

# EQUITIES

## ON THE MOVE CORPORATE PROFILES

### Ener1 Inc.

OTC BB: ENEI



500 West Cypress Creek Road, Ste 100, Fort  
Lauderdale, FL 33309  
Phone: 954 556 4020 • www.ener1.com

#### TOP 10 INVESTMENT HIGHLIGHTS

- ☑ New management team is laser focused on bringing commercially viable products to market in 2006
- ☑ Our EnerDel division is focused on the emerging US Hybrid Electric Vehicle (HEV) market where we believe we can have first mover advantage with a lithium ion solution in the US
- ☑ We are manufacturing cell samples in the US already that demonstrate superior power and density characteristics
- ☑ The key demand driver for the HEV market today is cost, we believe that Lithium ion batteries, like in the consumer electronics market (cell phones and laptops) will drive down cost by as much as 50% at retail
- ☑ Strong partnerships in place already with the Japanese (through ITOCHU, a 5% equity holder in Ener1 Inc.) and through Delphi, a 19.5% equity holder in EnerDel
- ☑ As the President of the US has indicated, there is pressure to reduce dependence on foreign oil – transportation is 68% of oil consumption
  - Hybrids reduce oil (gas) consumption and pollution emissions
- ☑ Our Enerfuel division is working on both fuel cell stacks and membranes (differentiator vs. competition)
- ☑ Developed a modular approach to fuel cell stack development which solves PEM (proton exchange membrane) fuel cell reliability issues
- ☑ Success: we have already been awarded a contract by the Florida Hydrogen Initiative to design and implement a 10kW fuel cell system using the chemical energy in waste orange peels to power a highway rest stop
- ☑ We are on track to achieve some very important milestones in 2006 on both the Enerfuel and EnerDel lines of business

#### BUSINESS SUMMARY

Ener1 Inc (ENEI) is an energy technology company that develops products that address the needs of the alternative fuel market, including the multi-billion dollar lithium battery market. With an experienced management team, a technical

group of 60 scientists, and 70 patents and patents pending, the Company has a solid core technology and strategy. The Company's mission is to develop superior batteries and fuel cells that are cost-efficient, affordable, and dependable and as close to completely neutral

environmentally as possible.

Through its EnerDel subsidiary, the Company develops lithium-power technologies and products for stored energy and battery power, including primary cells (non-rechargeable), secondary cells (rechargeable), battery packs and related electronics. EnerDel products offer high rates of power output, high-energy capacity and long life. Proprietary nanotechnology-derived cathode materials enable its primary and multi-charge (rechargeable) primary cells to have high-energy density. The Company expects that its lithium-ion batteries will provide better power output than current technologies and be recyclable (and easily interchangeable as to size and design), providing a distinct advantage over existing nickel metal hydride HEV batteries.

Through its wholly owned subsidiary, EnerFuel, the Company designs and develops technologies and products to help fuel-cell designers and manufacturers advance the safety, reliability and performance of its Proton Exchange Membrane (PEM) fuel-cell products. The Company's proprietary technologies and methods address many of the technical issues that impede the commercialization of a hydrogen infrastructure; the unique fuel-cell test fixture provides users with a wide spectrum of data, previously unavailable. In addition, EnerFuel pioneered a unique filtration process to remove carbon monoxide in reformer-derived hydrogen rich fuel, thus enhancing the performance and extending the lifetime of any reformer-based PEM fuel-cell system. EnerFuel also has a novel ignition method to start fuel-cells in sub-freezing temperatures, an important consideration for hydrogen powered vehicles.

#### OUTLOOK

Ener1 Inc is committed to developing energy solutions that improve our quality of life, and as such, is leveraging its resources to accelerate the commercialization of its technologies. The Company believes that its technologies provide efficient, affordable and viable non-polluting fuels for tomorrow's transportation needs. The innovations generated from Ener1 operating subsidiaries yield numerous benefits, including greater energy and economic security through decreased dependence on foreign energy sources, higher power density necessary to fuel next generation vehicles, reduce emissions of greenhouse gases, and promote a cleaner environment.

The Company believes that its EnerDel group is on the leading edge of a breakthrough in the battery business for the hybrid electric vehicle (HEV) market. EnerDel is now testing manufactured prototypes of battery cells and related manufacturing equipment. The Company believes that its HEV lithium-ion batteries will be the first of their kind to be mass manufactured in the US for automotive use.

The increasing market for hybrid cars has become apparent. There are only 11 hybrid models available in the US market, and by 2012 that number could increase to 52 models. According to an article in the current edition of MOTOR TREND (Jan 25, 2006), estimates for hybrid car sales in the United States in 2006 are about 300,000, estimated to rise 33% to 400,000 in 2007.

EnerFuel is focused on developing a new generation of hydrogen fuel cells that provide power for remote locations and supply back-up power in all sorts of applications. The Company expects to produce early commercial versions of its first fuel cell products in 2007. In addition, the Company is developing renewable energy sources to power a rest stop along a Florida interstate highway: one of its hydrogen fuel-cells runs on methanol created from two of Florida's largest industries – food waste from theme parks and orange peels from citrus processing.

**RECENT DEVELOPMENTS**

■ April 24, 2006 – ENEI announced that it is scheduled to present at the RedChip Small Cap Investor Conference on Friday, April 28th at the Hard Rock Hotel and Casino in Hollywood, Florida. Ulrik Grape, president of Ener1's lithium-ion battery company, EnerDel, and Rex Hodge, president of its fuel cell company, EnerFuel, will discuss their strategies to commercialize Ener1's technologies for emerging battery and fuel cell markets. Ener1's senior executive management team of Chairman Charles Gassenheimer, Interim CEO Ronald Stewart and CFO Jerry Herlihy will also provide information on the Company's progress and plans.

■ April 12, 2006 – Ener1 announced that its fuel cell group, EnerFuel, has joined with technology leaders in the fuel cell and renewable and renewable energy industry to propose research and development projects supported by a combination of government and participant funding.

■ April 7, 2006 – ENEI Chairman Charles Gassenheimer issued a letter to Ener1 shareholders and interested members of the investment community, stating that "progress, focus and fiscal responsibility are themes that characterize the developments at Ener1."

■ April 6, 2006 – ENEI announced that trading of its common stock has moved from the Pink Sheets to the Over The Counter Bulletin Board under the trading symbol ENEI.

**FINANCIAL HIGHLIGHTS**

Fiscal year ended December 31	2004	2003*	2002	2001
Revenue:	\$41,800	\$26,739	\$4,245	\$3,858
Net loss applicable to common stock holders:	(36,719)	(8,918)	(7,628)	(4,657)

\*ENEI phased out its set top box and IT consulting businesses beginning in early 2002. Its transition into the clean energy technology business began in late 2002 with its acquisition of Ener1 Battery Company. The Company's battery business is now operated out of its EnerDel subsidiary.

Second quarter ended: September 30	Three Months Ended		Months Ended	
(unaudited; in 000s, except per share data)	09/30/05	09/30/04	09/30/05	09/30/04
Net sales:	\$ 25	\$ 0	\$ 60	\$ 41
Net income (loss) attributable to common stockholders:	(33,643)	1,150	4,590	49,292
Net loss per share (basic & diluted):	\$ (0.10)	\$ (0.00)	\$ (0.02)	\$ 0.15
Weighted average shares outstanding:	347,456	347,276	347,456	346,966

\*Financial highlights supplied by Ener1, Inc.

**MANAGEMENT**

**Charles Gassenheimer**

*Chairman*

**Ronald Stewart**

*Interim CEO, Interim CFO, General Counsel*

This corporate profile is based upon information provided by management of Ener1, Inc. The information is not intended to be, and shall not constitute, an offer to sell or solicitation of any offer to buy any security. It is intended for information only, and to increase awareness of Ener1, Inc.'s services. Safe Harbor Statement: The statements in this document relating to future product availability, collaboration and partnership, and positive direction are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some or all of the aspects anticipated by these forward-looking statements may not, in fact, occur. Factors that could cause or contribute to such differences include, but are not limited to, contractual difficulties, demand for Ener1, Inc.'s products, the future market price of Ener1, Inc. common stock, and the Company's ability to obtain necessary future financing. EQUITIES Magazine was paid \$7,500 by Ener1, Inc. to write and print this profile in the Summer issue of EQUITIES Magazine. Before investing in any security, you are strongly advised to review all public filings of the issuer of such security, which can be found at [www.sec.gov](http://www.sec.gov), as well as the warnings published by the Securities and Exchange Commission at <http://www.sec.gov/investor.shtml>