricity is, by nature, intermittent and available only when the sun shines or the wind blows.

PWTC's advanced battery technology is a leading candidate to solve both of these problems. It provides convenient and affordable energy storage, which can be inexpensively converted to electricity.

Mission

It is our mission to create environmentally friendly, inexpensive power sources for use by industry and individuals, including the creation of the ultimate battery, characterized by superior power, higher capacity, lighter weight, and minimal acid and lead content – for a range of automotive, aerospace, power storage and other industrial and personal applications.

Power Technology is driven to create alliances with large battery manufacturers and other companies with power related products, to enable its superior battery technology to be developed, produced and marketed globally, with the end result of revolutionizing the electric vehicle and local power storage markets and vastly reducing air pollution around the world.

Business Strategy

The Company's goal is to become the world's leading development company for breakthroughs in power generation and energy storage, with an initial focus in lead acid batteries. These batteries will be used to supply power for stationary power and power quality applications as well as for the transportation market, especially in electric and hybrid vehicles, in an economic, reliable and environmentally beneficial manner.

The following are the key elements of the Company's strategy to achieve this objective:

Capital

The Company entered into material agreements with Cornell Capital Partners, L.P. ("Cornell") to provide capital to finance its business plans. On May 10, 2005, the Company entered into a Standby Equity Distribution Agreement (the "SEDA") with Cornell, which entitles the Company to issue and sell its common stock to Cornell up to an aggregate of $5,000,000 from time to time during a certain period beginning on the effective date of a registration statement contemplated by the SEDA. Before the Company may issue and sell its common stock to Cornell, the Company must have an effective registration statement on file with the SEC registering the resale of the shares of common stock that may be issued and sold to Cornell. Once the registration statement is effective, upon written notice from the Company, Cornell is committed to purchase common stock of the Company at a purchase price equal to 97% of the then current market price. Market price is defined to mean the lowest closing bid price for the common stock during a pricing period beginning on the date following the notice from the Company and ending on the fifth consecutive trading day thereafter. The Company anticipates that the registration statement will be filed with the SEC by July 10, 2005; however, the Company can not predict when the registration statement may become effective.

Establish Strategic Partners

The Company will continue to seek high profile, reputable strategic partners who provide manufacturing, sales and distribution. PWTC's strategic partners will be selected on the basis that they will be proactive in serving their market as well as identify new applications for the Power Technology battery. It is envisaged

that PWTC's group of strategic investors will be made up of smaller niche players, that will make advanced battery systems to meet specific end user requirements, as well as large and diverse entities that will manufacture and sell advanced battery applications on a global basis and across the various mass markets that develop for this technology. In this way PWTC encourages adaptations of the Power Technology battery technology for new products and systems, leveraging the investment and motivation of the strategic partners, thereby penetrating a wide market base in a shorter time. PWTC's ultimate aim is to focus solely on supplying this sales generating client base with a proven, reliable, tested, and warranted and rapidly evolving advanced battery that will be employed in their applications. PWTC will concentrate on the development and manufacturing of their battery technology, thereby optimizing the technology while the strategic partners use their skills to develop applications, sales and markets for the technology. This creates a virtuous circle where an expanding market is supplied with a constantly improving product thereby increasing demand.

Recognizing the size and the diversity of the potential market, over the course of the past year PWTC has developed relationships with a number of commercial firms, which operate in PWTC's target markets, supplying different products to the end-user. Strategic partners are expected to enable a rapid growth and availability of Power Technology battery and bring about the international market penetration of the Company's battery products. Power Technology, Inc. will form industry alliances with commercial battery manufacturers to deliver its battery to the marketplace efficiently, without the cost of developing its own factories and marketing connections.

Power Technology, Inc. will organize alliances with producers of electric vehicles, aircraft, water craft, trains and heavy trucks to test this product in all types of conditions and prove its superiority to industry and the public. There is also a tremendous market application for electric bicycles, particularly in China.

Outsource manufacturing

The goal for PWTC is to position itself with a group of reputable manufacturing partners around the world. The Company will target manufacturers whose products are distributed through segmented distribution channels, and continue to obtain consolidation at the distribution level in order to enhance the manufacturer's presentation in communities where these products are being distributed.

In the Company's opinion, the limitation on growth and the restriction placed on the successful implementation of the PWTC's marketing effort will be determined by the Company's ability to manufacture sufficient quantities of batteries. Due to the unique design of its proprietary "foam" grid, PWTC's batteries are capable of being produced by an industrial manufacturing process unlike other batteries, which require excessive labor and handling. The process is also more environmentally friendly.

Raise Awareness of New Battery Technology

The Company retained TVA Productions to develop and launch a national media campaign that will focus on building awareness for Power Technology and the Company's unique battery technology. TVA, located in Studio City, California (http://www.tvaproductions.com), has a sixteen-year history of providing cost-efficient and effective media packages for Fortune 500 companies, national brands, major advertising agencies, emerging companies and newly launched products with customers including Lexus, Sony, Textron, Vivendi Universal, Westinghouse, Ogilvy, and Hill & Knowlton. TVA team members have won over 40 Golden Mike, Addy, Emmy, Clio, Telly and Aegis awards. TVA has guaranteed Power Technology a minimum of 24 live or pre-recorded nationally televised interviews during the course of the eight month contract.

Under this program, TVA will assist Power Technology in expanding the awareness of PWTC within the business community and to the general public both nationally and internationally. TVA will also focus on building name brand awareness in the business community for Battery Technology and the patented Power Technology intellectual property assets for green “low lead content” batteries. The "media branding" program is designed to build brand awareness with the public and business community by mass dissemination of information on TV, print, radio and the Internet.

TVA guarantees a minimum of 22,000 editorial placements, 100,000 eBroadcasts, and 2,000 Internet Video Streams, all generating an estimated 43 million viewer impressions. The program includes a broadcast-quality 90-second narrated Video News Release, followed by up to 13 minutes of B-Roll and Sound Bites, distributed via satellite and Beta Broadcast Masters for inclusion on national and local news programs and talk shows. Also included is a 2-8 minute segment designed for national TV newsmagazines such as "Business World News", "Entertainment World News", numerous Consumer periodicals and ``BTV – Business Television". To target radio audiences, a 30-60 second Radio News Release will be professionally recorded and distributed in script form and on CD to 6,600 radio stations for use on regular news, music and talk shows.

TVA has written the script for the one half hour TV Special. More than half of the filming of the special has been achieved. After the production and filming of the special on location, post production editing, graphics, narration, music, studio mixing and duplication of broadcast masters will be performed, followed by distribution of the program for broadcasting. It is anticipated that the media campaign will begin airing by August 15, 2005.

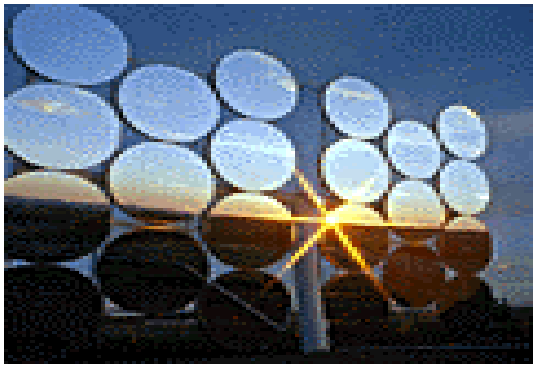
Develop initial markets

PWTC’s strategy involves developing the individual markets for defined battery applications. In choosing its initial markets, PWTC has identified areas where it believes it can demonstrate a commercial advantage for the use of its batteries. The Company is undertaking R&D activities to customize its product for different “generic” market sectors. While the core technology will remain the same, products will reflect the specific needs of each market. Accordingly, in order to exploit its target markets, it has formed and will continue to form non-exclusive strategic relationships with its customers. In the market development phase, customers of PWTC are expected to be those who develop the end-use applications. These strategic partners include electrical utilities, vehicle engineers or naval architects, amongst other specialist engineering companies.

Aggressively Pursue Global Opportunities

PWTC has initiated strategic relationships in China, the Far East, and the Company in North America. The US market has a large market-base, major industrial infrastructure, a large number of potential customers and a relatively skilled labor force. The Company also believes that in North America (and Europe), political pressure for current and planned legislation should encourage the use of clean alternative power.

Wind energy is a source of intermittent energy for batteries. The Power Technology battery provides an advanced energy storage capability for efficient charging and discharging.



Solar energy systems need battery backup as well as offer intermittent energy for charging batteries.

Market

Total Market for Energy Storage Devices

The energy storage market is driven by energy generation. Exciting growth in energy generation is projected to be at least $1 trillion of new electricity-generating capacity will be purchased globally during the period 1997- 2010. Renewable energy technology exports in the United States already exceed $350 million per year. Such generating technologies will be vital to developing nations such as China and India, where energy demand is rising at 10% a year, but where the environmental impact of power production is of great concern.[1]

The markets for advanced energy storage devices in the U.S. are projected to be US$130 billion by 2010. World markets can be emanated to be approximately four times the US market, totaling US$520 billion by 2010. [2]

Table 1 U.S. Energy Storage Market Size and Growth[3]

U.S. ENERGY STORAGE MARKET SIZE AND GROWTH		
Year	**Market Size**	**Annual Market Growth**
1999	$79Billion	
2000	$85Billion	7.6%
2001	$90Billion	5.9%
2005	$108Billion	5.0%
2010	$130Billion	4.1%

[1, 2,3 Sources] *include the Electric Power Research Institute (EPRI) and US Department of Energy*

Battery Market

The potential market for the new Power Technology battery could be any application that utilizes the conventional lead-acid technology. Since the mid-1800's, the lead-acid battery, consisting of six or twelve cells connected in series, has been widely used in cars, trucks, airplanes, and marine. The chief advantage of the traditional lead-acid battery is that it is able to deliver a strong current for starting engines. However, it has the major disadvantage of running down quickly. The current target market for Power Technology's battery will be the new environmentally friendly electric car. Within the entire battery market, the lead-acid market is currently the most interesting, as its many different niches develop in a number of ways. This market was expected to reach $5.8 billion in 2003, making it the largest single battery chemistry in the United States. Some of its uses include starting automobiles, powering electric trucks, and backing up various stationary applications.

Power Technology Inc.'s Target Markets

Some of the key markets that offer tremendous potential for the Power Technology advanced battery technology are listed below. Although there are several applications that offer exciting growth opportunities for the Power Technology battery, the Company has determined that the following market segments will be priorities and the subject of focus for the short term:

Transportation – Cars, Trucks, Buses, Off-road Vehicles, Construction Vehicles, Boats,

Hybrid Vehicles

Electric Vehicles

Electric Bicycles & Scooters

Motive - Wheelchairs, Lift trucks, People Movers, Golf Carts, Fork Lifts

Stationary (Power Quality) - Uninterruptible power supplies, Telecommunications equipment

Transportation Market

Transportation batteries include batteries for cars, trucks, off-road vehicles, agricultural and construction vehicles, motorcycles, recreational vehicles, boats, and other similar applications. The market is divided between sales to original equipment manufacturers and aftermarket sales. The North American transportation battery market experienced significant consolidation in the early 1990s, resulting in five principal battery manufacturers: Exide, US Battery, Alco, Deka, and GNB. (Exide is the largest producer of lead acid batteries in the world, with fiscal 2004 net sales of approximately $2.5 billion). In recent years, aggressive price competition has been the defining characteristic of this market. The aftermarket battery market in North America has a more concentrated customer base than the European battery market (it was fragmented until Exide purchased four automotive battery manufacturers beginning in 1994).

Aftermarket batteries are principally sold through retail automotive parts chains and mass merchandisers, car and truck dealers, and wholesale distributors who supply service stations, repair shops, automotive and farm-equipment dealers, and small retailers. There are also automotive-type transportation batteries for commercial applications, such as trucks, farm equipment, tractors and other off-road vehicles, as well as specialty batteries for marine and garden tractor applications. We believe the market for these specialty batteries is increasing faster than the market for conventional automotive batteries.

Demand for conventional automotive replacement batteries is influenced by the following principal factors: (1) the number of vehicles in use, (2) average battery life, (3) the average age of vehicles and their condition,

(4) seasonal weather conditions and (5) general population growth and economic conditions. The ratio of battery usage to vehicles in use has increased slightly in recent years, reflecting higher average miles of vehicle usage and an increasing number of vehicles used in warm climates. Aftermarket demand is more stable than the original equipment market since it is not affected by the cyclical nature of new vehicle demand. The replacement market is also larger in general than the original equipment segment, since automotive batteries tend to require replacement every three to five years. Aftermarket batteries are generally sold through a broad range of retailers and distributors (i.e. NAPA, Kmart, Pep Boys and CSK Inc.). Distribution of batteries for the aftermarket end up on the shelves of local auto parts retailers, service stations, repair shops, fleet operators, battery jobbers and other smaller volume customers.

Sales of automotive batteries in the European aftermarket are affected by the same major factors influencing the aftermarket in North America. In Europe, mass merchandisers are not yet as important as they are in North America, but they have gained market share in recent years. Also, buying groups representing smaller battery resellers have grown and begun to expand to cover multiple countries. Nonetheless, the European aftermarket is still much less concentrated than that in North America.

Hybrid Vehicles

One of the most promising markets for Power Technology, Inc is the likely rapid transformation of the auto industry to hybrid electric power train systems. The hybrid-electric power train is an electric vehicle which powered by battery, fuel cell, or capacitor, with an additional energy source, such as a small internal combustion engine. The engine increases the range of the vehicle compared to fully electric vehicles and also serves to recharge the vehicle's batteries.

This trend in the automotive industry provide the most attractive markets for Power Technology, Inc. because they will result in a high-volume market for our advanced battery system products where Power Technology, Inc. can truly differentiate itself. Hybrid-electric vehicles will result in unprecedented demand for battery systems with high-performance and moderate cost:

ADVANCED BATTERY GOALS FOR COMMERCIALIZATION		
Property	**Electric Vehicle Battery Targets***	**Hybrid Electric Vehicle Battery**
Calendar Life	10 Years	10 Years
Cycle Life	1,000 cycles c@ 80% DOD	200,000 cycles for 25 Wh pulses 50,000 cycles for 100 Wh pulses
Cost	<$150/kWh (75 $/kWh desired)	<$150/kWh (75 $/kWh desired)
Specific Energy	150 Wh/kg	75 Wh/kg
Energy Density	230 Wh/l	100 Wh/l
Specific Power	300 W/kg	750 W/kg
Power Density	460 *W/l*	1,000 *W/l*

*EV Battery Targets based on USABC Interim Commercialization Criteria for High Energy Batteries.

**HEV Battery Targets based on USABC High Power Energy Storage Requirements - Fast Response Engine (Power Assist Hybrid)

HEVs are fast becoming the focus of the performance battery industry because they threaten to displace conventional drive train systems in much the same way as electronic fuel injection systems and other industry wide technology shifts have done.

Electric Vehicles

Rechargeable batteries are one of the alternative power sources for new low emission electric vehicles (EV) Batteries used in electric vehicles require high performance but with reasonable cost. Power Technology's proprietary battery can fulfill this requirement by providing excellent performance characteristics (most notably, high specific energy density) while maintaining the application economically viable.

About 45 percent of the world's population currently lives in urban areas. By 2025, it is projected that more than 60 percent of the projected 8.5 billion people in the world will be living in cities—many of them in megacities with populations of 10 million or more. Together with economic development, growth in the world's urban areas has led to a dramatic increase in the number of motor vehicles over the past 25 years. In 1970, there were 246 million vehicles registered in the world, 44 percent of them in the United States. By 1992, the world had 614 million vehicles, two and a half times the number in 1970, with only 31 percent in this country. In fact, the global fleet has been growing linearly since 1970, with each year bringing an additional 16 million vehicles. Should this trend continue, there would be more than 1.1 billion vehicles in the world fleet by 2025.

Adoption of optimistic personal use EV market projections for the US would give projected world market estimates of US$ 7.0 billion by 2007. Current market figures for motive power batteries in personal use EVs in the US represent less than 0.5% of the total motive power battery market. However, this figure could grow to around 50% of the market by 2007 under the optimistic market scenario. The current release of several personal use EVs by the major international auto makers clearly indicates a growing expectation of increased market opportunities for EVs worldwide.

Solectria Sunrise

The EV industry is large and prosperous with $31.1 billion sales projected globally in 2005. In 2015 the EV market is projected to have grown 7.3 times to reach $227 billion. Much of the growth will not be organic growth in sales of existing types and markets. Much will involve replacement of pure internal combustion engine vehicles by hybrid electric ones, whether they are diggers creating roads or trucks driving on them. In other words, much of the growth of sales of electric vehicles in the next ten years will be caused by reducing the sales of pure internal combustion engine vehicles to a figure below what they would otherwise been and not by impacting existing EV markets.

As with the Power Quality energy storage market, the motive power market is characterized by a sizeable existing market demand in the industrial electric vehicle sector and potentially explosive growth in demand for lower cost advanced batteries that can meet the specifications for private EVs.

Benefit to the Electric Vehicle Industry

Two major problems that the EV industry has faced are vehicle weight coupled with limited driving range. The PWTC battery addresses both of these issues. A typical lead-acid or nickel-metal hydride battery pack weights approximately 1,175 pounds, more than 35% of the vehicle's 2,970 pound curb weight. The nickel-metal hydride battery pack costs substantially more to produce than lead-acid pack. In order to meet the demands about to be placed on the auto makers for electric cars, there will be an overwhelming demand for an advanced battery that:

- has a quick recharge rate;
- is light weight;
- is cost effective, and
- carries a charge for longer than a couple of hundred miles in any temperature.

Power Technology has designed its battery technology to provide the performance necessary to make electric vehicles a success. For Power Technology, electric vehicles will represent an important niche market for auto makers and battery manufacturers. Power Technology's market objective is to be the first off the block to produce a cost-efficient battery that meets the needs of the electric vehicle market.

Electric Bicycles and Scooters

Electric bikes and scooters are part of a whole range of Light Electric Vehicles (LEVs) that provide local point-to-point transportation. Generally designed for one person and small cargo capacity, LEV range, speed, and cost are moderate.

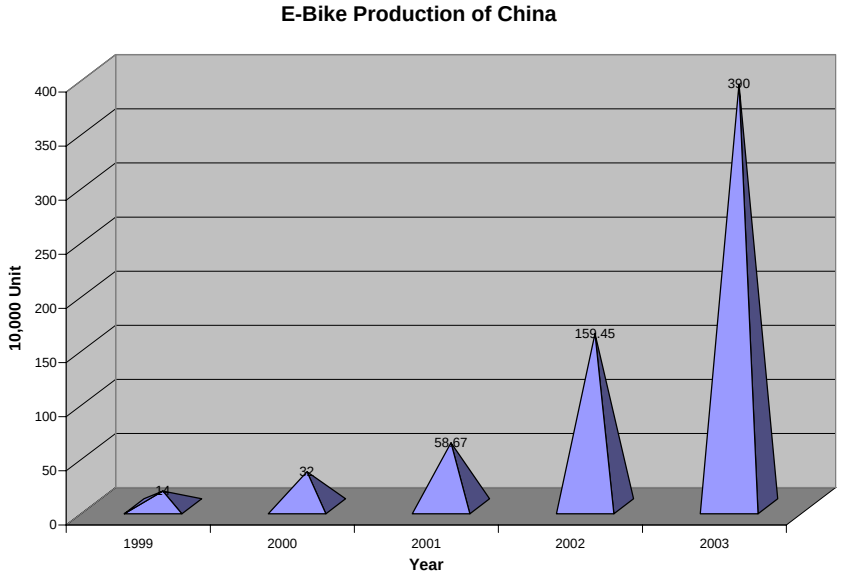
Electric bicycles are electric power-assist bicycles, not a total replacement for the human-power component. Electric bicycles are quiet, require limited material resources to produce, are relatively inexpensive, take up little space on roadways and parking lots, and do not pollute.

Electric scooters are powered by batteries or alternative power source such as fuel cell and capacitor. Electric scooters are zero emission vehicles and produce no tailpipe or evaporative emissions that contribute to air pollution and global warming.

Batteries, especially lead-acid batteries, are widely used to power electric bicycles and scooters. With a rapidly increase demand for electric bicycle and scooters over the world in the past five years, it provide a promising niche market for Power Technology's advanced lead-acid battery technology.

For example, approximately 4 million of electric bicycles were produced in China in the year of 2003 as shown in Chart below.

Chart 1: Total E-Bike Production of China 1999-2003



Source: 2005 China Bicycle Yearbook by Cyclepress

Motive Power Market

Much like the Transportation battery Market, the Motive Power battery market is divided into the original equipment market, comprised of the manufacturers of the electric vehicles, and the replacement market, which includes large users of such electric vehicles as well as original equipment dealer networks. The materials handling industry provides the single largest market for motive power batteries, typically including forklifts, electric counter balance trucks, pedestrian pallet trucks, low level order pickers, turret trucks, tow tractors, reach trucks and VNA (very narrow aisle) trucks. Other market segments requiring motive power products include; scrubber/dryer and sweeper machines in the floor cleaning market, access platforms and telescopic zooms in the access market, buggies and carts in the golf market, mobility equipment in the wheelchair market.

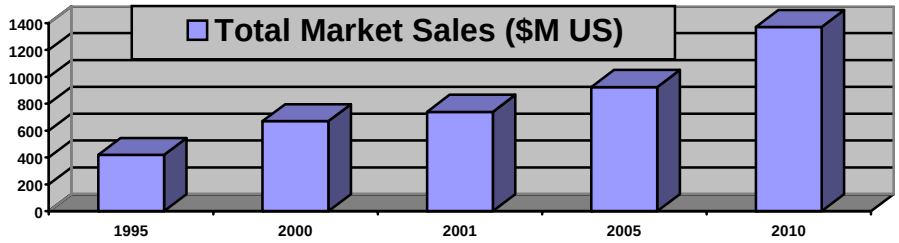
The world market for motive power energy storage devices used in the above applications can be estimated to be 4 - 5 times that of the US, giving current world market values of approximately $1.7 billion and projected market values of approximately $5.3 billion by 2010. There are two categories for motive power applications. The lower range in energy storage capacity and energy density applies for electric forklifts and airport tugs (displacing large flooded lead-acid batteries).

It is important for PWTC to focus on niche markets for smaller (lower energy density) motive power applications. These niche markets include powered wheelchairs, golf carts, electric scooters and electric fork lift trucks. Larger motive power applications such as electric buses and electric vehicles are exciting but require longer sales cycles and therefore represent longer term product commercialization. Although PWTC will focus initially on smaller motive power applications, efforts will continue to be made to

pursue electric bus and vehicle opportunities (see section – Electric Vehicles).

The following chart shows the US market sales for a wide range of motive power applications for which the Power Technology advanced battery is a potential candidate. The market for motive power batteries in the US is expected to grow to over $800 million in 2005 and to over $1.328 billion by 2010.

Chart 2 Total U.S. Market for Motive Power Battery Applications



Sources include U.S. Dept. of Energy, and the International Energy Agency

Stationary (Power Quality) Market

The rapidly growing $11 Billion world-wide stationary (or becoming better known as the "power quality" market) is seeking better solutions for energy storage standby generators to provide complete continuous power protection from electric power outages, voltage sags or surges. For purposes of PWTC's advanced battery technology, "power quality" addresses any power problem manifested in voltage, current, or frequency deviations that result in failure or misoperation of customer equipment. Power quality problems can originate on either the customer or utility sides of the meter, or both.[1]

Power quality (PQ), which formerly was not much of an issue for electricity consumers, has steadily gained attention in recent years as the technologies employed in electricity-consuming equipment have changed. Also driving the market for power quality are massive changes occurring in telecommunications, information systems and the electric power industry itself. In certain commercial and industrial electrical applications, it is critical that high quality and uninterrupted power be supplied, lest significant economic losses be incurred. Nevertheless, current worst-case estimates of economic losses directly attributable to power quality problems are, at most, in the range of $15 billion to $30 billion per year, which represents only 0.002% to 0.004% of annual U.S. output. [2]

It is estimated that line losses, poor power factors and general inefficiencies waste 10% to 15% of the electricity generated, representing a potential loss of up to $33 billion worth of electricity annually.[3]

Lead Acid batteries (deep cycle), which have been traditionally used in the Transportation Market for the starting, lighting and ignition (SLI) applications, are now finding new growth opportunities in power quality (stationary) applications. The capabilities of SLI batteries can be utilized quite easily for certain standby / backup power functions, such as starting engine generators. In standby power applications, the batteries are subject to surge loads, such as emergency lighting equipment functions, when a power outage occurs. This function is similar to starting an automotive engine. Lead Acid batteries also handle high continuous loads for short periods of time. These factors, combined with their lower cost, make the SLI Lead Acid batteries a viable option for consumers wanting a reliable source for stationary battery applications.

Stationary batteries are also gaining importance for back-up power in highly sensitive electronics systems applications, to ensure continuous power supply in case of main (primary) power failure or outage. In today's electronic and digital world, back-up power devices incorporating standby batteries are used in most electric power systems, including those used in telecommunications, computers, hospitals, airports, traffic control, elevators, security/alarm systems, electrical power plant systems and military equipment.

[1,2,3] Sources include BCC Report: The Power Quality Equipment and Services Market - A 21st Century Growing Concern; BCC Report: Uninterruptable Power Supply Systems: Continuous Data and Network Systems

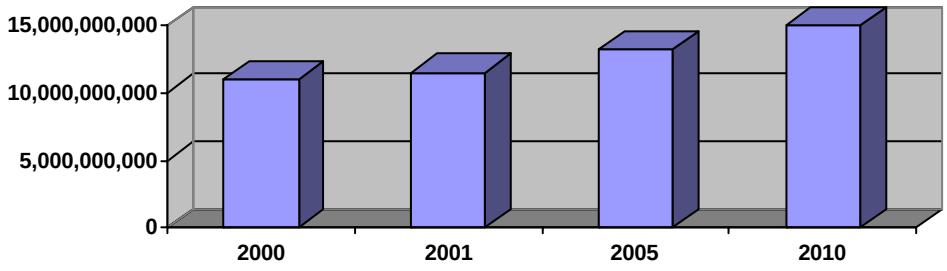
One of the largest and fastest growing standby segments is telecommunications. Consumers of telecommunications batteries consist of manufacturers of switches and other equipment, and the system operators. The growth in the battery demand for telecommunications has been especially fueled by the deployment in every country of multiple cellular and wireless mobile communication systems where each transmitting base station requires a set of standby batteries. Other telecommunications applications include central and local switching systems (PABX), satellite stations, optical fiber repeating boxes, cable TV boxes and radio transmission stations. In these applications, the batteries are usually packaged with a 48V DC power system.

The next largest segment of the standby market is uninterruptible power supplies (UPS) that are used in computer installations, such as for banks, airlines and to back up servers for the internet. UPS battery customers consist of the system manufacturers and end users. Growth in this area has paralleled the growth in computer systems.

Indirect losses, partly attributable to power quality-related issues, were estimated by a U.S. Department of Energy study. In that study, DOE reported that the U.S. electric industry produces over 3.3 trillion kilowatt-hours (kWh) of electricity each year. At an average cost of $0.069 per kWh, that translates into a $229 billion industry. [1]

Estimated growth of the Power Quality Market is shown below in Chart :

Chart 3 Power Quality Market



[1] Sources include BCC Report: The Power Quality Equipment and Services Market - A 21st Century Growing Concern; BCC Report: Uninterruptable Power Supply Systems: Continuous Data and Network Systems

"The battery is becoming . . . a component capable of providing strategic or competitive enabling potential."

Dr. Brian Barnett, Director, Battery Industries Studies, Arthur D. Little, Inc.

Competing Battery Technologies

Several entirely new classes of advanced batteries have been commercialized during the last ten years, including nickel-metal hydride, lithium-ion, and lithium-polymer. The two key factors in measuring battery performance are energy density and power density. Energy density, expressed in terms of watt-hours per kilogram (Wh/Kg) is a measure of stored energy available, and is sometimes called specific energy or gravimetric energy density. Power density is usually expressed in terms of watts per kilogram (W/Kg) and is sometimes called specific power or gravimetric power density. The important battery parameters include cycle life, cost, and space requirements (expressed in terms of volumetric energy density and volumetric power density). In addition, some batteries require thermal management, such as insulation or cooling, because they must operate at high temperatures, or do not have power at low temperatures, or cannot exceed certain operating temperatures. Thermal management can add cost, complexity, weight and volume to the system.

In order to understand what PWTC faces as competition in the conventional lead acid battery market, it is important to compare lead acid batteries to those that have been emerging over the past ten years.

Conventional Lead-Acid

The conventional lead-acid battery, based on a negative plate of porous lead and a positive plate of PbO_2, both of which are immersed in an aqueous solution of sulphuric acid, has been in commercial use for over one hundred years. The lead acid battery is the most widely used secondary battery type in the world, with about 300 million units being manufactured each year with a sales value of over $15Billion. Such batteries range in size from sealed 2Wh cells for power tools and household appliances to 100Wh starting, lighting and ignition (SLI) systems, and to 40MWh load-leveling modules.

Of the more notable improvements in lead acid battery development introduced in recent years is the use of sealed and valve regulated (VRLA) batteries. VRLA batteries are typically used for applications such as standby and telecommunications power supplies, has required the development of immobilized electrolytes using either microfibre glass mat separators or gelling agents, and the production of special lead alloys which minimize the evolution of hydrogen on overcharge (oxygen is largely recombined within the cell).

The cost of conventional lead-acid batteries is attractive, about $80-150 per kW-hr. The key issue is the low energy density (35 Wh per Kg) in standard lead acid batteries. Cycle life is about 500 cycles, which is shorter than for most other systems. SLA batteries retain nearly their full charge for two months or more just sitting on the shelf, unattached to a charger.

Until the breakthrough of PWTC's Power Technology battery, the low energy density of lead-acid batteries has always been seen as a limiting factor for deep cycle applications, including electric vehicles.

Nickel-Cadmium

Nickel-Cadmium (Ni-Cd) batteries provide better range than standard lead-acid batteries, but require a higher level of management in order to achieve a good cycle life (various sources credit nickel cadmium with a life of 800 to 2000 cycles, compared to about 500 for lead-acid). Since cadmium is poisonous and battery disposal is a problem, Ni-Cd system has been generally replaced by Nickel-metal-hydride. Another barrier for Ni-Cd is its cost (approximately $250-350 per kW-hr). NiCd batteries lose about 1% of their charge per day when sitting on the shelf; due to internal "self-discharge".

Nickel-Metal Hydride

The NiMH battery is the successor to nickel-cadmium; it combines high energy density and good power density with good cycle life, making it attractive for electric vehicles. Claims have been made that cycle life may reach 2000 cycles in the near future.

The current disadvantage is high cost, over $350-500 per kW-hr. Manufacture of NiMH batteries is also metallurgically complex, which leads to high cost until processes are optimized and scaled up. In addition the positive electrode is not pure nickel; it contains a substantial amount of cobalt, which is expensive.

There are a number of companies attempting to develop Nickel Metal Hydride (NiMH) batteries. Energy Conversion Devices, Inc. (ECD) of Troy, Michigan holds the basic patents (Ovonic Battery Company is ECD's subsidiary in the U.S. with strategic relationships with VARTA and SAFT). Asian companies involved in NiMH batteries include Yuasa (Japan), The Gold Peak Group (Singapore, Hong Kong, Beijing), and GS (Japan) whereas the Ultra-Force Battery Company of Burbank, California is working with DAUG, a research consortium of Daimler-Benz and Volkswagen to produce NiMH batteries.

Lithium ion

The lithium ion battery use lithium cobalt oxide as the positive electrode and a crystallized specialty carbon as the negative electrode. It uses an organic solvent, optimized for the specialty carbon, as the electrolytic fluid. Lithium ion batteries operating at room temperature offer several advantages compared to other technologies. Lithium-ion batteries have a high energy density (95-150 Wh/kg), a high cell voltage (3.6 V), and a long cycle time (1000 > cycles). Lithium ion batteries are widely used in portable electronics such as cell phones, laptop batteries, digital camera and video recorder.

The current disadvantages of lithium ion batteries are high cost ($750-900 per kW-hr) and the batteries are non-stable in larger configuration. Currently, it is cost prohibit to employ lithium ion batteries in transportation applications such as golf cars.

There are a number of companies manufacturing lithium ion batteries. For example, Panasonic Inc. in Japan, Full Power International Ltd in Taiwan, and E-One Moil Energy Inc. in Canada.

Lithium polymer

The lithium-polymer battery differs from other battery systems in the type of electrolyte used, which is a polymer electrolyte. The electrolyte resembles a plastic-like film that does not conduct electricity, but allows the exchange of ions (electrically charged atoms or groups of atoms). The polymer electrolyte replaces the traditional porous separator, which is soaked with electrolytes. Lithium polymer batteries offer simplifications with respect to fabrication, ruggedness, safety and thin-profile.

The disadvantages of lithium polymer batteries are expensive ($750-1000 per kW-hr) and lower energy density and cycle life than lithium-ion batteries.

There are a number of companies manufacture lithium polymer batteries. For example, Avestor Inc. in Canada, Eletrovaya Corp in Canada, Hitachi Maxell Ltd in Japan, and GPB Battery Co. Inc. in China.

TABLE 2 Comparison of PWTC's Power Technology battery to other Battery Types

	Specific Energy (Wh/kg)	Specific Power (W/kg)	Cycle Life	Recharge Time (Hours)	Retail (US$/kWh)
Present Lead-Acid	25-45	75-240	>500	6-8	80-150
Power Tech's Lead-Acid	**50-75**	**300-400**	**700**	**2.5**	**150-250***
Nickel-Cadmium	40-60	75-150	800		250-350
Nickel-Metal Hydride	70-90	300-600	1200	1-5	350-500
Lithium –ion battery	95-125	800	1000+	1-5	750-900
Lithium polymer battery	80-110	500-800	>800	1-5	750-1000

*Cost estimated

Human Resources

Management Team

Officers and Directors

The Board of Directors appointed Bernard J. Walter to be the Chief Executive Officer, President, Treasurer, Secretary and a Director of the Company effective July 6, 2004. From 2000 to July of 2004, Mr. Walter was the General Counsel and a business and technical consultant to LFF Systems, Inc. From 2000 to December of 2004, Mr. Walter was a director, Vice President and General Counsel to eSimulation, Inc. From 1973 until his employment by the Company, Mr. Walter had been a practicing attorney in the State of Texas. Mr. Walter graduated from the University of St. Thomas with a B.A. degree in 1970, and graduated from the University of Houston Law Center with a J.D. degree in 1973.

Mr. Joey Jung became Chief Technology Officer of the Company on November 21, 2004. From June of 2000 to November 2004, he was employed as a Senior Research Scientist specializing in battery and fuel cell technology by Vizon SciTec Inc. (formerly BC Research Inc.) in Vancouver, Canada. From 1997 through 2000 he was employed as a Graduate Research Assistant in the Chemical Engineering Department at the University of British Columbia in Vancouver, Canada. From 1995 to 1996, he was the lead teaching assistant of the Department of Chemical Engineering, Chinese Culture University, Taipei, Taiwan. Mr. Jung graduated from Chinese Culture University with a B.Sc. degree in chemical engineering specialized in 1994, and in 2000 graduated from the University of British Columbia with a M.A.Sc. degree in Chemical Engineering specializing in electrochemical engineering. Mr. Jung is fluent in English, and in both the Mandarin and Cantonese Chinese dialects. On October 30, 2004, the Company entered into an employment agreement with Mr. Jung to retain Mr. Jung as an executive through November 21, 2006. Mr. Jung is a co-inventor of the Company's battery technology and is primarily responsible for the Company's research and product development.

Mr. F. Bryson Farrill became a director of the Company on October 25, 1999. From 1990 to the present, Mr. Farrill has been a financial consultant to high technology companies and other companies. Mr. Farrill is a director of Future link Distributing, Inc., Devine Entertainment, and Daner Partnership. From 1968 to 1964, he was the President and Chairman of McLeod Young Weir International, a brokerage firm until it was acquired by Scotia Capital Markets. From 1962 to 1979, he was employed by McCleod Young Weir Ltd in Toronto, and was a director and member of its executive committee from 1964 to 1989. Mr. Farrill received a B.A. decree in political science and economics from the University of Toronto in 1951.

Dr. Hugo Pomrehn became a director of the Company during July 1998. Dr. Pomrehn is the Chairman of the Board and a director of Stayhealthy Incorporated, a closely held health products company. From November 1997 to August 1999, he was the Executive Vice President of Special Projects of American Technologies Group, Inc. ("ATG"), a public company engaged in research and development activities; and has been a consultant to ATG since August 1999 to the present. Dr. Pomrehn previously served as President, Chief Operating Officer, Vice Chairman and a director of ATG from April 1995 to November 1997. He was appointed as Under Secretary of Energy by President George Bush in 1992. He was employed by Bechtel Corporation from 1967 to 1992, and was a Vice President and Manager of its Los Angeles regional office from 1990 to 1992. Dr. Pomrehn graduated from the University of Southern California with a bachelor of science degree in mechanical engineering in 1960; received a masters degree in mechanical engineering from George Washington University in 1965; received a masters degree in industrial engineering from the University of Southern California in 1969; and received a doctorate in engineering from the University of Southern California in 1975. Dr. Pomrehn is a member of the American Nuclear Society and American Society of Mechanical Engineers, and is a registered professional mechanical and nuclear engineer in the State of California.