EXECUTIVE SUMMARY

1.1 Canadian Electric Automobiles Ltd. is the proposed name of a new company being created by Public Petroleum Ltd., to develop, license, and manufacture electronic automobiles. The vehicle to be produced is the EXAR-1, developed by Edmond X. Ramirez, Sr. with a body design by the renowned Italian automotive designer, Pietro Frua. Current plans call for the EXAR-1's body to be of acrylic reinforced Kevlar for lighter weight and durability. The anticipated retail price of the car is expected to be $CDN 15,000 - 18,000 in the first two years, and then eventually declining to $CDN 13,000 as economies are realized.

The company expects to start selling the car in the first quarter of 1991, after two years of commercialization of the prototype body and the construction of a regional production facility capable of producing 5000 cars per year per shift. Based on very preliminary revenue and expense projections, the company projects unit sales, revenues, and before tax profits as follows:

YEAR	UNIT SALES	GROSS REVENUES	BEFORE TAX PROFITS
1991	10,000	$180,000,000	$ 13,560,450
1992	20,000	300,000,000	39,560,450
1993	30,000	450,000,000	64,360,450
1994	40,000	560,000,000	89,160,450
1995	50,000	$700,000,000	$114,160,450

These sales projections are considered achievable because of the 9 million new cars, and 25 million used cars in their price range, sold annually in Canada and the U.S. The company has identified its target market, which represents approximately 88% of all car sales. As all of the U.S. is available as a primarily sales area, the market is enormous. The company has budgeted $2 million in advertising and promotion activity to introduce the EXAR-1, as well as significant annual support.

The major hurdle to overcome prior to the start of production is the raising of the capital for the project. The company has identified industry leaders in the production and implementation fields which are expected to complete turnkey manufacturing facilities approximately 12 months after funding. The funding required to undertake the project consists of the following expenses:

	1989	1990	TOTAL
DESIGN & ENGINEERING	$280,000	$ 50,000	$ 330,000
PROTOTYPES FOR TESTING	100,000		100,000
PROTOTYPE TESTING EXPENSES		100,000	100,000
PLANT CONSTRUCTION	100,000	12,000,000	12,100,000
PLANT START-UP EXPENSES	260,000	13,290,000	13,550,000
TOTALS	$740,000	$25,440,000	$26,180,000

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Dr. Carl C. Clark
Dr. Byron L. Johnson
Margaret E. Matta
Elliott C. Small Jr.
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