

Leo Motors Shares are Significantly Undervalued.

Leo Motors Inc, LEOM.PK is a revolutionary company that develops, manufactures and markets electric vehicles and EV components. Headquartered in *Seoul, Korea*, the Company has developed an innovative EV battery technology featuring a *Leo Power Pack and Drive Train* to power cars, motorcycles, buses and humvee's. LEO bought the controlling position in a heavy duty truck and bus company to convert them to run on electric power, which is potentially not only very profitable, but puts them in the lead for being able to move heavy duty EV's. The *Leo* battery has revolutionized the way EV's perform on all, but especially challenging terrain, making them more efficient. The growing demand for EV's will put *LEOM* in a prime market position for solid growth, especially because is such a limited amount of EV component manufacturers in the entire world.

In March, *Leo Motors* made history-For the first time ever, participating in a 3 day event; "*EV Eco-Challenge & Fair 2010*". EV's competed for the completion of a snowy, hilly run through 130 miles of the highways and streets of downtown *Kyeong-gi Ilsan Kintex, South Korea* and it was sponsored by the *Korean Ministry of Knowledge Economy* and the *Ministry of the Environment*. *Leo's* small EV conversion "*Matiz II*" was one of two vehicles that totally completed the trek. The challenge was a demonstration of the future of EV's and their true potential for overcoming challenges they continue to face against ICE vehicles.

Both pollution and high gas price issues in *South Korea* have prompted the Premier to want to enact a bill that would make it mandatory to convert all vehicles into EV's. Since there is a rapid trend toward sustainable technology, companies like *Leo Motors* have a significant market advantage for growth and prosperity. Many large name brand auto companies are well behind *Leo* technically. Currently, there are 13 models of EV's manufactured by major auto makers. By the year 2012, total EV sales are anticipated to soar to \$25 billion dollars. *Leo* has many patents and will be a major player in not only their own sales but in enhancing the efforts of many other companies.

The DOE (*Department of Energy*) has offered \$2.4 billion in grants for companies to develop electric vehicles that meet with federal regulations standards for alternative fuel "green" transportation. President Obama has given funds to some private EV companies towards the development and manufacturing of alternative fuel vehicles.

The company's stock is greatly undervalued at \$ 1.95. Sales increased to \$ 896,953 in 2009 vs. \$ 82,435 in 2008. In April 2010 alone, sales are over \$3,000,000. and are anticipated to be \$12 million by year-end. Orders are paid for in advance and June 2010 quarter is expected to show a nice profit. *Leo* has no long term debt and is the only EV company that will be profitable in 2010. Projections for the next two years are substantially higher, ranging from estimates of \$30-50 million.



"EV Eco-Challenge 2010".

Leo was up in front at the end of the 3-day event.

Leo Motors advantages over ICE (Internal Combustion Engine)

<u>Power Pack</u>	<u>Full Range of Power Trains</u>	<u>Power Management</u>
<p><u>12 Generation Lithium-Polymer Battery Cells</u></p> <p><u>World's Foremost BMS (Battery Management System)</u></p> <ul style="list-style-type: none"> ↪ Balance 1 micro volt between cells ↪ Controls charge and discharge ↪ Multi level control <p><u>Zero Emission Power Generation: ZAFC (Zinc Air Fuel Cell Battery)</u></p>	<p>Encompasses power trains from small scooters to gigantic trucks with various power systems including 1Kw, 3kW, 6.5 kW, 7kW,10kW, 15kW, 30kW, 60kW, 120kW, 150kW, and 240kW.</p> <ul style="list-style-type: none"> • Including Inverters, power management system, Power packs including various BMS, and connecting units, power generators for extended range. • Power convergence and design technology. 	<ul style="list-style-type: none"> • Continuous torque mode for optimized torque in higher RPM ranges. • Electric whipping mode for powerful hill driving.

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Mike King is the President and Chief economist of Princeton Research, Inc. of Nevada. He has over 45 years of cumulative experience beginning as a broker/trader to consulting corporations on financial matters. Mike later evolved into investment banking and corporate finance for private and public companies. His propensity over the years has been specializing in economic analysis of public companies, equities, derivatives, and physicals or cash market trends throughout the world. Mike's experience, reputation and expertise is behind all of us here at Princeton Research. It is our policy and our promise to you to do our best to provide services of excellence and dedication so that your business will succeed and prosper.

Financial Outlook

For the quarter ending June 30, 2010:

Stated sales in 10k for April 2010: \$3,000,000

Expected 30% gross profit: \$900,000

A \$65,000 monthly operating expense as stated in 10k times 3 months: \$195,000

Net profit for the quarter from just this one contract: \$705,000

Assume R & D or other expenses of: \$100,000

Net profit for the quarter from sales of just this one product: \$ 605,000

Leo expects additional sales in May and June, so the company should have an even much larger operating profit, in addition being the only EV company showing a profit.

Products

Leo's innovative and sustainable EV's are designed with superior range compared to many other EV's powered by lead or lithium batteries. The **EV Evolution** sports car is the first EV in history to be 100% powered by renewable energy. The *Nose wind dynamic* (NWD) is a patented turbine that LEO designed at the front of the vehicle that regenerates e-power, The paint itself also has photovoltaic cells to maintain sustainability. The **E-motorcycle** is powered by 16th generation *Lithium Polymer* battery packs. The **E-Tram** was modeled after the common theme park trams to be a people transporter. Also, the **E-FAV (Fast Attack Vehicle)** was designed for the military as a stealth laser scanning and tracking vehicle, with remote capabilities.

E-SUV (s65): 250 mile range/114 MPH Max speed.

(sGK): 248 mile range/ 80 MPH Max speed.



Leo's E-SUV

E-Sports Car (EV): 0-62 MPH in 2.9 sec/ 211 MPH Max speed.



EVolution Sports Car

E-Motorcycle: (Hilless1) 37 mile range/ 37 MPH Max speed.

(Hilless 3) 49 mile range/ 49 MPH Max speed.

(Hilless 5) 62 mile range/ 62 MPH Max speed.



LEO's E-Motorcycle



E-FAV:(Fast Attack Vehicle) 62 mile range w/ 50 MPH Max speed.

Leo's FAV that is used for strategic Military purposes.