



Maxwell Propulsion Systems, Inc.

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Maxwell Propulsion Systems, Inc. November 2006 Update

Hello all:

Sorry to be a bit late this month with our update, but do want to let folks know that progress is being made daily. A number of interesting and exciting things are happening here in Arlington! Here are some quick highlights.

A new engine technician, Dale Aldrich, has joined Craig Woolman and John C. A. Maxwell as MPS gears up for production. Colin Gillespie remains the key electrical technician, however, since he returns to college Winter Quarter and will only work half time, we have planned for Craig, Dale and John to provide backup support.

After 32 years at the Fred Hutchinson Cancer Research Center, (with the last 6 months on sabbatical) Gwen Maxwell will retire from her first career and direct her efforts to continuing with her second career at Maxwell Propulsion Systems.

Electrical Support Projects: John Gillespie is focusing his considerable electronic skills in finalizing development of a propeller pitch gauge and finishing up a new safety feature: an alternator over/under voltage module. We anticipate development on these two projects will be completed mid-December. Production plans are in the offing.

Engine Management System: We are currently building the next batch of six electrical systems; five have been spoken for, but one remains unclaimed. If interested, give us a call.

Sport International, Inc.: MPS has developed a package for Jim Vanik at Sport International for his new gyrocopter. Delivery of a prototype package is scheduled for early next week. Jim's production plans call for 50 propulsion systems delivered in 2007.

Propeller Production: We are on schedule for receipt of all machined parts for the first production run of the MX1-220, MPS's new constant speed propeller. Assuming all pass a rigorous QC process we plan to begin production assembly the first week of December.

PSRU: We continue development of a replacement for the A-40/A-41. We will keep you informed as progress is made. The goal is to have a design finalized by early January 2007 and to have units available for purchase by the end of the first quarter 2007.

NSI Inventory Sale: Another project that is coming to an end is completing a review of the components available in NSI's inventory that can support NSI's EA81 and EJ customers. With luck, prior to Christmas, NSI system owners will receive a list of products available at blowout prices.

Well, those are the November highlights, stay tuned for the December update when we sincerely hope to report that several projects are off the drawing board and into production.

Wishing you a very Happy Thanksgiving.

"The Maxwell Propulsion Systems Staff