



INTRODUCTION

Zinc Air, Inc. (“ZAI” or “the Company”) (www.zincairinc.com), a next-generation energy storage, zinc technology company, has issued its Private Placement Memorandum to assist the Company with raising capital to further develop its proprietary zinc-cell technology and to successfully commercialize a grid storage energy solution based on zinc chemistry. Zinc Redox, an electro-chemical flow battery is the company’s large-scale energy storage solution.

The initial product offering will be a large scale flow battery (1MW/10MWh) that is modular and scalable in design. Zinc Redox was originally developed in the private sector with Department of Energy sponsorship. As discussed below in more detail, ZAI has obtained all of the materials and documentation related to that research and development and ZAI is currently taking that research the “last mile” to commercialization. The initial product will meet the needs of wind farms looking for storage solutions ranging from 1MW to 25+MW.

The Company is seeking venture capital of \$3.0 million to fund the completion of its initial Zinc Redox prototypes and field test units for delivery to interested customers expected prior to year-end 2010. The Company has also entered into an letter of intent to become a public company through a reverse merger, which will result in the Company being initially traded on the Over-the-Counter Bulletin Board market expected by June 2010.

COMPANY OVERVIEW

ZAI was formed by cousins Dave Wilkins and Craig Wilkins in February 2009 to provide the next generation of battery technologies utilizing zinc chemistry. Through zinc chemistry, ZAI will provide a grid storage solution providing high energy density, low cost, safe operation, and the greenest battery technology on the market.

Leading up to the formation of ZAI, extensive research and due diligence in Zinc electrochemistry and metal air batteries was conducted by the Wilkins team. Additionally, a close professional relationship was developed with Dr. John Cooper, a world-renowned research scientist, who was the Senior Scientist for Energy Technologies in the Chemistry and Materials Science Directorate at Lawrence Livermore National Laboratories (“LLNL”). Dr. Cooper is now a contract consultant to ZAI, discussed further below.

Also during their investigation, the Wilkins, through Dr. Cooper, rediscovered a Zinc Redox technology that had been developed by a Fortune 500 company in collaboration with the DOE. The project was intended to provide grid scale storage, but was eventually cancelled once the energy crisis subsided in the 1980’s. This research was conducted over eight years and resulted in comprehensive testing of membranes, materials compatibility and system design considerations. While these initial efforts did not result in a commercial product, the foundational research was invaluable to launch ZAI’s entry into the large scale battery market. This research also provided a fast track IP strategy and the innovation necessary for new patentable ideas on the Zinc Redox system. These patentable improvements, along with the newest developments in cell membranes, electrochemistry and manufacturing processes, provide ZAI the opportunity to commercialize the Zinc Redox technology at a reduced cost to existing technologies.

ZAI’s established a base of intellectual property is guiding our strategy towards process and manufacturing patents related to its technology. ZAI will continue to innovate during the development and commercialization of its Zinc Redox technology. ZAI is implementing a comprehensive IP plan and has retained the legal counsel of Wilson Sonsini Goodrich & Rosati, to protect the Company and defend its proprietary positions.

The Company has also assembled an impressive Board of Advisors including John Cooper, PhD, Jacob Jorne, PhD – University of Rochester, Michael McKubre, PhD – SRI International, Richard Fioravanti – KEMA, Joseph Monkowski, PhD, Etienne DeGroot – Intel, Dave Rose – Honeywell, ., and Kevin Witt – Semitool.

As mentioned above, Dr. Cooper has entered into a consulting agreement with the Company for the development of the Zinc Redox technology. Dr. Cooper functions as the Director of Technology and provides ZAI with his expertise in establishing cost effective alternatives for the Zinc Redox design. Dr. Cooper works closely with the scientists on the Advisory Board and serves as the intermediary to the engineering department.

ZINC CHEMISTRY

Zinc chemistry reduces cost through the use of abundant and locally available materials. Through zinc chemistry, ZAI batteries will have higher energy density, low cost, safe operation and the greenest battery technology on the market. Using a flow battery technology, Zinc Redox will focus on grid storage applications including energy peak shifting and renewables (solar/wind) integration, designed to address the issues of matching demand with supply and variability.

INITIAL PRODUCT OFFERING

ZAI has chosen to enter the market focusing on storage for wind power after extensive research and client interviews. ZAI has met with some of the largest wind developers in the United States to better understand their needs in the area of grid storage. Through these meetings, ZAI calculated the optimal specifications that will meet a majority of the needs surrounding load shifting and firming of wind power. The initial Zinc Redox design will result from these parameters.

ZAI currently has several companies that are willing to participate in field testing the Zinc Redox battery. ZAI is also in negotiations to have the companies purchase the field test unit, which will further reduce the capital requirements of ZAI.

The Company's 'go-to-market' strategy focuses on wind energy manufacturers and developers. By combining power generation with storage, ZAI's customers can provide an energy solution that will reduce the variability associated with wind energy. This initial market will enable the Company to develop economies of scale and leverage potential government stimulus. Following the successful entry into the wind energy market, ZAI can pursue solar and utility applications.

The initial product offering will be a large scale flow battery which is modular and scalable in design. As mentioned above, Zinc Redox technology was originally developed by a Fortune 500 company and ZAI is taking their research the "last mile" to commercialization. The initial product will be able to meet the needs of clients looking for storage solutions ranging from 1MW to 25+MW.

ZAI continues to meet with potential customers for its Zinc Redox storage solution. ZAI currently has ten qualified prospects that are engaged in vetting our Redox Technology for their renewable energy projects and smart grid applications. ZAI's primary focus over the next six months is to move these opportunities into firm conditional Purchase Orders. ZAI believes load shifting for wind farms provides the biggest opportunity for Zinc Redox.

ZAI has already met with approximately fifteen wind developers and five utilities. Extended discussions have happened with the wind developers Shell Wind Energy, RES Americas, NaturEner, and Exergy. From these meetings, ZAI determined the desired specifications around power, storage capacity, efficiency and cost. ZAI's battery designs are a direct result of those discussions. Upon successful field tests, RES Americas and Shell Wind Energy have expressed needs in the area of 10's of Megawatts of storage. RES Americas mentioned several projects that would require storage in excess of 100 Megawatts.

Utility company meetings have been with Northwestern Energy, Duke Energy, Florida Power and Light, and Avista. These companies are looking at storage for their non-regulated business which covers their renewable portfolio. Each of these power companies will be visiting the Company's Kalispell location once ZAI has the Alpha Prototype completed (discussed below). Each of these power companies is looking for storage solutions in the 10-100 Megawatt range depending upon their particular project.

ZINC REDOX PROTOTYPE



ZAI has decided to outsource the manufacturing process of its technology rather than incurring the substantial upfront costs to establish its own manufacturing plant. As such, ZAI entered into an agreement with Semitool, Inc., a manufacturer of precision semiconductor manufacturing equipment in Montana, to build an 'Alpha Prototype' recreating the Zinc Redox research of the Fortune 500 company, the DOE and the chief scientist's personal notes. ZAI is currently in discussions with several contract manufacturers to develop a long term manufacturing relationship.

Now that this Alpha Prototype is complete, ZAI is enhancing the 'Alpha Prototype' with areas of innovation to develop a 'Beta Prototype', which is the next step towards commercialization. These "innovations" will be proprietary to ZAI and will be protected by specific patents that ZAI will apply for. All of this research and development will be overseen by Dr. Cooper and other scientists on ZAI's Advisory Board.

ZAI is currently conducting cell tests and will be receiving critical test data over the months of May and June. Upon successful individual cell testing, ZAI will construct a cell stack consisting of several individual cells. Testing of the cell stacks will be conducted over the months of July through September. The current development schedule targets October for completion of ZAI's 'Beta Prototype'. ZAI then expects to begin work on a full scale battery followed immediately by field trial tests in January 2011.

ZAI will be able to document and establish its own IP, trade secrets and innovations that will occur during the development of the Beta Prototype and field test battery. ZAI has engaged legal counsel to ensure the implementation of an intellectual property strategy that protects the Company and its shareholders during this prototype development process.



INDUSTRY OVERVIEW

Power grid storage is in its infancy with expected annual growth rates of 50% over the next ten years. Currently, there is no cost-effective technology available to inventory electricity and storage is the key to the financial viability of renewable energy. The DOE has estimated that 200GW's of storage will be needed for Energy Peak Shifting if the U.S. is to achieve the mandate of 20% integration of renewables. This equates to a \$200B+ market for the Zinc Redox grid storage solution.

COMPETITIVE LANDSCAPE

The following table lists a number of the existing next generation power grid storage competitors, none of which are utilizing Zinc Redox technology:

Competitors	Location	Chemistry	\$/kWh
Zinc Air	MT, US	Zinc Redox	\$175 - \$250
ZBB	WI, US	Zinc Bromide	\$350 +
Premium Power	MA, US	Zinc Bromide	\$400 +
Prudent Energy	China	Vanadium Redox	\$500 +
Ashlawn Group	VA, US	Vanadium Redox	\$600 +
Cellenium	Thailand	Vanadium Redox	\$600 +
NGK/NSA	Japan	Sodium Sulfur	\$630 +
Deeya Energy	CA, US	Iron Chromium	\$400 +

ZAI's greatest advantage is that it is the lowest cost storage technology on a dollar per kilowatt basis. Other ZAI competitive advantages include the lack of any toxic or flammable reactants in its zinc chemistry making it "green" and environmentally friendly. The Zinc Redox system also provides for safer operation because it is not pressurized compared to competitor alternatives. Another key advantage is that Zinc Redox uses an abundant and relatively inexpensive raw material - zinc. And, yet another advantage that the Company is working towards is a "simple" design with changeable components for easier periodic maintenance.

FINANCIAL OVERVIEW

As outlined above, the Company expects to have a full scale battery for delivery to a customer in early 2011. Consequently, the Company's pro forma financials reflect the development costs in 2010 and the sale of 16 Zinc Redox units in 2011. The average unit sales price is \$2.5 million during 2011, which declines to \$1.6M in 2012, then to \$1.2M in 2013 and 2014. These reductions in price are the result of lower manufacturing costs passed through to future customers with only a moderate decline in the projected gross profit margin. Even at the initially higher \$2.5 million price point, the cost is \$250per kWh for a 1MW/10MWh battery configuration, which is well below ZAI's competitors that are using other chemistry technology.

	2010	2011	2012	2013	2014
Batteries Sold	0	16	70	120	155
Cumulative	0	16	86	206	361
(\$000s)					
Revenue					
Zinc Redox Sales	\$ -	\$ 40,000	\$ 112,000	\$ 144,000	\$ 186,000
Service Revenue	\$ -	\$ 317	\$ 1,592	\$ 3,624	\$ 6,784
Total Revenue	\$ -	\$ 40,317	\$ 113,592	\$ 147,624	\$ 192,784
Total COGS	\$ -	\$ 22,148	\$ 89,294	\$ 106,688	\$ 136,206
Gross Profit	\$ -	\$ 18,169	\$ 24,298	\$ 40,936	\$ 56,578
Gross Margin		45%	21%	28%	29%
R&D	\$ 1,013	\$ 1,873	\$ 1,918	\$ 1,966	\$ 2,983
SG&A	\$ 819	\$ 3,851	\$ 6,410	\$ 9,258	\$ 13,230
NOI	\$ (1,832)	\$ 12,445	\$ 15,970	\$ 29,711	\$ 40,366
NOI %		31%	14%	20%	21%

ZAI can offer a lower price point is due to the fact that its cost to construct the Zinc Redox hardware is below its competitors that are using different chemistry. And, in fact, ZAI's estimated cost to construct its Zinc Redox hardware is estimated at \$85/kWh, below even the preliminary industry estimate for Zinc Redox.

The following pro forma summary financial table illustrates the expected operating results of the Company assuming the aforementioned prototype schedule. Given the strong preliminary interest that ZAI has received from prospective customers given the positive competitive attributes of the Company's Zinc Redox power grid storage (outlined above), the Company has conservatively projected the following annual unit sales and resulting pro forma operating results.

Since the Company will initially focus on energy storage solutions for wind farms, the number of unit sales below assumes wind farms with energy storage needs ranging from 1 MW to 25+ MW requiring between 1 to 25 plus Zinc Redox batteries per wind farm. As discussed above, the Company has elected to initially outsource the development and manufacturing of the Zinc Redox grid storage battery. Consequently, the table above reflects third party contract manufacturing as its costs of good sold.



CAPITALIZATION

ZAI is a Montana S Corporation. To date, the Company has raised approximately \$0.36 million from an initial friends and family capital raise. There are currently 105,326 common shares outstanding held by nine shareholders, inclusive of ZAI management. The Company's articles of Incorporation authorize 1,000,000 common shares with no par value.

INVESTMENT OPPORTUNITY

- According to our research, ZAI's Zinc Redox battery will provide the lowest cost solution to grid storage market.
- ZAI's Zinc Redox battery will provide storage at cost as low as \$150 per kWh based on initial estimates at high volume
- Experts note that the Energy Peak Shifting grid storage market will exceed \$200 billion over the next 10 years
- Flow Battery technology is best suited for wind farm storage due to low cost and high capacity.
- Zinc Redox is environmentally friendly, with all reactants being "sewerable".
- Zinc Redox is a safe technology, due to a non-pressurized environment and operating at ambient temperatures.
- ZAI customers have confirmed performance requirements and design specifications, which validate our unique value proposition.
- ZAI is currently testing its Alpha Prototype.
- ZAI estimates to have a field test unit installed in early 2011.
- ZAI is currently negotiating initial sales.

ADDITIONAL OPPORTUNITIES

In addition to the initial Zinc Redox product, ZAI has secured the licensing rights to develop related zinc air research previously conducted by Lawrence Livermore National Laboratories, for use in fleet vehicle applications with the commercialization of an ultra-high-energy, low-cost, mechanically recharged fuel cell technology.

Additionally, ZAI also has the opportunity to utilize its proprietary zinc chemistry to develop a 'zinc air' battery for application in the consumer electronics industry also with substantially greater efficiency compared to existing alternatives, the largest of which, is lithium ion.

REQUEST ADDITIONAL INFORMATION

The Company is seeking \$3.0 million to fund the commercialization of ZAI's proprietary zinc air chemistry by developing the Zinc Redox prototype, along with continued research and development, related product development, corporate development, sales and marketing support, and the pursuit of federal and state grant funds.

The requested capital will also provide funding for the cost-share of any federal grants the company may be awarded. Investors providing the requisite \$3.0 million of capital will receive preferred shares that also provide 15% warrant coverage at the current offering price. These warrants have a five year term and will be converted on a 1:1 basis for commons shares at the investor's option.

For further information about the Company and this opportunity, please contact Dave Wilkins at (406) 249-7930 or by email at dave.wilkins@zincairinc.com.

THIS EXECUTIVE SUMMARY IS NOT AN OFFER TO SELL A SECURITY. ANY SUCH OFFERING WOULD BE MADE ONLY TO ACCREDITED INVESTORS AND/OR A LIMITED NUMBER OF NON-ACCREDITED INVESTORS AND ONLY UNDER A REGULATION D EXEMPTION USING THE COMPANY'S OFFERING DOCUMENTS INCLUDING A PRIVATE PLACEMENT MEMORANDUM, SUBSCRIPTION AGREEMENT, AND INVESTOR QUESTIONNAIRE.