

August 25, 2009

Founders Message #7

To All the Friends and Shareholders of Laser Energetics:

Laser Energetics is entering into a new phase of growth that is very exhilarating. The company has made great strides in the launching of the Dazer Laser™ Light Fighting Technology product line. We are moving fast on the commercializing the Dazer Laser. The Dazer Laser™ product line is World Class. We believe we have created the “**Ultimate Non-Lethal – Less Violent™**” **Weapon** which will be used in “**Saving Lives – One DAZE at a Time™**”. I believe more than ever LEI will have the best year in its history! I put out very large numbers as far as proposals in the last Founders Message. I am very comfortable with those numbers, and in fact, we have greatly exceeded those figures. Sales are very close, and because of that I’m holding back on larger dilutive financing. I’m looking forward to reporting good news in the near future regarding sales.

Status of Projects:

- **Dazer Laser™** - We are pleased to announce we have completed and are launching the two categories of the Dazer Laser™ Product Line. We now have three models of the Dazer Laser™ - Defender, and three models of the Dazer Laser™ - Guardian. The Defender (1-2400 meter range – model dependent) is marketed at longer range Military and SWAT applications. The Guardian (1-300 meter range – model dependent) is being marketed to shorter range law enforcement applications. We currently have signed and trained nine (9) Manufacturer’s Representative organizations. **We have proposed over \$400M in Dazer Laser quotes.**

We are confident we will have sales in the near term. There are several organizations that are discussing the use of Dazer Lasers™ in TV shows and in motion pictures. We are in a super position for the future, speaking with and presenting to organizations in our government and other allies with the United States. We are confident that we will have a great future. We have worked around the clock to make this game changing technology a success. Much more information will be coming out shortly.

Dazer Laser™
DEFENDER
Light Fighting Technologies



Dazer Laser™
GUARDIAN
Light Fighting Technologies



- **Remote Sensing BrightStar™ Alexandrite Laser** - We are excited about the United States Patent and Trademark Office issuing a Notice of Allowance for the Patent which will issue soon our Diode Pumped Green Pumped Alexandrite Laser, which we will use for many applications including laser marking, materials processing, hole drilling and yes- remote sensing. We are getting ready to continue discussing the next phase of working with the Army on our Remote Sensing Alexandrite Laser technology. As discussed previously, ITT ran into some technical developments that they successfully addressed. ITT had a recent JCSD field trial, which as reported, was very successful. This field trial was an official government test of the Raman Spectroscopy based instrument in which the fundamental question, in its simplest form, was answered --does it work. The answer is yes. ITT proved the system worked with multiple detections in each trial pass and at impressive ground speeds. This is the only system that has demonstrated this performance. The army has been trying for over ten years to find a viable replacement for their fielded "Double Wheel Sample System (DWSS)." The DWSS is plagued with operational problems and limited performance of which a 5 mph speed is one of the most critical. The JCSD in some form will be the DWSS replacement. Why? Because there is no other better technology. The Army develops CWA systems in an incremental stepped process with overlapping phases, and with the possibility of parallel paths if and as warranted. And with the development time-line being driven by technical maturity of the subject technology and further influenced by politics, funding and world conditions.

In the case of a DWSS replacement the Army has long recognized the need for a better system, continued development is being supported and funded, and due to the complex problem of CWA detection, there are no parallel paths - JCSD is it. In the JCSD case, the first step was a lab Raman Spectroscopy proof of principle test in the late 90's. This was followed by a planned 3-4 years of proof-of-concept development which doubled due to technical problems in software, hardware design and hardware reliability. These types of problems are not unusual given the advanced nature of Raman Spectroscopy. As a matter of fact, not all technical issues are resolved, even though the latest field test was completely successful. There are still a few needed improvements to software and hardware and **important to LEI is the Army's need to replace the gas laser. This continues to be a significant business opportunity for LEI.** As a result of this business opportunity for LEI, the latest positive field test results is very good news for LEI and vindicates LEI's long standing position that the JCSD program is good business for LEI.

- **TRT Technology** - Laser Energetics is in the process of incorporating its latest set of TRT optical films for PDA's and mobile phones into several PDA's/mobile phones. We will be putting the TRT project on a fast track very shortly with some additional capital coming into the company via orders. We will be working with several major players in the display/mobile phone market in September 2009.

Expansion of Laser Energetics Facility – As you know, LEI has already increased our current facility by 3750 square feet earlier this year, and we now have located approximately 25,000 square feet of additional space for production of the Dazer Laser and TRT. Our Dazer Laser pilot production line is being developed as I write this.

The Laser Energetics world class team is working hard to achieve World Class success! Laser Energetics – A place where “Good Guys & Girls Stick Together™ – Win Together” and why “Winners Never Quit and Quitters Never Win™”! Two sayings I live by and the reason why the future is ours. All the Best!

Sincerely,

Robert D. Battis

Founder, President & CEO
Laser Energetics, Inc.