

MKA



GO GREEN MARKET OVERVIEW

In the U.S., about 20% of all greenhouse gas emissions come from cars and light trucks like SUVs, contributing to climate change, air pollution, and disease. This creates a

need amongst business owners, consumers, and government. This has created a different dynamic within the automotive and trucking industry.

created a different dynamic within the automotive and trucking industry.

The automotive market is undergoing a change in its

core technology almost unprecedented in its 100-plus year history. At no time in recent memory have the automotive and fuel industries been under greater pressure to adopt new technologies or modify old ones. Indeed, at no time in the past 100 years have the leaders in these industries uttered declarations like those heard today, proclaiming an expectation that we will see the end of the reign of the gasoline powered internal combustion engine.

The timeframe for the transition to this "new" age is inexact, but the technologies are already with us and amplified in dozens of others:

Demonstration vehicles are in consumers' hands today with zero emission fuel cell technology.

Hybrid vehicles are available today that increase the fuel efficiency of a given type of vehicle up to 50 percent and many additional new hybrid models are still on the horizon.

Clean diesel vehicles and low-sulfur diesel fuel – with the potential to achieve significantly higher fuel economy and reduce greenhouse gas emissions 30 to 50 percent –

are just beginning to come to market and hold great potential during the next decade.

Alternative fuels from compressed natural gas to biodiesel can be purchased at public fueling stations and will EXISTING

EXENCES

EXISTING

FOOD

FROOUTS

FROO

become more prevalent in years to come.

These trends have substance and traction, and are leading the way to greater acceptance of these new technologies. This improvement occurred at the same time the auto industry was meeting ever-increasing emissions requirements and responding to consumer demands for safer and more powerful vehicles. Corporate fleet fuel economy has declined in recent years yet the trend is reversing. However, public sensitivity to oil issues continues to create a focus on the issue, and

existing state and federal government initiatives lead to an ongoing spotlight on the role and contribution of the transportation sector in reducing fuel consumption and the automobile's contribution to global warming.

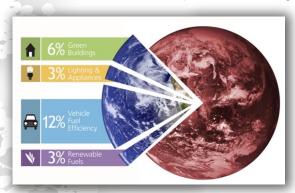
FUEL ECONOMY AND DRIVING TOWARD GREEN BY THE NUMBERS

- Keeping up on your car's maintenance, things like regular oil changes, air-filter changes, and spark plug replacements can increase your MPG up to 25%.
- The production of each car, on average, releases 4 tons of carbon emissions and nearly 700 pounds of other pollutants into the atmosphere, results are inconclusive, yet many believe making hybrids are much more.
- In 2000, the U.S. produced 2 million gallons of biodiesel; in 2005 it produced around 75 million gallons. In September of 2006, sixty-five companies reported having plants currently under construction and thirteen more are planning expansions.
- The average fuel economy of passenger cars peaked in 1987 when it was 22.1 miles per gallon for cars and light trucks. The EPA estimates that 2006 average fuel economy, despite two decades of improvements in automobile technology, is only 21 mpg.
- Switching from an average car to a 13 mpg SUV would use as much energy as leaving your refrigerator door open for six years.
- The average rush-hour commuter spent 62 hours in traffic.
- In small urban and rural areas, traffic and congestion is increasing 11% each year, which is twice as fast as in large urban areas.
- Each Summer, high levels of smog pollution lead to 159,000 trips to the emergency room, 53,000 hospital admissions, and 6 million asthma attacks.

GO GREEN MARKET OVERVIEW

WHAT DOES THE GOVERNMENT SAY ABOUT THIS?

Congress ordered NHTSA as part of the 2007 Energy Independence and Security Act bill to set yearly requirements to reach an industrywide, fleet average of



at least 35 mpg for both passenger cars and light trucks. The increase in fuel economy requirements for passenger cars is the first since Congress created the Corporate Average Fuel Economy program in 1975, when in the wake of the Arab oil embargo it ordered automakers to boost fuel efficiency from 13 mpg to 27.5 mpg over a requirement, and 23.1 mpg for light trucks, slightly above the 22.2 mpg mandate. The U.S. Transportation Department is proposing a sweeping increase in fuel economy standards, requiring passenger cars to average 35.7 miles per gallon and light trucks 28.6 mpg by 2015. The overall fleet of new passenger cars and light trucks will have to average 31.8 mpg by 2015 -- an annual increase of 4.6 percent per year and above the 4 percent figure Congress required. That compares to the fleet's overall average of 26.7 mpg in the 2007 model year. The proposal is the first regulatory step on the road to an overall fleet average of at least 35 mpg by 2020 and achieves more than half of that target. The Bush administration hopes to make the proposal final before the next president takes office.

WHAT'S NEEDED TO OVERCOME LIMITATIONS OF CURRENT TECHNOLOGY

While the technology exists and market conditions seem to indicate we may be on the path to both increased fuel economy and reduced greenhouse gas emissions, there are hurdles that must be overcome before the automotive marketplace embraces these new technologies.

Ideally, a new automotive technology would be characterized by the following for maximum consumer appeal:

- Costs less than the technology it replaces
- Delivers more tangible benefits (e.g., horsepower, comfort, etc.)
- Does not make operation of the vehicle more complicated.



Most of the new technologies aimed at improving fuel efficiency and/or emissions fail on one or more of these points. In fact, many fail on all



three, being more costly, offering negligible benefits to the consumer though possibly they may provide environmental or technical benefits, and causing the operation of the vehicle to become more complicated (i.e., requiring regular inspections or different fueling operations). Because of this, the auto industry is still understandably reluctant to commit to largescale implementation of these new technologies, particularly in times when operating margins and profitability are under intense scrutiny. This then leads to the low-volume, cost-underwritten approach initially pursued by Toyota and Honda with their hybrid vehicles, and the similar stance of Chrysler in bringing in diesel models of the Jeep Liberty, etc.

NEW VEHICLE TECHNOLOGIES

Some companies are introducing a variety of green technology vehicles into their vehicle fleets as a way of reducing their global warming impacts. Most fleets however still have not taken the leap of faith in to the hybrid space as the cost still continues to outweigh the benefits substantially. However below are some of the new technologies and low fuel options available now and in the future:

- HYBRID-ELECTRIC
- PLUG-IN HYBRID-ELECTRIC
- ALTERNATIVE-FUEL
- FUEL-CELL
- SUPERCOMPACT



HYBRID-ELECTRIC VEHICLES

Hybrid-electric vehicles (HEV) – such as the popular Toyota Prius and the hybrid-electric version of the Ford Escape – have a highly efficient internal combustion engine and a battery – powered electric

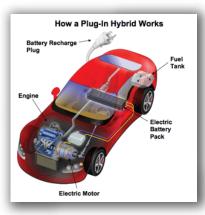
motor. The HEVs automatically switch between the gasoline engine and the electric motor to move the vehicle. When running on the electric motor, HEVs virtually eliminate vehicle emissions. HEVs are among the most fuel-efficient vehicles currently made. As gasoline prices continue to climb and the technology costs decline, the payback period will decrease.

GO GREEN MARKET OVERVIEW

PLUG-IN HYBRID - ELECTRIC VEHICLES

While not yet commercially available, plug-in hybrid-electric vehicles (PHEVs) are supercharged

versions of the HEVs described above, with some reporting efficiency fuel ∩f almost 100 mpg. A PHEV has a slightly larger battery pack that is charged by plugging the vehicle standard into а electrical outlet. The larger battery size allows a PHEV to travel further using only its electric motor. When battery power



is no longer sufficient to propel the vehicle, the highly efficient internal combustion engine kicks in to move the vehicle and recharge the battery. The typical PHEV would produce zero emissions while using the electric engine.

ALTERNATIVE-FUEL VEHICLES

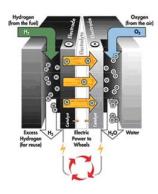


AFVs include any dedicated, flexible-fuel or dual-fuel vehicle designed to operate on at least one alternative fuel. Flexible-fuel vehicles can operate on gasoline, the alternative fuel or combinations of the two. Dual-fuel AFVs have two

separate fuel systems; one for traditional gasoline and one for the alternative fuel. Some alternative fuels include Biodiesel, Electricity, Hydrogen, Propane, Natural gas (liquid or compressed), Ethanol, and Methanol. The manufacturers today make dozens of flexible fuel vehicles/ethanol vehicles. While the number of

alternative fueling stations continues to increase, they still represent only 3 percent of the 200,000 stations in the United States.





FUEL-CELL VEHICLES

One of the most anticipated transportation technologies is fuel-cell-powered vehicles. Fuel-cell vehicles use hydrogen as a fuel and combine it with oxygen in the air to produce water and electricity. The electricity is used to power the vehicle, and the water is emitted as exhaust. Fuel-cell vehicles promise high - performance, long - distance vehicles that emit nothing but water vapor from the tailpipe.



SUPERCOMPACT VEHICLES

The Smart car and GEM are two examples of a very compact two-passenger, three-cylinder, gasoline-powered vehicle that gets 50+ mpg or runs on electricity only. The Smart cars are capable of

traveling at speeds up to 80 mph. At less than 8 feet long, the cars are easy to park, even in congested city conditions. Available in Europe for years, the Smart car only recently has entered the U.S. markets.



BUILDING GREEN FLEETS

The reason Emkay created the goGREEN fleet program is to allow companies to achieve their "Green Initiatives" without having to be an expert in alternative vehicle technology or allocate additional thousands of dollars necessary to purchase/lease these vehicles. This doesn't even take into account that aside from a few vehicles, fleet production allocation is next to none which means paying even more for off dealer lot retail prices.



By tracking and allocating resources to eliminate the carbon emitted from fleet vehicles, companies can achieve their objectives at a fraction of the cost. Even as Hybrid and other vehicle technologies become more accessible and cost effective to fleets, they still burn oil which emits CO2 into the atmosphere. Emkay's goGREEN program enables companies to drive toward or even become carbon neutral with their fleet.

... GOALS OF GOGREENFLEET.com

To provide a fleet leasing and management product that is environmentally friendly, gives back to the community, provides an outlet for other companies to accomplish their green initiatives, reduces the carbon footprint EMKAY and their clientele are having on our planet.

