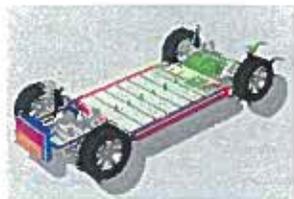


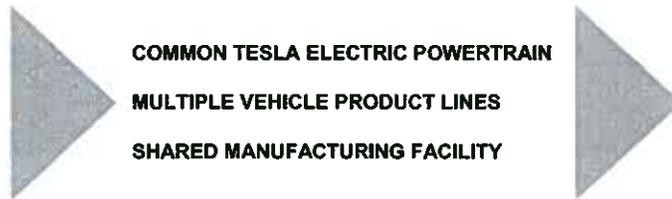
BUSINESS OVERVIEW – TESLA MOTORS

Based in the heart of California's Silicon Valley, Tesla Motors designs, manufactures and sells electric cars and advanced electric vehicle components that are the first to integrate zero petroleum consumption, high energy efficiency, and great driving performance. Tesla's first car, the Tesla Roadster, has been reserved by more than 1,200 customers and is now in production. Tesla is currently finalizing the design of its second model EV, the world's first all-electric high performance sedan. In addition, Tesla Motors has secured a development agreement to design and manufacture battery packs for a major international automobile OEM.

HIGH PERFORMANCE ELECTRIC VEHICLE ENGINEERING AND MANUFACTURING



SHARED TECHNOLOGY



COMMON TESLA ELECTRIC POWERTRAIN
MULTIPLE VEHICLE PRODUCT LINES
SHARED MANUFACTURING FACILITY



PROJECT HIGHLIGHTS – MODEL S



- **Funding for Electric Sedan Engineering and Manufacturing Facility.** Tesla Motors seeks support to develop its second all electric vehicle and an integrated manufacturing facility located in the United States. The vehicle, brand named Model S, will leverage the success of the Tesla Roadster and deliver a highly functional 5-passenger sedan without compromising Tesla's zero emissions, high efficiency, high performance heritage.
- **Clean Vehicles on the Road Faster.** Funding this project will accelerate the mass market adoption of electric vehicles and maintain the domestic technology lead developed by Tesla Motors. Tesla believes that high gasoline prices, the need to reduce dependence on foreign oil, growing consumer and political concerns about the environmental impacts of carbon dioxide emissions, and the improved performance of electric vehicles will help fuel electric vehicle adoption and sales.
- **Create Green Jobs and Bring Manufacturing Back to Domestic Soil.** Tesla's new auto assembly facility will be only the third built by a domestic company in the US in more than 20 years. The integrated facility will include body, paint, and final assembly plants, with initial production of 20,000 vehicles per year, and provide the opportunity to expand for multiple product lines in the future. Tesla will work to minimize environmental impact through the use of advanced manufacturing processes and create in excess of 1,000 high technology manufacturing jobs in the fastest growing segment of the automobile industry – alternative fuel vehicles.
- **Model-S Program in Advanced Development Stage.** Development of the Model-S and its manufacturing site have been underway for two years and Tesla now looks to accelerate final development work and begin production in the middle of 2011. The vehicle and its domestic production will lay the foundation for expansion into the mass market for 100% pure electric vehicles.
- **Silicon Valley Technological Innovation Combined With Seasoned Automotive Experience.** Tesla Motors is backed by dedicated investors and managed by a core team of technology and auto industry veterans. CEO Elon Musk (Paypal, SpaceX, Solar City), EVP Engineering Mike Donoughe (Chrysler, Daimler), CFO Deepak Ahuja (Ford, Mazda), and CTO JB Straubel (Tesla Co-Founder, Volacom, Pentadyne)

CONTACT INFORMATION

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CORE TECHNOLOGY ADVANTAGE - THE ADVANCED ELECTRIC POWERTRAIN

	Tesla Roadster	Porsche 911	Toyota Prius
			
Mile Per Gallon Equivalent¹	256 mpg	18 mpg (city) 26 mpg (highway) 20 mpg (combined)	48 mpg (city) 45 mpg (highway) 46 mpg (combined)
Energy Cost Per Mile	\$0.03 / mile ²	\$0.20 / mile ³	\$0.09 / mile ⁴
0 - 60 mph	3.9 seconds ⁵	4.8 seconds ¹	10.5 seconds ⁶
Top Speed	~ 120 mph ⁵	~ 177 mph (track speed) ¹	~ 115 mph ⁷

Sources: ¹Respective company's website. ²Based on approximate U.S. average electricity cost of 10 cents per kilowatt hour. ³Based on 20 mpg combined and fuel price of \$4.00 per gallon. ⁴Based on 46 mpg combined and fuel price of \$4.00 per gallon. ⁵Tesla Motors. ⁶Consumerreports.org. ⁷Autos.yahoo.com.

HIGHLIGHTS – ADVANCED BATTERY MANUFACTURING



- Advanced Battery Manufacturing Will Create Green Jobs.** Tesla's new high tech factory will create hundreds of green collar jobs in the United States and move current offshore manufacturing back onto US soil. The factory will have the capability of building in excess of 40,000 battery pack and motor units to support the rapid development and adoption of commercial electric vehicles. It also will support existing and future OEM supply contracts, the ramp-up of Tesla Roadster production, and the development of future Tesla all-electric vehicles.
- Accelerate Marketization of Clean Technology.** Funding this project will accelerate the use of electric powertrains in a wide range of commercial brands and vehicles, and maintain the domestic technology lead developed by Tesla Motors. Tesla has already completed the R&D on these components, and seeks support to scale its operations. Development time for the factory will be rapid and low risk; production at the new facility to start in early 2009.
- Advancing Energy Security.** Electric vehicles are the only alternative vehicle solution that eliminate tailpipe emissions, utilize America's diverse electricity sources, and reduce dependency on volatile commodities. Tesla believes that high gasoline prices, the need to reduce dependence on foreign oil, growing consumer and political concerns about the environmental impacts of carbon dioxide emissions, and the improved performance of electric vehicles will help fuel electric vehicle adoption and sales.
- Environmentally-Friendly Facility and Manufacturing Processes.** Tesla's Advanced Battery Factory will retool an existing facility within California to minimize environmental impact, accelerate development, and create high technology manufacturing jobs in the fastest growing segment of the automobile industry – alternative fuel vehicles.
- Silicon Valley Technological Innovation Combined With Seasoned Automotive Experience.** Tesla Motors is backed by dedicated investors and managed by a core team of technology and auto industry veterans. CEO Elon Musk (Paypal, SpaceX, Solar City), EVP Engineering Mike Donoughe (Chrysler, Daimler), CFO Deepak Ahuja (Ford, Mazda), and CTO JB Straubel (Tesla Co-Founder, Volacom, Pentadyne).

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