

AMEX:	HEV	Market capitalization:	\$ 554 million
Recent price (6/02/08):	\$ 5.54	Shares outstanding (5/1/08):	100 million
52-week price range:	\$ 9.24 – 1.33	Fiscal year ends:	December 31
Average daily volume:	266,000	Quarterly results due:	Aug 2008

## Business Summary

Ener1 Inc (HEV) 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 environmentally neutral 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 at a projected selling price of about 50 percent reduction.

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 13 hybrid models available in the US market in 2007, and by 2011 that number could increase to over 60 models. HEVs will constitute 80 percent of all vehicles sold by 2015, according to Booz Allen Hamilton.

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. 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.

<u>First quarter ended: March 31</u> <i>(unaudited; in 000s, except per share data)</i>	<u>Three Months Ended</u>	
	<u>03/31/08</u>	<u>03/31/07</u>
Net sales:	\$ 97	\$ 39
Net income (loss) attributable to common stockholders:	(13,728)	(8,233)
Net loss per share: basic & diluted	\$ (0.15)	\$ (0.13)
Weighted average shares outstanding: basic & diluted	93,369	62,728

## Recent Developments

- June 3, 2008 ... HEV announced Charles Gassenheimer, Chairman of Ener1, Inc., and Ulrik Grape, CEO of EnerDel, will present at the Jefferies 5th Global Clean Technology Conference on June 5, 2008 at 9:00 a.m.
- May 20, 2008 ... HEV announced that it raised \$29.7 million through the recent exercise of common stock warrants at an exercise price of \$5.25 per share.
- May 12, 2008 ... HEV reported first-quarter 2008 financial results. We continued to meet our delivery milestones for Think and recently delivered three functional electric vehicle lithium-ion battery prototypes to Think under the supply agreement on April 30. This equates to \$575,000 in revenues; Strong liquidity of \$19.1 million, of which cash was \$13.6 million at March 31. Deposits for equipment were \$5.5 million, which we plan to replace with equipment lease financing. Finally, an additional \$6.5 million of cash has already been received in April and May from early warrant exercises, the remainder of the \$43 million of cash is expected to be received by May 19 as long as the warrants remain in the money
- May 6, 2008 ... ENON will release its first quarter results for 2008 on Monday, May 12, 2008 before the market open. Management will conduct a conference call on the same day, Monday, May 12, 2008, at 10:00 a.m. Eastern Daylight Time, to discuss the first quarter results and the company's strategic outlook for 2008.
- May 5, 2008 ... ENEI announced that Charles Gassenheimer, Chairman of Ener1, Inc. will present at the 4<sup>th</sup> Annual Merriman Curhan Ford & Co. CleanTech Conference on May 13, 2008 at 1:15 - 1:40pm, located at Le Parker Meridien, 118 W. 57<sup>th</sup> Street NY.

## Financial Highlights

<u>Fiscal year ended December 31</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenue:	\$ 280,000	\$ (13,286)	\$ 60,000	\$ 41,800	\$ 26,739	\$ 4,245
Net Income (loss)	(61,937)	(41,305)	28,062	(35,815)	(8,918)	(7,628)

### Market Makers

Automated Trading Desk Financial Services; BMA Securities; Bloomberg Tradebook; Citadel Derivatives Group; Cowen and Company; Domestic Securities; Nasdaq Execution Services; Susquehanna Capital Group; Trimark Securities; UBS Securities.

## Corporate Information

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### HEV chart provided by Nasdaq.com



*This corporate backgrounder contains forward-looking statements within the meaning of the Federal Private Securities Litigation Reform Act of 1995 conveying management's expectations as to the future based on plans, estimates and projections at the time the statements are made. The forward-looking statements contained in this backgrounder involve risks and uncertainties, including, but not necessarily limited to, the closing of the ability of the ability of Ener1 to successfully develop and market proposed lithium-battery and fuel-cell products and services, the degree of competition in the markets for lithium-battery and fuel-cell products and services, Ener1's history of operating losses, the lack of operating history for the development stage Ener1 businesses, the need for additional capital, the dependency upon key personnel, and other risks detailed in Ener1's annual report on Form 10-KSB, as well as in its other filings from time to time with the Securities and Exchange Commission. These risks and uncertainties could cause actual results or performance to differ materially from any future results or performance expressed or implied in the forward-looking statements included in this backgrounder. Ener1 undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*