

Tesla Motors Secures \$45 Million Series D Investment Round Led by Technology Partners and Elon Musk

Ira Ehrenpreis, Who Leads Technology Partners' Cleantech Investment Practice, Will Join Tesla Motors' Board of Directors



TESLA MOTORS

SAN CARLOS, CA -- (MARKET WIRE) -- 05/11/2007 -- Tesla Motors, a manufacturer of high-performance production electric cars, completed a \$45 million Series D investment round today. The round was co-led by Technology Partners, a venture capital firm with a focus on Cleantech and Life Sciences, and by Elon Musk, entrepreneur and CEO of Space Exploration Technologies (SpaceX.) An additional significant investment was made by Capricorn Investment Group, a private investment firm. All major investors from prior rounds of financing fully participated in this round, including Vantage Point Venture Partners, Draper Fisher Jurvetson, JP Morgan Bay Area Equity Fund, Valor Equity Partners and Compass Venture Partners.

Ira Ehrenpreis, leader of Technology Partners' Cleantech investment practice, will join Tesla Motors' Board of Directors. Ira is a recognized leader in both the Cleantech and venture capital communities. Ira has served as Chairman of the Cleantech Venture Network Advisory Board, the Chairman of the Clean-Tech Investors Summit, and on the Board of the National Venture Capital Association (NVCA).

Antonio Gracias, founder and CEO of Valor Equity Partners, one of the largest institutional investors in Tesla Motors, will also be joining the Board of Directors.

The financing will be used for the continued development of the WhiteStar program, a 4 door, five passenger sports sedan planned for introduction for the 2010 model year, the establishment of company-owned sales and service infrastructure, and the mass-production of the Tesla Roadster, a stylish, high performance, zero-emissions car which the company anticipates shipping to customers this fall. To date, the company has taken over 400 reservations for the Roadster.

"Ira Ehrenpreis and Technology Partners bring valuable expertise to Tesla and a shared passion for our mission of developing game-changing, zero-emissions cars," said Martin Eberhard, CEO of Tesla Motors. "We are also glad to have the continued support and leadership of Elon Musk, who has been firmly behind this company since its early days, and our other investors who actively support our goals."

"Tesla Motors is positioned as a leader in the fast-growing marketplace for alternative fuel vehicles. By developing zero-emissions cars that also deliver great styling and high performance, Tesla has broken the compromise that previously existed between desirability and responsibility," said Ira Ehrenpreis of Technology Partners. "The best way to gain mass adoption of clean technology is to generate consumer demand for it."

"Tesla Motors is a rare opportunity to bring about positive change in this world and build a valuable company at the same time. Our goal is to be one of the great car companies of the 21st century, leading with a fresh vision and new technology and driving the changeover from gasoline cars to an electric future," said Elon Musk, Chairman of Tesla Motors. "The Roadster is the first of a series of vehicles that we will develop, followed by our 4 door sports sedan, WhiteStar. Eventually, Tesla Motors will offer a full line of zero-emissions vehicles."

About Tesla Motors

Tesla Motors develops and manufactures vehicles that exemplify "Design, Performance, and Efficiency" while conforming to all U.S. safety, environmental and durability standards. The company has taken over 400 reservations for its first car, the Tesla Roadster, a stylish, high performance sports car that accelerates to 60 mph in about 4 seconds with extreme energy efficiency. Tesla expects to start shipping Tesla Roadsters to customers in the fall. Tesla Motors was founded in July 2003 by Martin Eberhard and Marc Tarpenning to create efficient electric cars for people who love to drive. Tesla Motors currently employs more than 200 people, including teams in California, Michigan, the U.K. and Taiwan. For more information, visit www.teslamotors.com.

About Technology Partners

Founded more than 20 years ago as a private venture capital firm, Technology Partners has managed a total of more than \$750 million of investment capital. Technology Partners' investment strategy is to team with visionary entrepreneurs to build successful new companies, serving principally as a lead investor and business advisor to both Cleantech and Life Science companies. For more information, visit www.technologypartners.com.

About Elon Musk

Elon Musk is the founder and CEO of Space Exploration Technologies (SpaceX), a company developing a family of satellite launch vehicles intended to reduce the cost and increase the reliability of access to space. Mr. Musk is also the co-founder of PayPal where he served as the company's chairman and CEO. Prior to PayPal Mr. Musk co-founded Zip2 Corporation which was sold to Compaq in 1999. Mr. Musk is an early investor in Tesla Motors and also serves as Chairman of the Board of Directors for the company.

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