



CEOCFO

Interviews & News!

ceocfointerviews.com – All rights reserved. – Issue: August 22, 2008

Environmentally Focused Raser Technologies Is In The Right Space At The Right Time With The Tremendous Opportunities That Exist In The Renewable Energy Space As Well As The Efficiency Gains The Company Can Provide To Automotive And Industrial Companies With Electric Motors



Energy
Renewable Energy
(RZ-NYSE Arca)

Raser Technologies Inc.

5152 North Edgewood Drive, Suite 375
Provo, UT 84604
Phone: 801-765-1200



Martin F. Petersen
Chief Financial Officer

BIO:

Mr. Petersen has served as Chief Financial Officer of the Company since January 8, 2007. Prior to joining the Company he was Chief Financial Officer of The Event Source, a government contractor in Iraq, Found, Inc. a venture-backed software company, and TenFold Corporation, a publicly traded enterprise software development company. He also served as Vice President and Treasurer of Huntsman

Corporation, a multi-billion dollar global chemical company. Prior to Huntsman, he was a Vice President in the Investment Banking Division of Merrill Lynch & Co. He has an MBA degree from the University of Chicago, and a BA degree from Brigham Young University.

Company Profile:

Raser (NYSE Arca: RZ) is a publicly-traded, environmentally focused technology licensing and development company operating in two business segments. Raser's Power Systems segment is seeking to develop clean, renewable geothermal electric power plants and bottom-cycling operations, incorporating licensed heat transfer technology and Raser's Symetron™ technology developed internally by its Transportation and Industrial Technology segment. Raser's Transportation and Industrial Technology segment focuses on extended-range plug-in-hybrid vehicle solutions and using Raser's award-winning Symetron™ technology to improve the torque density and efficiency of the electric motors and drive systems used in electric and hybrid-electric vehicle powertrains and industrial applications.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Petersen, what attracted you to Raser?

Mr. Petersen: "What attracted me to Raser was the tremendous opportunity that exists in the renewable energy space as well as the efficiency gains the company can provide to automotive companies and industrial companies with elec-

tric motors. It is an environmentally-focused business that is in the right space at the right time in both business segments."

CEOCFO: What is the current vision; I know that geothermal is your focus these days.

Mr. Petersen: "We operate in two business segments. We have our Symetron™ business segment, which is the business around which the company was founded, and that houses our technology for improving the efficiency and output of electric motors and controllers. Our Symetron technologies have applications in both the automotive hybrid auto market as well as industrial applications."

"Our other business segment is geothermal power plant development. In talking about the geothermal side of the business, our vision is to employ a rapid deployment strategy of these geothermal power plants in a way that reduces risk to our shareholders as much as possible but also provides clean renewable electric power to our customers. We sell primarily to the utilities in the western United States."

CEOCFO: What do you own in the geothermal realm, and how has it developed?

Mr. Petersen: "We have established one of the largest yet to be developed geothermal resource portfolios of any company in the United States. We own more than 200,000 acres of geothermal resources across six western states, including Utah, Nevada, New Mexico, California, Oregon and Washington. Those are extraordinarily valuable resources."

"Our goal is to employee newer binary

cycle technology that can utilize relatively cooler water temperatures to generate geothermal power; cooler than was required in years past. When geothermal companies look for hot water to produce power from, they traditionally required temperatures in excess of 350 degrees Fahrenheit. When they found a resource that was below that temperature, they would just plug that hole and move on. Through that process, they discovered many resources that fit the category of resource that we are looking for; from the 200 degrees Fahrenheit to the 350 degrees Fahrenheit ranges. These resources were discovered by geothermal companies looking for hot water, oil companies seeking oil, or other owners that found hot water anomalies on their properties. We have locked down those resources that have already been discovered thereby mitigating some of the exploration risk that we would otherwise incur as we look for geothermal resources.”

CEO CFO: Is this technology exclusive to you or is it widely available?

Mr. Petersen: “It is widely available technology. We utilize right now a United Technologies Pure Cycle Technology, primarily because it allows for the generation of power from even lower temperatures than other competing binary cycle technologies. It is also equipment that is modular in nature. UTC has basically refitted their industrial sized Carrier air conditioning units, Carrier is a subdivision of United Technologies, and use approximately 95% of the equipment and technology that comes in a Carrier air conditioning unit, and made that into a geothermal power generator. It is basically just heat transfer technology. These modular units allow UTC to manufacture our power plants on their factory floors while we are still developing the geothermal resource. What that does, is allow us to rapidly develop these power plants in a fraction of the time that a normal geothermal developer can do it. We cut the geothermal development time to between twelve and eighteen months from the three to five

years that a traditional plant would require.”

CEO CFO: Where are you in development of the various projects?

Mr. Petersen: “We have eight projects in various stages of development today. Three of those projects are in Utah, three are in Nevada, one is in New Mexico and one is in Oregon. They are each in various stages of development. We expect our first plant to come online before the end of this year and that will likely be one of our Utah plants.”

CEO CFO: How is the company funded?

Mr. Petersen: “We have a very unique agreement with Merrill Lynch where they

“Geothermal power is one of the best sources of that alternative energy because it is base-load power, operating 24/7 regardless of whether the sun shines or the wind blows. Once the hot water in the earth’s crust is tapped, the power plant just operates 24/7. That is particularly attractive to utilities because they know they can count on that at any time and do not have to be subject to other natural events to occur in order for them to receive that power. The geothermal segment of the alternative energy sector is a very attractive place to be. As for Raser specifically, I mentioned the rapid deployment strategy that allows us to generate revenues much faster than traditional power plant developers and specifically geothermal power plant developers.”

- Martin F. Petersen

have agreed to provide to us financing for up to 155 megawatts of capacity. That would translate into approximately half a billion dollars in financing that they are willing to step up and provide to us for our construction and permanent financing. That agreement also provides for tax equity financing that they would provide for each project. As for the pre-construction development costs, that is something that we are responsible for. We issued convertible bonds earlier this year and have exploited other financing opportunities to provide that capital for our pre-construction development.”

CEO CFO: Can you give us a more detailed look at where you will be distributing electricity?

Mr. Petersen: “As I mentioned before, the primary off-takers will be utilities in the western United States in particular California, Utah, Nevada and the Arizona markets. Specifically, our first power plant will sell power to the city of Anaheim, California. That power will be supplied by one of our Utah projects. Our second plant, which is expected to be our New Mexico site, will sell its power to the Salt River Project in the Phoenix area of Arizona. We have a number of other power purchase agreements that are in various stages of negotiation with other California municipalities and other utilities as well. We will announce those agreements for our other projects as they are finalized. One interesting point of

note is these power purchase agreements are generally twenty years in length. Once we agree to sell that power, we have a secure off-take agreement for the following fifteen or twenty years.”

CEO CFO: Do you have all the pieces in place?

Mr. Petersen: “Not for all the projects. We have most of the pieces in place for our first plants. But the other projects are in different stages of development. The further along the plant’s development, the more pieces are put in place. However, we do have most of the pieces put in place for those first eight plants.”

CEO CFO: Are you continuing to do additional leases in geothermal?

Mr. Petersen: “Yes. We have amassed a significant lease portfolio but we will continue to augment that portfolio with additional leases as we identify attractive resources.”

CEO CFO: There has been a lot of talk about geothermal these days, what is the state of the industry and how or where does Raser fit in.

Mr. Petersen: “Let me start by talking about renewable energy in general. The state of the renewable market is that there is more and more movement by state and federal governments to enact renewable portfolio standards. The individual state will require that the utilities operating

and selling power in those states have a certain percentage of their power coming from renewable sources. Renewable sources can be defined differently by each state, but in general, they incorporate geothermal and other mainstream renewable energy sources. We see more and more states employing these renewable portfolio standards and currently 30 of the fifty states have some goal or renewable energy requirement. We expect that trend to continue and that is a good thing not only from an economic standpoint. It means there is more demand currently for a relatively smaller supply of renewable power. However, that supply is growing everyday as more renewable sources come on line. As for geothermal specifically, today approximately 0.5% of the United States power needs are supplied by geothermal power. That percentage is much greater in the western United States where geothermal activity is more prevalent because geothermal resources are generally more accessible, but nationwide it is about 0.5 percent. MIT recently did a study that suggested that geothermal could produce as much as ten percent of the nation's power by the year 2050. That is very significant projected growth for geothermal energy. There is a significant opportunity for geothermal developers to step in and develop the resources and meet those needs."

CEOCFO: What is the financial picture at Raser today?

Mr. Petersen: "We have a number of financial partners that have stepped in behind us. We are a pre-revenue company today for all intents and purposes. But as we start turning on our first power plants beginning in the 4th Quarter of this year, we will begin generating fairly significant revenues in a relatively short time frame."

CEOCFO: Why should potential investors be interested now and what might they overlook about Raser that people should understand?

Mr. Petersen: "There are a number of reasons investors should pay attention, some of which are just market segment reasons, and some are Raser-specific reasons. The nation is short of power, and particularly short of renewable power or alternative energy sources. The population has exhibited the desire to become energy independent and the nation cannot become energy independent without deploying numerous sources of alternative energy. Geothermal power is one of the best sources of that alternative energy because it is base-load power, operating 24/7 regardless of whether the sun shines or the wind blows. Once the hot water in the earth's crust is tapped, the power plant just operates 24/7. That is particularly attractive to utilities because they

know they can count on that at any time and do not have to be subject to other natural events to occur in order for them to receive that power. The geothermal segment of the alternative energy sector is a very attractive place to be."

"As for Raser specifically, I mentioned the rapid deployment strategy that allows us to generate revenues much faster than traditional power plant developers and specifically geothermal power plant developers. From an economic standpoint, we are actually generating revenues in a fraction of the time that it takes others to do so. With the significant portfolio of resources that we have, and with that rapid deployment strategy, it allows us to grow our number of power plants that are in development and to bring them on line very quickly. There is a significant growth story in addition to being in the right market segment at the right time."

CEOCFO: Final thoughts, what should readers take away about Raser?

Mr. Petersen: "We are very much an entrepreneurial business operating in the clean technology space. We take a very unique business approach using the geothermal medium to create significant economic returns for our shareholders."



Raser Technologies Inc.
5152 North Edgewood Drive, Suite 375
Provo, UT 84604
Phone: 801-765-1200