A renewable energy development company

ECOtality, Inc.
Shareholder Update Conference Call
July 24, 2007

Operator: Ladies and gentlemen, welcome to the ECOtality Incorporated Shareholder Update Conference Call. At this time, all participants are in a listen-only mode. Following today's presentation, instructions will be given for the question and answer session. If anyone needs assistance at any time during the conference, please press the star followed by the zero. As a reminder, this conference is being recorded today, Tuesday July 24, 2007.

I would now like to turn the conference over to Mr. Thomas Walsh of Alliance Advisors. Please go ahead.

Thomas Walsh: Thank you, Nicole and thank you everyone for joining us today for the ECOtality Shareholder Update Conference Call. Our call today will be hosted by Mr. Jonathan Read, Chief Executive Officer and Mr. Barry Baer, Chief Financial Officer of ECOtality. Following management's discussion there will be a formal Q&A session open to participants on the call. If anyone participating on the call this afternoon does not have a copy of the earnings release, please contact our office at (212) 398-3486.

Before we get started, I'm going to review the company's Safe Harbor statement. Certain statements contained in this call that are not statements of historical facts are forward-looking statements within the meaning of section 27A of the Securities Act of 1933 as amended in Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of the company. Listeners are cautioned not to place undo reliance on these forward-looking statements which are only predictions and speak only as of the date hereof. In evaluating such statements, prospective investors should review carefully various risks and uncertainties identified in this conference call and matters set in the company's SEC filings. These risks and uncertainties could cause the company's actual results to differ materially from those indicated in the forward-looking statements.

Gentlemen, I want to congratulate you on your success thus far and look forward to new and exciting events in the second half of 2007. At this time, I'd like to turn the call over to Jonathan Read, CEO of ECOtality.

Jonathan Read: Thank you, Thomas. I'd like to welcome everybody today and thank you again for joining us this afternoon. This is intended to update you on the good progress the company has made over the past month. But first I'm going to start by explaining it. ECOtality is in the midst of its registration statement with the SEC. And as such, we are in what we refer to as our quiet period. During this time, the company is precluded from discussing anything other than already public information which is contained in its SB2 filing with the SEC. I'll talk later about this filing further down the conference. This call will be as the old cowboy actor, Walter Brennan famously stated, "no brag, just fact."

ECOtality's mission is simple: to develop and commercialize environmentally friendly energy systems and solutions that address today's global energy challenge. The company is a technology innovator committed to the development and commercialization of clean energy technologies, striving to identify inventive ways to efficiently power our lives while eliminating our reliance on fossil, carbon-based fuels.

The first proof in point of support of our goal is our primary technology, the Hydratus, a hydrogen generation apparatus that's being designed to operate in conjunction with existing hydrogen fuel cell technology. It produces hydrogen on demand using readily available and benign materials, magnesium compounds and water, in a system that emits no exhaust other than pure water. This on-demand technology will hopefully offer a solution to the current disadvantages of using compressed hydrogen such as the generation, transportation and storage of this volatile gas.

Over the past few months we have reported some significant milestones related to the Hydratus development. First and foremost, the company received from JPL, Jet Propulsion Labs, our partners in this project, a major report that detailed significant new advancements and performance improvements that had been achieved with regard to Hydratus. Significantly, the Jet Propulsion Lab report highlighted the following advances: hydrogen storage and outputs have been increased by 70 to 90%. These advances will have the Hydratus meeting or exceeding the DOE, Department of Energy, 2010 goals for the hydrogen storage and weight. A reduction in temperature was achieved resulting in the ability to use reduced cost materials. The reduction in system complexity was achieved which has resulted in reduced system cost and size. Regeneration efficiency has been increased by approximately 400%.

Based upon these technical performance and cost improvements, JPL emphatically recommended that all future research and development efforts should be transferred to focus on this modified Hydratus, which we refer to as our Phase II Hydratus, and its related systems and processes. Additionally, as part of the recommendations, JPL and ECOtality are planning to develop and test the five to ten kilowatt system which JPL believes is suitable to power various commercial applications and can be scaled both up and down for future systems.

Of course, JPL and ECOtality still remain focused on the design and testing of the full 65 kilowatt Hydratus system, suitable for mass production and use in commuter buses and hopefully, by extension, all vehicles.

The Hydratus technology has been developed by JPL and at JPL labs. We're in a unique position where we have retained Jet Propulsion Labs, which is in itself a partnership between NASA and Caltech, for the development and licensing of this cornerstone technology. And we've had access to and have been led by some of the worlds best at JPL. The net result has been advancements that are far beyond our early expectations. The converse side of this great relationship is that we're also subject to JPL's rigorous program management which, at times I admit, can be at odds with our aggressive commercialization ambitions. When JPL insisted that further design and development of the Phase I Hydratus would be a misuse of time and company funds, the management of ECOtality listened, verified with third parties and agreed to shift all emphasis and energies to our Phase II program. As part of ECOtality's comprehensive management of the program, we have continuously stressed both short term and long term commercialization focus of the Hydratus project. Our project management objective has been to foster and expedite the JPL program and to move to an immediate proof of concept vehicle and subsequent licensing programs.

With this goal in mind and in conjunction with JPL, in January the company engaged AirBoss Aerospace, a leader in the aerospace industry to act as consulting engineers on our 65 kilowatt Hydratus project. AirBoss will work in conjunction with JPL and is currently working with them to continue the progress of the Hydratus. AirBoss should be able to, should really enable ECOtality to quickly quantify and implement recent advancements in the Hydratus project, providing the company with a strong addition to the JPL team. They are also tasked with the design integration of the Hydratus into the ECObus.

Yet another step by ECOtality to augment JPL and accelerate the Hydratus development, the company entered into an agreement with GreenMountain Engineering, a leading product and manufacturing consulting firm specializing in clean energy technologies. They have joined our science team as consulting engineers. GreenMountain Engineering will be working with both JPL and AirBoss in the research, development and testing of a five to ten kilowatt stationary Hydratus system, applicable for remote and residential use. GreenMoutain's team has significant background in commercial product design which is a key addition to the JPL project team. Currently, GreenMountain is tasked with running in conjunction with JPL a comprehensive battery of tests and modeling programs for our Phase II. They are also charged with the commercial design of the seven kilowatt system.

As many of you may be aware, in December 2006 ECOtality acquired a hydrogen powered bus from Hydrogenics of Canada, along with a

comprehensive engineering package intended to complete the transition of the vehicle from pure hydrogen power to the Hydratus powered system. The bus is known as the ECObus and it is one of only 15 hydrogen-powered buses in North America and is our home state, Arizona's first hydrogen fuel cell bus. The bus has proved to be a significant platform for learning and advancing the integration requirements of the Hydratus along with the actual fuel cell technology. It has focused our team on commercial realities, site specific targets and realized application issues. We are still aggressively proceeding to have this bus operate with the Hydratus in our Phase II and to operate as our ultimate proof of concept vehicle. JPL is well aware and working towards this eminent primary application. We continue to work with other bus manufacturers and are advancing commercial negotiations for licensing of the Hydratus technology, though we have no firm contracts to report at this time.

Management determined that while the Hydratus system is being developed for installation in the ECObus, it was important to build a market position and governmental relations, both state and federal, as a leader in renewable technology. To this end, ECOtality partnered with APS, Arizona Public Service, which is Arizona's largest major utility, on an ECObus education program where the interior of the ECObus was outfitted as a mobile classroom to help educate the public as well as public sector decision makers about alternative and clean energy solutions. The ECObus began its tour at the Arizona Clean Cities Coalition legislative event in February. During its state-wide tour, the public was invited to step into zero-emission mobile learning center and experience hydrogen fuel cell technology as well as become familiar with ECOtality and our technology. In February, the ECObus has attracted thousands of people as its traveled to various cities, schools, as well as environmental, governmental, and high profile events. It has also been the subject of numerous international and national industry news stories and has featured in every major news network in Arizona.

Of equal importance though, is the working relationship we've created with APS, an international leader in renewable energy technology and in particular, hydrogen. Also of significance is our exposure and relationships we've developed with state energy officials and relationships, both of which we expect will have long term benefits for the company.

In other news, on June 15th of 2007 we announced the purchase of the assets of Colorado-based Fuel Cell Store, an online retailer that distributes, manufactures and sells a comprehensive range of fuel cell products including fuel cell stacks, systems, component parts and educational materials. This strategic acquisition allows us to expand our operations into fuel cell technologies and establish direct relationships with top research institutes and universities as well as the leading manufacturers in the hydrogen and fuel cell industries. We came to know of Fuel Cell Store through our partners at JPL who are major clients and users of Fuel Cell Store products. This acquisition is further evidence of our

commitment to hydrogen as an alternative fuel source and the eventual growth potential of the fuel cell market. ECOtality is moving to be a global leader in hydrogen and fuel cell technologies. Fuel Cell Store provides us access to new products, international partners, and global distribution channels for hydrogen technology and products. It also provides revenue for the company.

In other news, just last week we announced a partnership with Arizona State University. Beginning in June 2007 until mid 2008, ASU will work to evaluate potential and existing technologies as well as new concepts to determine cost and energy efficiencies by converting magnesium oxide, a byproduct of our Hydratus, back to its original form magnesium and magnesium hydride where it will serve as a true carrier of energy for our on-demand energy hydrogen distribution. ASU's program will be under the daily direction of Dr. Jerry Lin, who is the Chairman of the Technology Committee for ECOtality, and the Professor and Department Chair of Chemical Engineering at Arizona State University. The work of Dr. Lin and his team will be vital in furthering the commercial applicability of the Hydratus in creating leaps forward in creating a completely recyclable system. The particular emphasis of this program is the use of solar energy systems to accomplish this recycling with a vision of a pure green system devoid of any fossil fuel reliance.

I would like to address one final issue at this time. We are in the third submission of the SB2 comments and feel confident that this round will answer all the SEC questions and registration and that the registration will become effective in short order. The SEC is extremely tough at this point in time and while we're frustrated at times with the process, I welcome every opportunity to reinforce with them the professionalism of our company as well as the validity of our business plan. The process, this process, as onerous as it is, is designed to protect shareholders. Once out of registration and quiet period, I look forward to being able to once again promote our company and our vision to investors.

With that, I am going to turn over the call to ECOtality's CFO, Barry Baer so he could discuss the company's financials. Barry.

Barry Baer: Thanks Jonathan, thank you. I will be brief with my financial information but I will be available after the call for any questions, or at the conclusion of the remarks.

The company's efforts during fiscal year 2007 have been and will be directed at achieving our research and development objectives that will represent at least 60% of our operating plan. Total expenses for the three month period ending March 31, 2007 were $2,764,150 of which 1.8 million is attributed to the settlement with Foote, Winfield and UPV. Approximately 13% of these expenses were research and development costs related to the engineering work performed for us by JPL and other firms supporting our project. But factoring out the settlement expenses, fully 39% of our expenses were in R&D efforts. In addition

to the R&D costs for the three months ended March 31st, we incurred $464,056 of our general and administrative expenses of which $119,475 is attributed to legal and professional fees related to the registration of our common stock, the settlement with Winfield and Foote, as well as public entity accounting reporting requirements. Additionally, we incurred $77,140 in executive compensation and $48,087 in depreciation expenses.

In comparison, total expenses during the three month period ended March 31, 2006 were $3,150,066. The material component of total expenses during this period was related to $350,000 in R&D costs specifically related to the power cell technology required under the technology contribution agreement that was developed. In addition to R&D expenses, for the three months ended March 31, 2006 we also incurred $322,815 in general and administrative expenses, $2,477,110 in executive compensation related to issuance of common stock, and a small $141 in depreciation.

I'm comfortable with our cash position for the remainder of the year and my focus as Chief Financial Officer is to help us move from the R&D efforts into the revenue producing side. With that, I will now turn comments back to Jonathan.

Jonathan Read: Thanks Barry. As we continue through the second half of the fiscal year we're excited about the continued progress that we foresee with our Hydratus technology. We also look forward to a successful launch and roll out of the bus in the first half of 2007, I'm sorry, 2008.

I would like to address one unfortunate event that led to dramatic stock decreases a few weeks ago when we announced that Brookstreet had gone out of business and was forced to liquidate any stock positions the firm owned. I want to assure all of our shareholders that that liquidation was not predetermined nor did it reflect Brookstreet's opinion of our company. We look forward to working with any and all investors that became introduced to our company via Brookstreet.

We are extremely excited about the future of our company and our potential as a technology innovator. I would like to pledge to all of our investors that we're working extremely hard to complete our technology goals and becoming revenue positive. In addition, we're working closely with Alliance Advisors in order to enhance our shareholder value and further our communications efforts. As we grow as a company and begin to move from being an R&D company to a revenue producing company, we anticipate communicating our story and unique business model to the investment community. We continue to seek acquisitions during the remainder of the year that can add clean tech products to our portfolio that are accretive to our technology and accretive to earnings. Ultimately, our company will be judged on earnings. We will be seeking acquisitions of companies that are producing

revenues and, more importantly, sustained profitability. We look forward to providing an update following our second quarter results.

I want to thank everybody for joining us on the call today. This concludes our formal comments and at this time would like to respond to your questions. Operator, please begin the Q&A section of the call, please.

Operator: Thank you. Ladies and gentlemen, at this time we will begin the question and answer session. If you have a question, please press the star followed by the one on your push button phone. If you would like to decline from the phone-in process, press the star followed by the two. You will hear a three tone prompt acknowledging your selection. Your questions will be polled in the order they were received. If you are using speaker equipment, you will need to lift the handset before pressing the numbers. One moment please, for our first question.

Our first question does come from the line of Bruce Dearborn (sp?). Please go ahead.

Bruce Dearborn: What is the float outstanding?

Barry Baer: As of March 31, 2007 the number of shares that have been issued totally is 106 million shares.

Bruce Dearborn: 100, okay.

Jonathan Read: Of that…

Barry Baer: Of that, go ahead, Jonathan.

Jonathan Read: Yeah, of that amount, there are a number of shares that are founder's shares that are in lock up and are not - and a number of shares that are 144 and as yet untradeable.

Bruce Dearborn: And that's my question, what's the difference then? What's available and on the market?

Barry Baer: I'll be right with you.

Jonathan Read: Barry will come up, will give you that number in a second but I'm not going to conjecture. I'll let him give you the actual number. We can move to a next question and then come back with Barry on that number if that's okay with you.

Bruce Dearborn: Sure.

Jonathan Read: Thanks.

Operator: Thank you. The next question comes from the line of Steve Smith with Regal Securities. Please go ahead.

Steve Smith: Thank you. Hello Barry and Jonathan. I was with Brookstreet and Jonathan you might remember me, I was the one that picked up the first prospectus out there.

Jonathan Read: Absolutely, from Arkansas.

Steve Smith: Yeah. Did, I was just going to ask Barry if he got an email from me about the SB2 this morning?

Barry Baer: I just got back from Europe so I've not been able to check email yet.

Steve Smith: Okay, well it was about one of my clients that was supposed to have been in the SB2 that we discussed back in April.

Barry Baer: Right.

Steve Smith: And he's still not in there so I'd like to have that addressed.

Barry Baer: Okay, I'll follow up with that.

Steve Smith: Alright.

Barry Baer: Yeah.

Steve Smith: Thank you.

Jonathan Read: Thank you, sir.

Operator: Thank you. Once again ladies and gentlemen, if you would like to ask a question, please press the star followed by the one.

Our next question comes from the line of Troy Honage (sp?) who is a private investor. Please go ahead.

Troy Honage: Yes, hi Jonathan, how are you? We met at (inaudible) Hills a few months ago.

Jonathan Read: How are you today?

Troy Honage: Good thanks. I just have a couple questions. One is what is your timeline in terms of having the bus? I know that previously with the Phase I that it

was scheduled for second quarter of this year. Obviously that's not going to happen. So now what is your new timeline with the Phase II for the bus to tour? And then the second question is has there been any discussions around possible merging with any other bigger company?

Jonathan Read: Troy, thank you for the question. We have in our, the SB2 that has been filed, we have set our expectation date as first half of 2008. I have really worked hard to hold JPL's feet to the fire on this knowing full well that the advantages of what we're doing far outweigh the delay, but I'm very confident of that timeframe. In terms of discussion with the merger with other company, larger companies, no we have not looked at that yet. We've been in discussion with a number of companies about a number of technologies but have not entertained any offers of a merger at this time.

Troy Honage: Okay great, thank you.

Operator: Thank you. Once again, ladies and gentlemen if you would like to ask a question please press the star followed by the one.

Our next question comes from the line of Dana Horne from Dana Horne Realties. Please go ahead.

Dana Horne: Yes, hi thank you. I was just, I'm kind of curious; most of the funding for the start up of this company came through Brookstreet's clients and even though Brookstreet has filed bankruptcy, do you see continued excessive follow out because a lot of Brookstreet's clients are the ones that would own a large percentage of these shares?

Jonathan Read: Dana, I would not envision - by the way, I was in La Jolla the other day and I think I passed you in Jack's on Friday night.

Dana Horne: That's very possible.

Jonathan Read: Anyway, I would venture to say Dana that most of the investors invested in the concept and in the company and that they've transferred their holdings to their new brokers, whoever they may be. And that that's why we're doing things like this phone call and sending out our regular newsletters to shareholders to keep them informed of what's going on with the company. I think that if they invested in the company and believe in the technology and once we're out of this quiet period we're able to talk a bit more about what's going on within the company, I think that they're going to stay on the same investment course that they had set when they originally invested. And I think that, you know, Brookstreet was a medium which allowed us to get to them and them to get to us and it's unfortunate that that bridge is no longer there but we now have a direct relationship with each of the shareholders.

Dana Horne: Okay, thank you.

Jonathan Read: Yeah.

Operator: And we have no further questions, please continue.

Jonathan Read: There must be other questions out there. I would just like to tress that the sentiment of optimism within the labs and the offices of the company are extraordinary. It doesn't reflect in the share price, which really I don't pay much attention to yet but I am very careful and aware of its importance to each and every one of the shareholders. But we believe that the share price will bounce back; questions?

Barry Baer: Jonathan, we'll issue tomorrow a number on the shares rather than trying to estimate the number on the phone right now. I think that will be the best way to do it.

Jonathan Read: Operator, I see we have questions.

Operator: Thank you. Our next question comes from the line of Randy Sasaki who is a private investor. Please go ahead.

Randy Sasaki: Jonathan, hi and thank you for the updated information. We all realize that in this quiet period you are somewhat limited. But Jonathan, it reading in between the lines with this new timeline of the first half of '08, you've recently made this Boulder acquisition and made these strategic relationships with GreenMountain Engineering, et cetera. I mean, if reading in between the lines it seems like you're, once you come out of this quiet period you're aiming towards commercialization. I mean, you would not have made this acquisition of this Boulder company had you not had, you know, needed the fuel cell retail arm to accommodate your commercialization of your technology. I guess what I'm trying to say is, it seems like all the parts are coming into place, you know, during this period of time that you've been in this quiet period. Are you that, I mean, just kind of cutting to the chase, do you think you're nearing this at the end of the second phase of commercializing your technology?

Jonathan Read: Well, thank you for your question Randy. To read between the lines, a five kilowatt system is a consumer system. A 65 kilowatt system is an OEM original equipment manufacturer system. We are tailoring the technology to go at both the five kilowatt system, which is the size of a home power capacity. Fuel Cell Stores allows us to be in that retail sector as well so that we'd have a distribution network. Yes, all the pieces are lining up. We would like to be, as we've already said, a research and development and commercialization company for a number of technologies, not just this one. Our faith and our ultimate belief is in the amazing power of this JPL partnership and product but we are going to be ready and nimble enough to respond to market movements. And I will say that

the market movement on transportation in hydrogen has been slow and fuel cell development has been slow so we've been looking actively for alternative fuel cell technology to enhance ours. So we are - we're being nimble. We're being smart and we're trying to be aggressive.

Randy Sasaki: What are the, explain, you know, the practical application of this home residential technology. I mean what are some of the practical uses for this type of technology in a home, or?

Jonathan Read: Primary practical use of this would be initially, the early adopters are going to be technology-driven companies. This is ideally and is in fact being designed for use in such things as cell phone tower backup power situations. And we're looking at markets that have embraced fuel cells but have had trouble with stored hydrogen. So, this five kilowatt fits into there. It also fits into home backup power system for areas such as Florida and other flood, hurricane and power outage territories. It really, we're targeting existing fuel cell usage as an alternative to compressed hydrogen.

Randy Sasaki: Okay. Going back to a previous comment you had made about your relationship with Arizona State University.

Jonathan Read: Yes.

Randy Sasaki: Do I understand this correctly in that your relationship and the research that they will do in joint venture with you is to assure the, that is the economics of your end product?

Jonathan Read: Absolutely. What we're looking to do, not only ensure the economics of it but to push it one step further and to eliminate the reliance on fossil fuels for the use of solar as a potential recycling power source for this so that we could look to all-in-one, and non-fossil fuel driven recycling.

Randy Sasaki: Let's take that back if we can, just I mean to reiterate. So, through the process of magnesium, salt water, the hydrogen product is generated then to an electric fuel cell. Now in, just so we're all on the same page, the goal there, the expectations of ECOtality in that on a gallonage basis is expected to be what, and what is Arizona State researching exactly?

Jonathan Read: There is a number of ways to recycle magnesium oxide, which is one of our byproducts. The magnesium and the magnesium hydride that we use to fuel the system ultimately results in magnesium oxide that needs to be recycled. We have one system. We're looking at every possible system and every possible avenue to come up with the most cost efficient system and the most energy efficient system to anticipate the requirements of the Department of Energy and to anticipate the increasing costs of fossil fuels. And so ASU is really undertaking certain things such as ceramic membrane technologies and solar

technologies for this recycling. So it really is taking one step into the future and making sure that our recycling process and our refueling programs are as good as our core technology of Hydratus.

Randy Sasaki: But right now the current goals or expectations of the management of ECOtality in developing the Hydratus technology is to have the recycling cost on a gallonage basis, what would be your ballpark range so that we in, you know, lay turns understand gallonage, what would be those expectations?

Jonathan Read: Randy, we're still trying, we're still hoping to end up with the net product equivalent of between $1.50 and $1.70 per gallon. And per gallon basing, obviously a product like magnesium and water to your benchmark of gasoline.

Randy Sasaki: Okay.

Jonathan Read: Okay, thanks Randy.

Randy Sasaki: Okay, thanks.

Operator: Thank you. Our next question comes from the line of Chris Johndrow from Grant Bennington, Incorporated. Please go ahead.

Chris Johndrow: Yeah, hi guys.

Jonathan Read: Hi Chris.

Chris Johndrow: I've got a couple of questions, if you don't mind. First off, I was concerned about, not concerned about but just curious, about your cash position since we've now been pushed back on the schedule for getting the proof of concept vehicle out until the first half of '08. Is your cash position sufficient to keep you going into that and if it gets pushed back again, how do we look at that point?

Barry Baer: Okay well Jonathan, as of the 31st of March, we have in cash $3,124,000 and a CD that we're holding also at $2,036,000 so we have $5,161,000 in cash. And we're working, just as Jonathan mentioned earlier, we're focused on moving forward but at the same time watching our cash as we proceed.

Chris Johndrow: But do you anticipate that you might need to do another raise down the road?

Jonathan Read: I am trying not to do another raise down the road. That's certainly not in my business plan and not something that I anticipate. We're

looking at licensing that would be a net cash flow positive and working towards developing licensing on that basis, so. We don't expect to have to raise more.

Chris Johndrow: Right, right that was one of my other questions is, is there a chance or can you even talk about that, are you working on any licensing agreements even before the bus is out on the road?

Jonathan Read: We are working on, to license as soon as possible before the bus is on the road and we have, I am required to say that we have nothing firm, concrete or in writing otherwise it would have to be disclosed in the SB2.

Chris Johndrow: Right, right and lastly, if I can just ask, competition. I saw a news clip about somebody that had come up with looked similar to what you guys had where it was salt water and magnesium and he could burn a Bunsen burner with it and he was talking about how they could use that for energy needs. Is there any competition you're aware of that could sort of affect the company?

Jonathan Read: No, the big hoo ha was with this Purdue scientist who was using ammoniates and he got a huge amount of press. But JPL has reviewed the technology and without being at all snide about it said that it was totally impractical and will never come to fruition.

Chris Johndrow: Okay and it's completely different than what you guys have.

Jonathan Read: Right.

Chris Johndrow: Okay, great. Keep up the good work, guys and...

Jonathan Read: Thanks Chris.

Operator: Thank you. Our next question comes from the line of Gary Wohrle with Regal Securities. Please go ahead.

Gary Wohrle: Jonathan, can you hear me?

Jonathan Read: Yes sir, Gary. How are you today?

Gary Wohrle: Hi, how are you? Tell me, I understand there is hundreds of thousands of these towers. It seems like in South Miami where I live there must be hundreds of them. But your system that you're talking about, how expensive would it be and why would any of these tower owners possibly replace their existing system?

Jonathan Read: Well Gary, it's a system that wouldn't be used in in-town grid applications. Those type of applications that would be, would use different types of backup power. This is a perfect for the 50,000, well over 50,000 one company

that we're talking to has 50,000 remote locations where they can only go in and service them on a sort of an irregular basis so this is really for remote backup power that we're looking.

Gary Wohrle: I see. Okay.

Jonathan Read: But I mean it is and the price point is such that it would be advantageous to them versus sending trucks in to try to refuel rapidly depleting hydrogen.

Gary Wohrle: Okay.

Operator: Thank you. Our next question comes from the line of Bob Keyholtz (sp?) who is a private investor. Please go ahead.

Bob Keyholtz: A couple of questions; one, what was the status on the bus that was going to be on display at China? And kind of a follow up to your question on like remote mountaintop sites, is it a viable option for these folks that run diesel generators or propane generators on the top of these mountaintops, the commercial sites to use this system versus what they're already commercially using?

Jonathan Read: Well, we've been sort of avoiding China for the time being just because our intellectual property is extremely sensitive. We're in, we're licensing the technology and building on the technology and the last thing we need is IT theft. So we've been somewhat reluctant to move towards China either on a manufacturing basis, license basis or anything at this time. But the ultimate use in China would be, as our IT is even more secured through widespread use around the world, would be something we look forward very much to using.

Bob Keyholtz: I thought there was a push to have a bus available for the Olympics for display in China. Not true, or?

Jonathan Read: Well, we've been in discussions with the Chinese bus company, that is true. But we have not signed contracts with them.

Bob Keyholtz: Okay what about the commercial mountaintops as far as using them in lieu of propane or diesel generators. Is it viable for that or is that just unrealistic?

Jonathan Read: Those are very large systems and I think that what we've been finding in the entire fuel cell world is that the early adaptors are not the large adaptors other than in-town bank system, back up systems. But the early adapters are going to be the smaller systems followed by vehicles and so we're really going at that size market where we know that the fuel cell companies are building fuel cells so that we can add on to what they're doing.

Bob Keyholtz: And you guys anticipate being profitable some time next year, or what is your guess; any ideas on that?

Jonathan Read: I think counsel is on the line and I could feel him sending electric pulses down saying that that's what I'm precluded from talking about under the quiet period rulings.

Bob Keyholtz: That's it. Thanks.

Jonathan Read: Thank you.

Operator: Thank you. Our next question comes from the line of Richard Fiddler (sp?) who is a private investor. Please go ahead.

Richard Fiddler: Hi Jonathan, Dick Fiddler in Milwaukee.

Jonathan Read: Dick, how are things in Milwaukee?

Richard Fiddler: Real good.

Jonathan Read: Good.

Richard Fiddler: My question was regarding your cash position and the cash burn and all that sort of thing and that question's been asked and answered. So I don't really have another one. I just, you know, want to compliment you on your progress and wish us all continued success.

Jonathan Read: Well Dick, you're one of the Brookstreet investors and I know that we're going to continue to communicate and I don't think that the absence of that bridge is going to make a difference.

Richard Fiddler: I don't either.

Jonathan Read: Okay. Thank you, sir for participating.

Richard Fiddler: Yes.

Operator: Thank you. Our next question comes from the line of Scott Pack who is also a private investor. Please go ahead.

Scott Pack: Yeah, I guess my question was involving how much PR we're doing with, you know, Washington and people in the government levels? It seems like the public is really getting to fads of certain technologies and I'm noticing a lot of the technology that everybody has been so hyped about aren't really stable technologies. I was just wondering if we're putting any efforts into changing

those perceptions in the public eye and whether there is grant money or funding from, you know, those big buckets of money in Washington that could help the cash flow of the company.

Jonathan Read: Well ironically, that's a sort of, that's a great question. That's one of the subtexts with our arrangement with ASU. The beginning of our arrangement with both ASU and APS is really the launch pad of working with a, with both ASU and JPL to move towards grant funding and to make them aware of all sides of our technology. ASU is a huge Department of Energy grant recipient as is JPL and we would envision down the road that, I'm not allowed to go down the road, but yes grant funding is definitely something that we're moving to. I actively am out every day stumping wherever I can, talking about the madness of ethanol and biodiesel and the fact that it's non-sustainable and that we're throwing huge amounts of money which is, in essence, pork barrel spending for Band-Aid cures.

Scott Pack: Right.

Jonathan Read: And I mean ultimately, the Department of Energy is spending a lot of money on hydrogen. And I think that they quietly recognize that the loud spending in Washington is sort of a boondoggle and that the real money and the real hard research is going into hydrogen, which is a little longer term solution to our problems.

Scott Pack: And what about maybe other type of, you know, commercial big business that are being so hurt by the rising gas prices. You know, I'm thinking I see these big container ships go by every day and thinking that they get a few miles to the gallon and, you know, I'm just thinking there's got to be huge, huge amounts of money out there that need to fix this problem quickly. And yet I don't know if you guys had a, you know, second hand type of arm of your business that goes out and educates these big businesses on what could be and contract in the future even funding or? I have no idea how your business model works but it seems like there would be huge amounts of money out there that this type of technology could really inspire some people and, you know, possibly get at.

Jonathan Read: Well what, Scott what we're trying to do is we have the ECObus out there that's, we've had state, local, and national Congress and Senate on and its educating them about ECOtality and building confidence in what we're doing and building, letting them know our partnerships, these very strong partnerships with nationally recognized research labs. And it's a step by step process but trust me, I'm a political beast and playing the political card is something that when the time is right we're going to play very hard.

Scott Pack: Okay, it sounds to me we're just not at that stage yet.

Jonathan Read: No, you call in your chips when you have a specific project you want to go after.

Scott Pack: Got it.

Jonathan Read: Thank you, Scott.

Scott Pack: Thank you.

Operator: Thank you. We do have a follow up question from…

Jonathan Read: And then I think we're at our one hour. Oh no, we're not.

Operator: Would you like to take the follow up question?

Jonathan Read: Absolutely.

Operator: From (inaudible 46:34), private investor. Please go ahead.

Jonathan Read: Hi Troy.

Troy Hornage: Yes hi, Jonathan, sorry. What's when is the SB2 kind of effective or is there a set date yet?

Jonathan Read: I have Gary Agron who is our securities counsel, on line. I'd like to throw that question to him.

Gary Agron: I would guess that the registration (inaudible) will probably clear in the next few weeks. (Inaudible) at the comment stage.

Troy Hornage: Okay. Thank you.

Operator: Thank you. That does conclude our question and answer session. Mr. Jonathan Read, please continue with your closing remarks.

Jonathan Read: Well, I'd like to thank everybody for the insightful questions and just to, as I said before; reiterate that there is a feeling of real joy and positiveness within the organization, in particular within the science team. I'm walking out of this conference into a meeting with our JPL and ASU folks in the other room and their enthusiasm builds every week and I think that that is the enthusiasm that's most important, is the scientists and the technologists believe in what we're doing. And it's my job to herd cats and make sure that the scientists hit hurdles and make sure that our deliverables are timely. So, I want to thank all of you and encourage you to give me a call whenever you need direct answers and to let you know that this is a good news telephone call and that I look forward to having continued direct contact with you and moving out into

more institutional investors down the road so that we bring stability and drive value for the shareholders. That at the end of the day is my reason to be. So with that, I thank everybody and I look forward to working hard for the rest of the year for you guys.

Operator: Ladies and gentlemen, that does conclude our conference for today. Thank you for using ACT. You may now disconnect. Thank you.