

February 26, 2011



SAUER ENERGY, INC.

Symbol	SENY.OB
Exchange	OTC BB
Current Price	\$1.08
52 Week High/ Low	\$1.35/ \$1.05
Avg. daily volume (3 mo.)	45,933
Shares Outstanding (in mn)	77.7
Current Market Cap (in \$mn)	\$87.8
Float (as a % of shares out.)	48.8%



Cohen Price Target

\$2.31

INVESTMENT THESIS & RECOMMENDATION

Sauer Energy, Inc. (OTC BB: SENY), is a development stage company, focused on manufacturing and marketing vertical axis wind turbines (VAWT) for commercial and residential uses. The Company's VAWTs systems can be mounted on an average house or small building. Commercial applications of the products include industrial applications, such as oil rigs and off-shore platforms, ships, islands, other remote facilities, communications towers and bridges. Sauer Energy's mission is to empower the consumer to fulfill their own energy needs and be self-sufficient while preserving the planet. The Company plans to achieve this by focusing on small wind projects as opposed to other companies that are targeting large wind power projects.

The Company's patent protected (three patents issued and a few others pending) turbine blades are designed for maximum wind capture resulting in higher wind power generation at minimal costs. Key value drivers for Sauer include its strong and experienced management team, superior product design, technology performance, sustainable and scalable business model and macro-economic factors that have resulted in strong global demand for such solutions.

We believe that the market for Company's products is global and expected to rise at significant growth rates. Sauer Energy is currently focused on setting-up its manufacturing facility and establishing a global distribution network to expedite the commercialization of its product technology. However, the Company will have to raise an additional \$5.0 million in equity capital, post which we forecast significant top-line growth. Revenues are expected to grow from \$4.5 million in FYE August 31, 2012 to more than \$405.0 million by FYE 2017. SENY is potentially a lucrative short term trade and long term investment opportunity in the attractive alternative energy market. The Company provides an upside potential of 113.6% in the short term and long term.



SALES, EARNINGS MARGIN FORECAST – BASE CASE

all figures in \$ 'millions; unless otherwis	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
Revenues	-	4.5	22.5	75.0	225.0	337.5	405.0
% growth			400.0%	233.3%	200.0%	50.0%	20.0%
EBITDA	(1.2)	1.4	6.4	21.0	62.1	93.8	113.9
EBIT Margin		31.4%	28.5%	28.0%	27.6%	27.8%	28.1%
Net Profit	(1.2)	0.8	4.5	15.2	46.3	68.9	71.5
Net Profit Margin		17.6%	19.9%	20.3%	20.6%	20.4%	17.7%
Earnings Per Share - Diluted	(0.02)	0.01	0.06	0.20	0.62	0.92	0.95
Free Cash Flow to Firm	(2.2)	(1.2)	0.3	4.4	18.4	41.8	48.7

COHEN PRICE TARGET SUMMARY

The Cohen Price Target is calculated by 25% equal weighting of four different valuation methodologies. We use an industry average PE, an industry average price/capital employed (P/CE), a Cohen Performance Index, and the fundamentally driven Cohen DCF.

The Cohen Price Target™ Formula

Price-to-Earnings (P/E)		in US\$
SENY - Earnings Per Share - 2012 Forecasts	0.11	
Industry Average P/E Ratio	21.81	
Price based on P/E Ratio		2.30
Price-to-Capital Employed (P/CE)		in US\$
SENY - Capital Employed	0.39	
Industry Average P/CE Ratio	6.03	
Price based on P/CE Ratio		2.35
Cohen Discounted Cash Flow Model		in US\$
Cohen DCF Value - Base Case		2.36
Cohen Performance Index		in US\$
Cohen Price Performance Index Value	104.6%	
SENY - Current Stock Price	1.08	
Price based on Cohen Performance Index		2.21
Cohen Price Index Target		2.31
Current Price		1.08
Upside/ (Downside) Potential		113.6%



EXECUTIVE SUMMARY

- Sauer Energy, Inc. (OTC BB: SENY) is a Newbury Park, California based wind energy Company, focusing on the manufacturing and marketing of vertical axis wind turbines (VWAT) for residential as well as commercial uses. The Company's mission is to empower the consumer to fulfill their own energy needs and be self-sufficient while preserving the planet.
- The Company's patented (acquired and pending) turbine blades are designed for maximum wind capture, while keeping costs down and minimizing maintenance. These turbine systems can be used for a variety of applications ranging from 1.5 kWh (service a single family dwelling), to 1 MWh and above, which service large buildings or communities.
- In addition to superior technology, the turbine blade design requires low startup wind speed because the concave and convex blades capture wind from any direction and are engineered for maximum production process. Further, the design and utility of this dynamic product allows it to be used for scalable production models.
- Most of the large turbine manufacturers do not offer small turbines which can be used effectively and efficiently by residential as well as small to medium commercial users. The Company plans to first capitalize on this niche by initially introducing the small wind turbine which can be used in single family residences and small buildings.
- Sauer Energy's "plug and play" vertical axis wind turbine systems will be delivered with a complete set of generators, wiring, blades, rotor and installation brackets as a kit. By doing this, the Company plans to make purchasing easy, targeting to masses through multiple distribution channels.
- Currently, SENY is focused on setting up its manufacturing facility for its VWAT's and commercializing them by establishing a globally strong distribution network of dealers and forging strategic relationships for cross-marketing opportunities.
- The Company's top management team has considerable experience in managing all aspects of an alternative energy companies. Management's additional expertise in fund raising, negotiations, conducting due-diligence and managing a public company bode well for its future.
- Wind energy is now the world's fastest growing source of energy. The market for wind turbine sales is expected to deliver double-digit growth for the next couple of decades.
- Use of small wind turbines, which the alternative power industry defines as any windmill deployment with the capacity to light less than 10 homes, has become an \$82 million annual business – and growing at a rate of 15% since 2009.
- Risks: Capital access and competition from larger companies. Inability to raise additional capital would significantly impact its growth plans.

Financial Forecasts and Valuation

- We expect revenues of \$4.5 million for FYE 2012 and more than \$405.0 million by 2017 should the Company raise capital to fund its master budget. The Company is also forecasted to efficiently manage operations and command significantly higher operating margins and net profit margins.
- The Cohen Price Index Target is calculated using 2013 Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE), Cohen Discounted Cash Flow (DCF). The P/E and P/CE are based on market multiples and representative of the broader industry in which the Company operates The last component in calculating the Cohen Price Index Target is the value derived using the long-term DCF valuation approach.
- Based on an average of these methods, SENY common stock is valued at \$2.31 per share, 113.6% higher than current market price of \$1.08. The stock may be an attractive short term trade and long term investment.



INVESTMENT SUMMARY



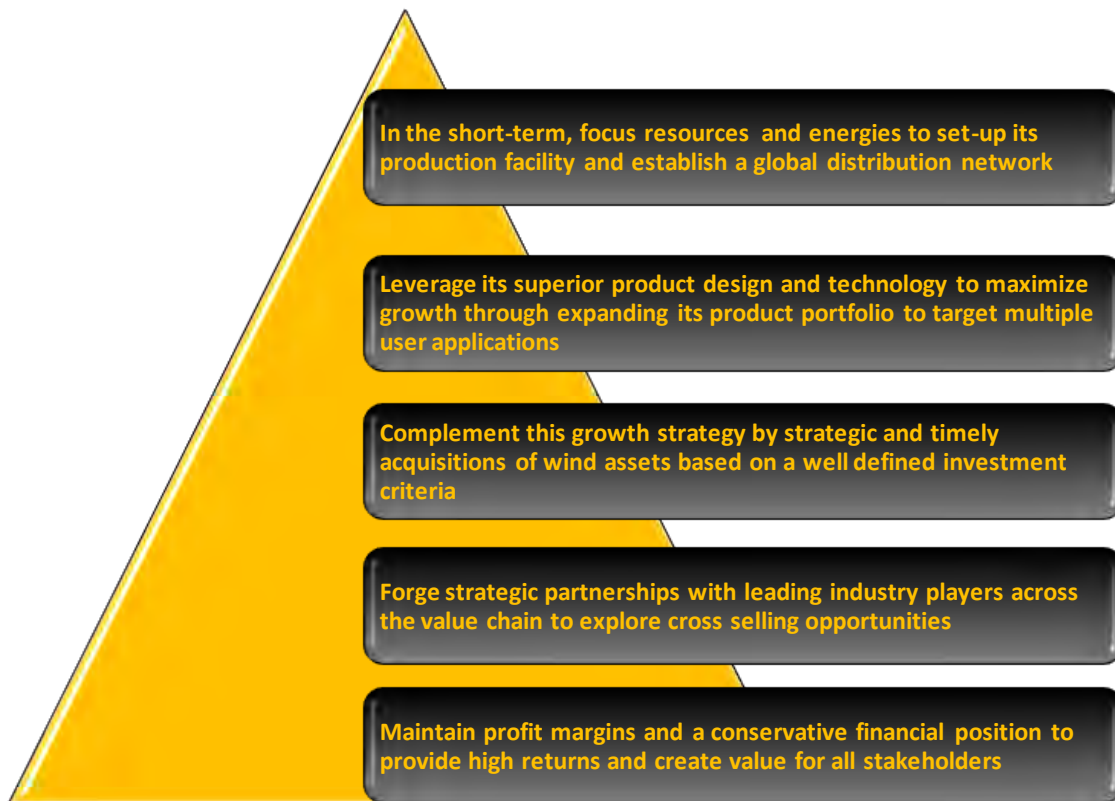
Sauer Energy, Inc. (OTC BB: SENY), is a development stage company focused on the manufacturing and marketing of wind turbine systems. The Company intends to provide a cost effective and efficient alternative energy solution for residential and commercial users. The key success factor for the Company is the revolutionary design of its vertical axis wind turbines (VWAT). The patented (3 patents awarded and few pending) convex and concave design of the turbine blades results in the optimum use of wind and results in the more efficient production of energy. The Company's dynamic small wind turbine systems can be roof mounted on homes or small buildings.

Sauer Energy's long-term plan is to provide the residential consumer and large corporate business with the most cost efficient form of renewable energy production. The Company has developed a strong plan to establish itself as an energy supplier and a utility company. Sauer Energy plans to initially focus on the residential sector as most large wind turbine manufactures currently only cater to demand for large commercial applications. Additional power generated by the customer could be transmitted back to the grid (for a fee) and distributed to utility companies. Further, when factoring in federal subsidies that homeowners could receive, SENY thinks the typical turbine will pay for itself in about 2 years. Thus, the Sauer Energy turbine systems not only save power costs but also can result in the fastest return of investment.

Sauer Energy will strive to become a leader of renewable providers of grid electricity. Currently, Sauer is focused on setting-up its manufacturing facility and its distribution network for global sales of its small wind turbines. The Company, going forward, plans to have a portfolio of land assets that will have a potential for high revenue growth by generating power through wind farms.



Figure 1: Company's Corporate Strategy



Source: Cohen Research

SENY is well positioned to benefit from the current strong growth in demand for wind turbines and alternative energy. In the current year, we expect the Company to focus on establishing its manufacturing facility, commercializing its small wind turbines systems, forging strategic partnerships and setting-up a distribution network with global footprint. Subsequently, Sauer Energy intends to expand its product portfolio to target larger commercial applications and set-up its large own wind power farm. The Company plans to invest \$5.0 million in the next 12-24 months to commercialize production and expand marketing initiatives. Thereafter, the Company may not need to raise and invest additional capital as we expect SENY to generate significant free cash flows. However, if the Company begins to build large commercial wind farms, it will need to raise more capital than our current projections. At this time, \$5 million should finance their current business model. We expect long term upside revenue opportunities from the Company's attractive portfolio of products, highly scalable business model, and favorable industry dynamics as demand for wind turbines continues to rise. Sauer Energy is an exciting renewable energy company with focus on the fastest growing energy source, providing an exciting short term and long term investment opportunity for risk-averse investors.

**COHEN GROWTH DRIVER ANALYSIS**

Figure 2: Cohen Growth Driver Analysis – Base Case

Annual Revenues, Margins, Assets, Turns							
all figures in \$ 'millions	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
Net Revenue	-	4.5	22.5	75.0	225.0	337.5	405.0
Operating Margin	NM	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
Net Margin	NM	17.6%	19.9%	20.3%	20.6%	20.4%	17.7%
EPS - Diluted	(0.02)	0.01	0.06	0.20	0.62	0.92	0.95
EBITDA	(1.2)	1.4	6.4	21.0	62.1	93.8	113.9
Free Cash Flow	(2.2)	(1.2)	0.3	4.4	18.4	41.8	48.7
Cash and Equivalents	0.4	1.2	0.2	0.7	7.8	41.2	84.8
Working Capital	(0.1)	1.0	3.6	9.4	28.1	42.2	50.6
Long Term Debt	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-
Total Assets	1.3	4.9	11.1	31.3	92.1	171.9	250.0
DSO	NM	91.3	65.7	52.9	52.9	52.9	52.9

Percentage Change in Annual Revenues, Margins, Assets, Turns							
	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
Revenues	NM	NM	400.0%	233.3%	200.0%	50.0%	20.0%
Operating Margin	NM	NM	0.0%	0.0%	0.0%	0.0%	0.0%
Net Margin	NM	NM	2.3%	0.4%	0.3%	-0.1%	-2.8%
EPS - Diluted	NM	-164.9%	465.6%	239.9%	204.8%	48.9%	3.7%
EBITDA	NM	-216.4%	354.2%	227.6%	195.7%	51.0%	21.3%
Free Cash Flow	NM	-48.0%	-125.4%	1411.2%	316.2%	127.0%	16.4%
Cash	NM	226.1%	-85.3%	269.1%	1067.2%	425.3%	105.7%
Working Capital	NM	-809.9%	247.8%	160.4%	200.0%	50.0%	20.0%
Total Debt	NM	NM	NM	NM	NM	NM	NM
Total Assets	NM	273.8%	127.8%	183.1%	194.0%	86.6%	45.4%
DSO	NM	NM	-28.0%	-19.4%	0.0%	0.0%	0.0%

Source: Cohen Research

The Cohen Growth Drivers Model is an intelligent road map used by many securities analysts to analyze the forecasted growth of a given company. We forecast significant top-line growth driven by the Company's expected commercialization of small wind turbines for residential and small office uses. However, in the current fiscal year, the Company will focus on investing capital to set-up its production facility. We expect sales to begin from FY-2012. SENY expects to retail 600 units of its 5-foot turbines for about \$7,500 per kilowatt-hour of power generation capacity. Thereafter, sales are expected to grow significantly as it invests significantly in marketing and distribution activities. The Company expects to maintain high gross and operating expenses throughout our forecast period. Free cash flows are forecasted to be positive in 2013 as significant revenue growth will lead to higher net profits.

We believe our estimates are realistic at this time as they are based on the current capital spending capacity of the Company and do not include any additional capital expenditure to further expand operations across the globe. If the Company expands its production facility or its geographical footprint, the top-line and need for more capital should increase. The demand for alternative energy, especially wind power, is likely to continue to grow.

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The Company plans to spend approximately \$5.0 million in capital expenditures in the next 12-24 months. The robust industry demand, together with focus on cost effective and efficient operations will drive SENY's operations. Our estimates are realistic at this time with the Company's current business model. Growth prospects are impressive. Management will be challenged to meet its master budget as the Company grows.



COMPANY PRODUCT DESCRIPTION

Sauer Energy¹ has developed a unique and technologically superior Vertical Axis Wind Turbine (VAWT) that has proven to be highly efficient. The convex and concave design of blade not only makes for the optimum use of wind; it also creates maximum drag produced by the power generating blades as they are moved by the wind. These VAWT systems operate in any direction of wind flow and rotate quietly. The vertical design eliminates the weight and gear box, thereby providing for more efficient production of energy, along with low and high speed wind capture. The concave high drag side of the wind transfers kinetic energy to the rotor shaft. The rotor shaft of the VAWT, which is directly connected to a generator, then converts kinetic energy- to usable electricity. The convex blade will produce less aerodynamic drag.

Figure 3: Sauer Energy's VAWT



Source: Company Presentation

System Design¹

The vertical-axis design is a compact turbine design that can be placed on location without being intrusive and has been designed to be integrated directly into existing buildings. This size advantage allows structures as small as an office building or hospital, for example, to place the turbine onsite.

Economically, onsite installations dramatically improve the return on investment of wind power, including rebates currently being offered. Power generated offsite, such as at wind farms, is still subject to transmission and distribution charges. Conversely, onsite solutions take a percentage of the organizational power requirements "off the grid."

¹ Some sections of the Company's product description are taken from the website and the business plan.

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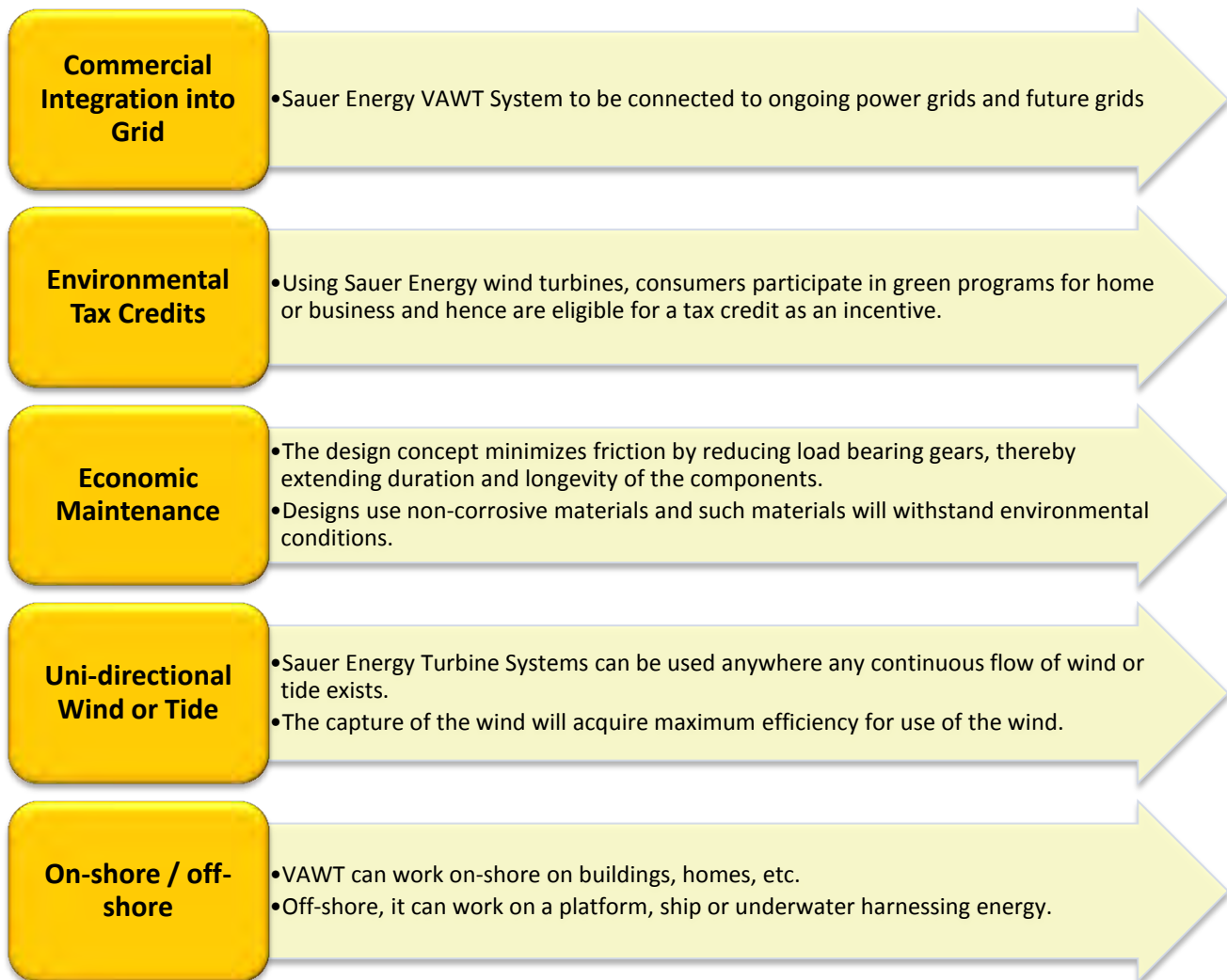


Blade Speed¹

A traditional VAWT blade design turbine of similar output requires a greater level of wind speed to generate power. The VAWT provides omni-directional wind collection, allowing it to make power while turning at slower blade speeds. It only takes a 6 mph wind to turn the blade. One benefit of this feature is obvious: It can work at locations with lower average wind speeds.

Therefore, the geographic option for using wind energy is greatly expanded. A user may not need to be located on a hilltop or in coastal locations to reap the benefits. Plus, it reduces wind direction limitations because it can collect wind power on a 360-degree basis. Horizontal blade technology must spend time and energy turning into the wind when the wind changes direction.

Figure 4: Advantages of the Company's VAWT



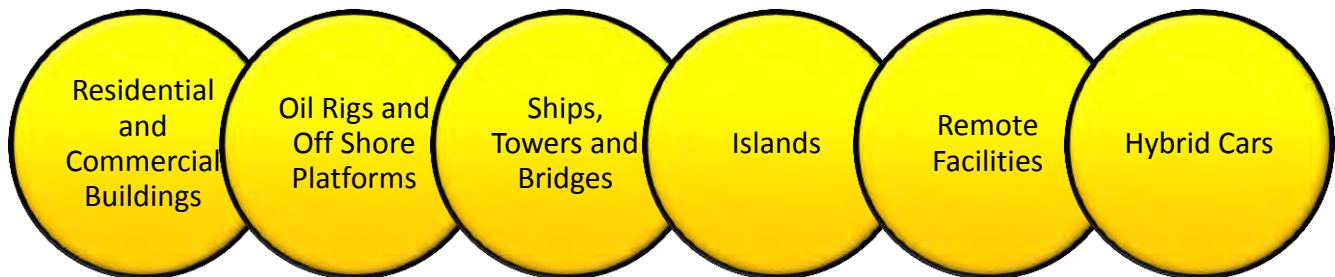
Source: Cohen Research



Product Applications

The Company's product design is used in multiple applications. Though currently the Company is focused on 1.5 kWh to 15kWh wind turbines for residential houses and small buildings, the product design can be expanded to produce 1 MWh and higher, which can service large buildings or communities.

Figure 5: Application of Company's Products



Source: Cohen Research

Market for Company's Products

As shown above, Sauer Energy has identified various markets for its products. The Company initially plans to manufacture efficient quality wind turbines for the residential consumer/homeowner market, as the Company feels that it has not yet been explored. By providing the highest return of electricity on the market, Sauer Energy plans to gain reputation and brand name recognition as well as providing the required cash flow for further product development.

Sauer Energy has developed a three-point sales strategy:

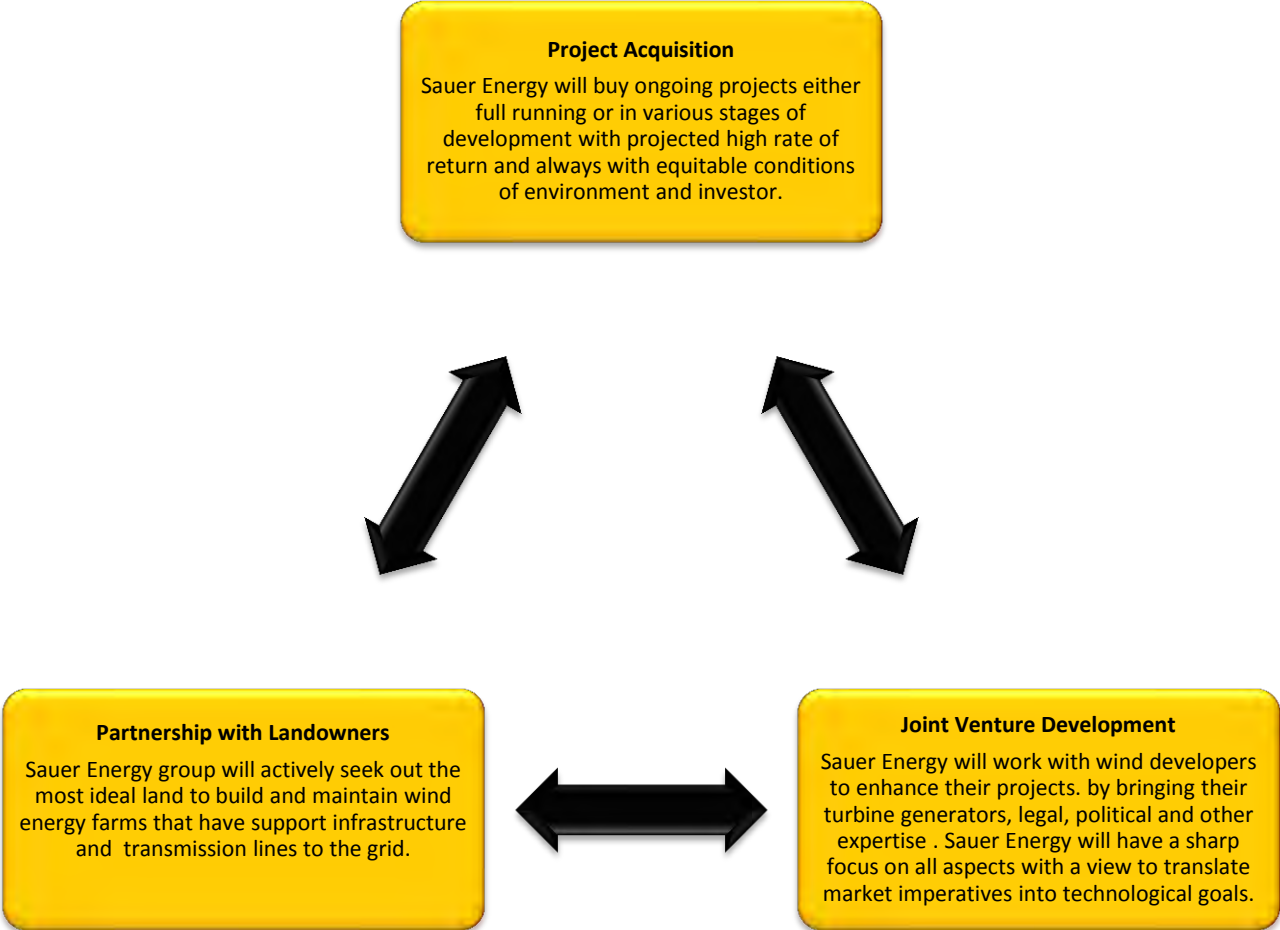
- Target large retail consumer stores that will allow the Company to have maximum orders from retail consumers
- Direct selling to target markets
- Leverage its various relationships and networks, invest in advertising to promote the brand name to consumers.



COMPANY LONG TERM PLANS

Sauer Energy plans to be a renewable energy provider by providing products for wind energy generation as well as establishing wind farms that will generate wind energy. The Company is focused on becoming an alternative energy company which will have a portfolio of land assets to be used for wind farm development that will have a potential for high revenue growth. SENY intends to access these resources through manufacturing of its own turbines for placement on these land holdings. The Company is focused on domestic wind farm development projects in the most favorable wind areas with access to switch stations and transmission lines. The sale of this electricity along with revenues from product sales should ensure long term profitability and further enhance shareholder value. The Company has adapted a three-pronged approach to achieve its long-term growth plan.

Figure 6: Company Approach to Achieve Long Term Growth Plans



Source: Cohen Research



COMPANY VALUE PROPOSITION

SENY expects to generate substantial revenue growth once its small wind turbines are commercialized. The Company has designed a scalable business plan to cost effectively manage operations. The Company is well positioned to seek opportunities arising from the increased demand for small wind turbines. Management's ability to raise funds, expand operations and experience in the industry provide a positive impetus for growth.

Figure 7: Focus Sauer Energy's Value Proposition



Source: Cohen Research



INDUSTRY OVERVIEW

Increasing concerns over the global climate change crisis from conventional fuels, the ever-volatile oil prices and growing dependency on foreign oil, has led the many governments across the globe to increase their support for domestic production of economic alternative energy. In the United States, President Barack Obama has undertaken a number of initiatives and announced incentive packages that foster investment in clean, renewable energy. He has made it his goal to double renewable energy production in the United States within the next three years.

With energy prices spiraling out of control and modest economic conditions, many residential and business consumers are searching for ways to reduce and control energy costs. It is a trend that is also fostering a great deal of interest in renewable-energy options. Wind power is the fastest growing alternative energy segment as it has proven to have the most attractive cost structure relative to other alternative energy and distributed generation solutions, such as bio-fuels, cogeneration and solar power.

The current annual growth of wind turbine sales is 30%+. Wind energy is now the world's fastest growing source of energy. The forecast in the next twenty years will expand at double-digit rates. The United States Department of Energy, American Wind Energy Association, and the National Renewable Energy Laboratory expect that wind energy will contribute approximately 20% to the nation's total consumable electricity within the next twenty years. This translates to cumulative wind turbine sales of over \$250 billion to \$500 billion in the next couple of decades.

Small Wind Energy Market

The wind power market has been dominated by large HAWTs, with the traditional blade design that looks like a giant fan clustered mostly on „wind farms“. These large systems seriously compromise the ability of many companies to take advantage of wind power right at their building or plant. This is due to the economics of horizontal wind turbines that favor large operations, multiple-megawatt installations and current technology dynamics. Hence, small wind energy systems are one of the fastest growing forms of customer-sited or „distributed“ electric generation and one of the best energy investments for small businesses and homeowners. Small wind energy systems typically generate enough power to meet the demands of a home, farm or small business.

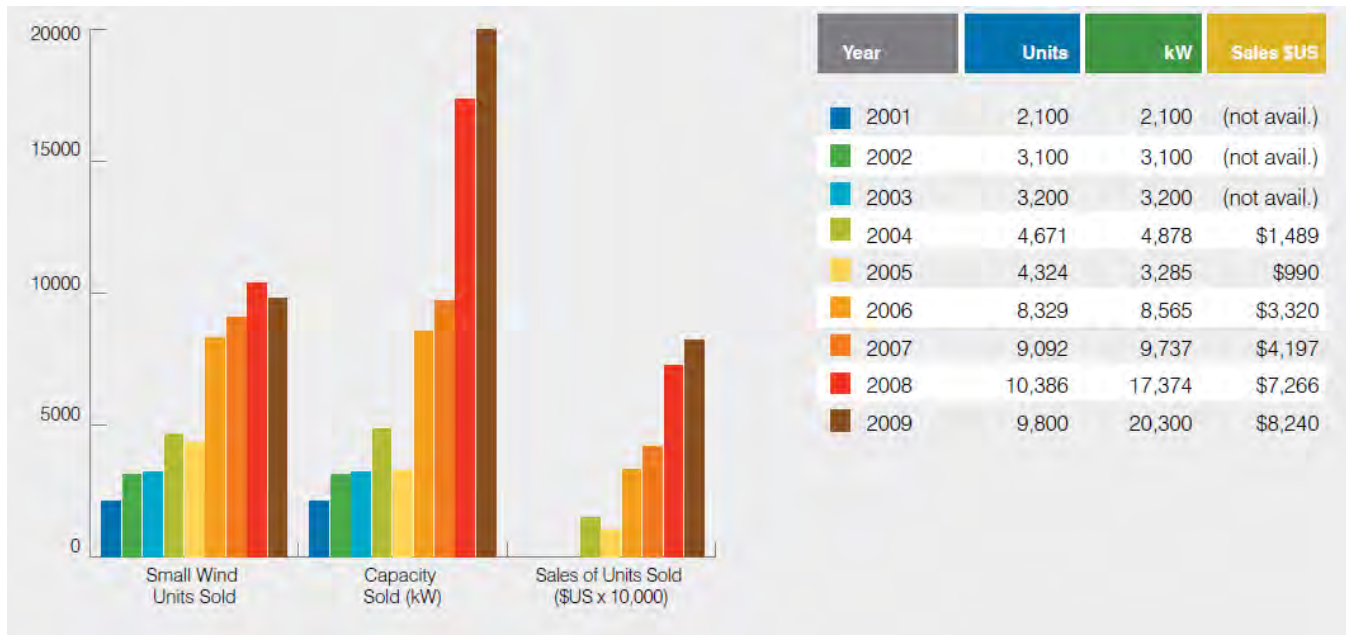
The success of the commercial wind industry has propelled significant advances in small turbine design, making these systems more reliable, quieter and safer than those introduced in past decades. Sauer Energy's innovative VAWT technology breaks this mold. It addresses a number of the technology's known shortcomings in wind energy generation, such as noise pollution, minimum blade speed threshold, bird endangerment and space limitation, while enhancing its advantages. And though most of the electricity they produce is used on-site, excess generation can be fed into distribution lines, strengthening the electric grid.

Despite the economic slowdown, the United States small wind turbine market grew 15% and deployed an additional 20.3 megawatts (MW) of new capacity in 2009 according to the American Wind Energy Association's Small Wind Turbine Market Study 2010. This translated to total industry sales of \$82.4 million by selling 10,000 new units and pushing the total installed capacity in the United States to 100 MWh. Key drivers that can be



attributed to this growth are: technology development, new and improved federal and state incentives, optimistic private equity investors, and sustained consumer demand.

Figure 8: Small Wind Energy Turbine Market



Source: American Wind Energy Association

COMPETITION

On a macro level, the Company competes with all energy suppliers and manufacturers of energy producing equipment. In its line of business focused on wind energy equipment, Sauer Energy directly competes with manufacturers and suppliers of other vertical axis wind turbine (VAWT) systems, such as Helix Wind, WePower Sustainable Energy Solutions, Windside Production Ltd., Mariah Power and OregonWind Inc., as well as indirectly with traditional horizontal axis wind turbine (HAWT) wind turbines. We believe the Company's aesthetic design; comparable generation capacity and lower production cost provide a competitive advantage over both traditional horizontal axis wind propeller designs and emerging technologies. One of the main distinguishing advantages of the Company is the ability to provide superior long-term return on investment to its customers. However, the Company will face severe competition from larger companies that have longer operating histories and significantly more financial resources. Key to Sauer Energy's success will depend on its ability to raise funds.



VALUATION

THE COHEN PRICE TARGET™ - \$ 2.31

The Cohen Price Target™ is a dynamic and logical valuation approach as it combines market-based approaches and intrinsic value methodologies. Capital raising and cash are the life blood of any micro cap/small cap company. Hence, the Cohen Price Target™ includes four components, 25% equal weighted that together reflect and are based on the Company's ability to raise capital for growth. The four components used in our price index are: Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE) (Both Market based valuation approaches), Cohen Discounted Cash Flow (DCF) method (Theoretically an Intrinsic Value based approach) and Cohen Price Performance Index.

Our formula for The Cohen Price Target™ is shown below.

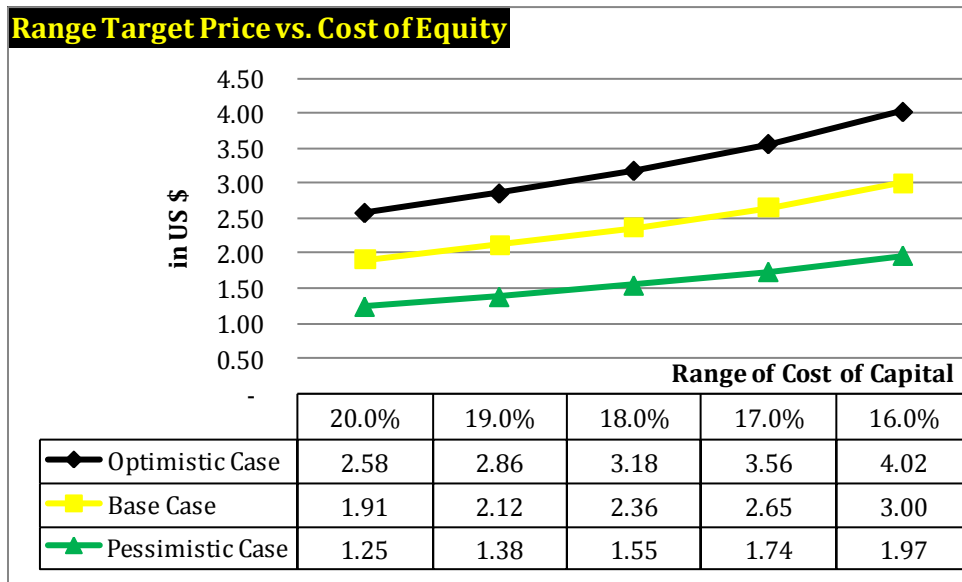
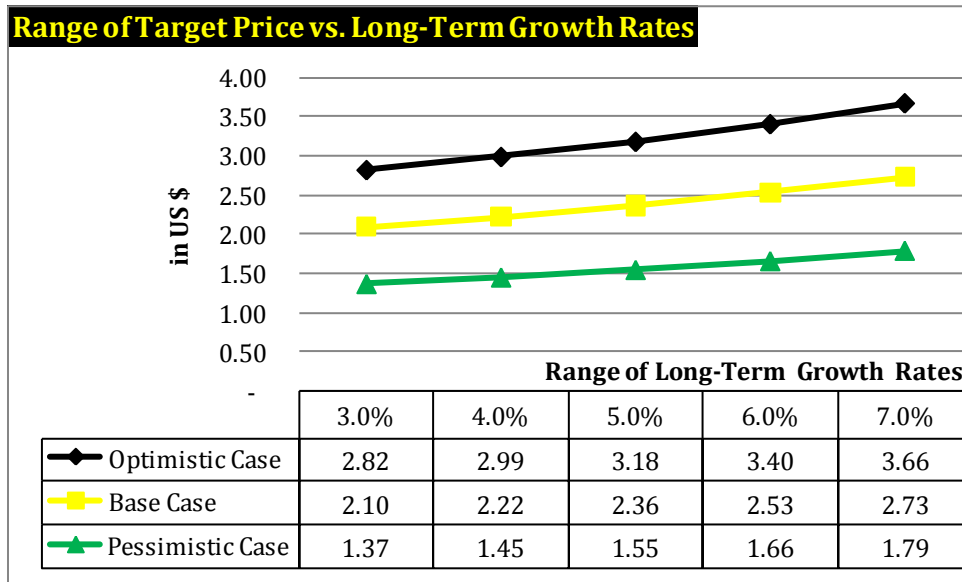
Figure 9: The Cohen Price Target™ Formula

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Price based on Cohen Performance Index		2.21
Cohen Price Index Target		2.31
Current Price		1.08
Upside/ (Downside) Potential		113.6%

Source: Cohen Research



Figure 10: Cohen Discounted Cash Flow™



Source: Cohen Research



MANAGEMENT BIOS

Top management at Sauer Energy provides a competitive advantage. The strength, depth and longevity of the Company depends on the quality and experience of its key personnel. Their experience in the field of renewable energy, especially wind power includes capitalizing on industry cycles, identifying lucrative opportunities, significantly ramping-up operations and identifying suitable exit opportunities. The Company's management team is very strong in innovation and experience and will help drive the future profits of the company.

Dieter Sauer

President & Chief Executive Officer

As founder and CEO of Sauer Energy, Dieter offers over 30 years experience in financing, corporate banking, capital management, and commercial real estate investments. Combining his experience along with his undeniable passion for wind energy his mission is to catapult Sauer Energy worldwide and conquer the energy crisis, one home, one building at a time.

Dieter's experience is not limited to the many projects funded as a banker. It includes being a successful investor as well, owning hundreds of income producing units. Together with this, he has experience in investor relations and representing thousands of shareholders. Being driven, diversified and a team player he serves this corporation well.

Through California Federal Bank, he obtained Senior Certified Underwriter of Lending. Prior to that, he obtained a 4-year Financial Management Certification from Avco Financial Bank. Dieter studied pre-law/business administration at Moorpark College. Dieter was a Certified Sub-Contractor through Freddie Mac and Fannie Mae, secondary market.

Experience:

- California Federal Bank – Department Head, VIP Loans, Senior Loan Management
- Unity Savings and Loan – Vice-President
- Paine Webber - Consultant
- Quaker Federal Bank – Regional Loan Officer
- Capital Resolution Corporation – President/CEO
- Tri Investments – President

Dieter has made it his mission to make a difference in the world by offering a solution to our current and rapidly growing energy crisis. As an experienced financial executive with extensive knowledge in financial management, he holds the vision and drive to bring things to a successful result. With the power of wind, he has created a way to secure a future for generations to come.



Elizabeth J. Stoller
Chief Financial Officer

Elizabeth has over 20 years of diversified financial experience with companies ranging in size from startups to multinational Fortune 100 companies including Northwest Airlines, Bristol-Myers Squibb, Western Union and Diageo. Currently as a partner at B2B CFO®, Elizabeth brings the large company CFO skill set to small businesses.

Elizabeth received her MBA from Cornell University in Accounting and Finance, along with a BS in Mathematics and Economics from Union College in Schenectady, NY.

Upon graduating, Elizabeth landed at Northwest Airlines where she worked on the financial restructuring plan. When the company went public in 1993, she moved into financial operations and focused on saving the company millions by renegotiating contracts with aircraft hardware vendors (reduced costs and improved service levels), and developing a cost accounting system for improved inventory tracking and costing for aircraft engines.

At Bristol-Myers Squibb, Elizabeth was responsible for the financial performance of women's health care OTC brands which included developing an alternative distribution strategy in response to increased competition. In addition, she supported the business development projects including the launch of a new skin care line in Eastern Europe, the acquisition of an antacid brand and factory in Mexico and an herbal company in China.

As VP of Finance at Diageo, Elizabeth led the creation of the financial analysis department for North America after a corporate restructuring. She created a financial reporting process which focused on business unit profitability, led all financial budgeting and strategic planning activities, reduced expenses, and improved cash flow.

Western Union hired Elizabeth to analyze the return on investment of the company's global marketing spend and the CRM / Loyalty programs in the US. She also modeled the cost-benefit analysis of rolling out CRM / Loyalty programs internationally.

Elizabeth joined B2B CFO® in 2008 and has been working with business owners who are interested in improving profitability, increasing cash flow and driving revenue growth.

Dan Woods
Chief Technology Officer

Dan Woods is the head engineer and manufacturer for Sauer Energy, Inc. He brings worldwide experience and connections to the table.

- Dan is responsible for creating the master model for the permanent engine blade of the Boeing 777.
- Another example of his work includes the machining of the scale model of the Guggenheim Museum Bilbao, Spain.
- His engineering and manufacturing have been critical to the development of the Lockheed Joint Strike Fighter.
- Rolls Royce, General Electric and Pratt & Whitney used him to create master molds for the tools in the manufacture of jet engines.
- To his credit, he built the “Flying Wing” design and the molds to produce the composite impellers for NASA.



Along with these outstanding accomplishments and many more equally prestigious accomplishments, Dan has presided as the CEO and President of Dangar Engineering & Manufacturing, Inc., for the past 30 years.

Ana Rosa

Executive Operations Officer

Ana has been instrumental in facilitating many transactions to a successful conclusion. With many years as an entrepreneur, her legal background has been an invaluable asset.

She served as an Investor Relations Representative for a publically traded company. She was the liaison between the company and shareholders. In collaboration with investment groups, Ana has effectively managed many large real estate income producing projects.

As co-founder and Executive Operations Officer for Sauer Energy, Ana has been an integral part from its inception. This knowledge gives her an infinite advantage for interfacing all the development phases of manufacturing of the Turbine System. Being detail oriented and completely familiar with all facets of Sauer Energy, she is poised to make sure things run smoothly. Her dedication and drive will propel this company to new heights.

Ana is results oriented and well networked with a tenacious and influential approach to business development. Her extensive experience ranges from creation of new market opportunities, and introducing new products to establishment of an effective sales force.

She is thankful for the opportunity to advance her dream to make a global impact for renewable energy through humanitarian efforts. Being passionate about wind energy, Ana is intently focused on the success of this world-altering and rewarding vision.

John H. Shaw

Investor Relations

John Shaw brings over 25 years experience as a corporate communications professional, journalist and securities industry executive. At Sauer Energy, he directs investor, public and media relations as well as marketing communications.

Mr. Shaw founded and has served as principal of his own corporate communications consultancy since 2001. Earlier, Mr. Shaw held VP – Corp Comm officer roles at publicly traded companies including Loudeye Technologies (Nasdaq), as well as venture capital firms (and their portfolio companies) Digital Media Campus and Intellect Capital. Previously, he consulted to a variety of emerging-growth companies, serving for five years with two of the world's most respected financial public relations firms, the Financial Relations Board and Sitrick and Company.

Prior to becoming a management consultant in 1992, Mr. Shaw was a stockbroker with E.F. Hutton, an award-winning journalist at a Gannett newspaper, on-air reporter/anchor for a CBS Television News affiliate, and reporter for The San Diego Business Journal.

Mr. Shaw received his Master's Degree in Management from Webster University, St. Louis, a B.A. in Psychology from the University of Arizona, and served as a member of the National Investor Relations Institute. Earlier, he served as a Captain, and Communications Officer, in the United States Marine Corps.



LATEST PRESS RELEASE

Sauer Energy Appoints Corporate Communications Director

NEWBURY PARK, CA--(Marketwire - January 10, 2011) - Sauer Energy, Inc. ("SEI") (OTCBB: SENY), a developer and producer of home and enterprise scale vertical axis wind turbine (VAWT) systems, today announced that it has appointed John Shaw as Director of Corporate Communications. In this role, he will direct Sauer Energy's investor, public and media relations activities and report to the Company's chief executive officer.

Mr. Shaw brings to the newly created position over 25 years experience as a corporate communications professional, journalist and securities industry executive. Since 1992, he has counseled a variety of emerging-growth companies on corporate communications and investor relations issues. During this time, Mr. Shaw served as Vice President - Corporate Communications for public companies and venture capital firms including Loudeye Technologies and Digital Media Campus. He also served five years with two leading financial PR consulting firms, the Financial Relations Board and Sitrick & Company, where he led a number of key client engagements for companies ranging from emerging growth to Fortune 500.

Prior to becoming a management consultant, Mr. Shaw was a stockbroker with E.F. Hutton, an award-winning journalist at a Gannett newspaper, on-air reporter/anchor for a CBS Television News affiliate, and reporter for The San Diego Business Journal. Earlier, he served as a Captain and Communications Officer in the United States Marine Corps. He received his Master's Degree in management from Webster University and a B.A. in psychology from the University of Arizona.

Dieter Sauer, SEI Chief Executive Officer, commented, "Sauer Energy is positioned for strong growth in 2011 as we begin to commercialize our patented, breakthrough technology. We have growing interest from investors and the media, and are reinforcing our management team for higher levels of Company investor and public relations.

"John is a highly accomplished, veteran corporation communications executive who knows the emerging-growth company marketplace," Mr. Sauer said. "I am pleased to welcome him to Sauer Energy."



CONCLUSION

Sauer Energy is an exciting wind turbine company that seeks to place itself at the forefront of the growing wind energy industry. The Company has developed a strong business model to scale its operations from being a wind energy turbine manufacturer and supplier to become an alternative energy utility provider. Initially the Company is focused on manufacturing and marketing of small wind turbines targeted for residential and small business users. Thereafter, it intends to expand its product portfolio by leveraging its current product design and technology for larger commercial and industrial applications. Finally, the Company intends to invest its profits generated through the sale of wind turbines in developing wind farms.

The key success driver for the Company is its superior product design and technology. The Company's patent protected (three patents issued and a few others pending) turbine blades are designed for maximum wind capture resulting in higher wind power generation at minimal costs. Sauer Energy has established a well defined distribution strategy that targets the sale of its products through large retail format stores, direct marketing and strategic partnerships. The Company is pursuing global exposure through a network of memberships and affiliations that should enable Sauer to develop worldwide customer access and expand its wind energy platform.

Market dynamics for alternative energy are highly attractive. Wind energy has proved itself as one of the most cost effective alternative energy solutions. However, until recently, technological glitches prevented the mass use of wind energy as a practical solution for residential and small business users. Nevertheless, technological advancements that resulted in developing the small wind turbine market have led to a significant rise in demand for wind turbines. The United States market for these products was estimated at approximately \$82.4 million in 2009 and should grow at double digit figures throughout the next couple of decades.

We believe that the Company's strong and experienced management team, superior product design and technology performance, sustainable and scalable business model and macro-economic factors makes the stock an intriguing investment proposition for risk-averse investors attracted to the wind energy markets. The stock may provide a short term trade and long term investment opportunity for risk-averse investors.

RS/ Grass Roots Distribution Research



COHEN PRICE TARGET APPENDIX

The Cohen Price Target™

The Cohen Price Target™ is derived using a combination of academic and market-based valuation approaches. The following four equal weighted (25%) components used in calculating our target price, include the assumption of capital raised:

1. The first 25% equal weighted component: is the market multiple based valuation methodology. This method uses the industry average 2011E Price-to-Earnings ratio to calculate the potential stock price (and/or price to Book if an asset based company). We take the average Price-to-Earnings multiple of a given industry. This means that, on an average, stocks in this industry should currently trade at a multiple times their 2011 expected earnings. These earnings are usually only generated by a small company raising cash to meet its master budget. The index, therefore, reflects capital invested in any micro/small cap company.
2. The second 25% equal weighted component: Cohen Capital Employed based valuation. Most start-up and micro/small cap companies require significant capital to meet our projections. Our Cohen Price Target™ reflects the Company's ability to raise additional capital. Based on our capital projection and long-term price target from our Cohen DCF™ valuation model, we derive a Price-to-Capital Employed ratio. We then multiply this ratio with our capital employed per share assumption to derive this target price.
3. Our third 25% equal weighted component is our use of the Cohen Price Performance Index™, which calculates the average price increase of all the stocks covered by Grass Roots Research and Distribution Inc. and Cohen Research after their release. Currently, for the period ending February, 2011 the Cohen Price Performance Index™ is up by 104.6%, meaning that we expect the stock to follow the same trend and rise by 104.6%. To date, since May 2009, 95.8% of all of our stocks post report release have traded above the price of our initiate coverage report within 27 days. The Index assumes that all of its companies had capital employed in each company. In general, almost 100% of our researched stocks went up close to 100%.
4. Our fourth 25% equal weighted component is our Cohen Discounted Cash Flow (DCF) method of valuation. Our Cohen DCF™ valuation includes a complex trademarked formula proprietary to our firm, which includes an assumed long-term sustainable growth rate, cost of capital and assumed capital invested in a given company. Our DCF price target values a company today, based on projections of how much future cash will be generated from a given company. We assume that a company is worth all of the cash it can make available to investors in the future. It is called 'discounted' cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming a given amount of capital is raised, to calculate the free cash flow we project a company to generate during our 5 year forecasted time period. If a company does not raise our estimated cash requirements, it is highly unlikely to reach our forecasts and can go out of business. After using a formula to discount free cash flow, we divide the total forecasted equity of the company by the shares of stock outstanding to calculate our Cohen DCF™ valuation, or theoretical price per share target. We believe the Cohen DCF™ formula is a more accurate measurement of operating cash than the traditional DCF used by most Wall Street research analysts. A DCF, or 5 year forecasted free cash flow projection, cannot be calculated without forecasting the three statements (IS,BS,CF) for 5 years. We are the only



firm in the investor awareness industry that forecasts all of our companies for 5 years in three assumed cases. We believe this in depth level of securities analysis is a must for all of our companies, and is a foundation of the Cohen Research Method™.

Capital raising and cash are the life blood of any micro cap/small company. Our Cohen Price Target™ includes 4 components, 25% equal weighted, that together reflect capital is raised in our client companies. Our components are trademarked and proprietary to our firm, as is the Cohen Performance Index™.

Most micro/small cap companies have difficulty raising sufficient funds to reach our theoretical forecasts; hence there is considerable risk for any investor. While we do not give investment advice, any company that cannot raise adequate capital to finance its business model is a highly risky investment, short term or long term. Investment awareness campaigns also affect our price targets. Do not rely on our price targets because they are based on academic theory. Do your own research or consult with your investment professional.

Price Targets

Price targets can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the probability for short term price increases post report release. Our price targets assume capital raising and forecast 5 year Income Statement, Balance Sheet and Cash Flow statements. In a perfect world, these assumptions may be realized. We do not give investment advice. However, in the practical/real world, it is very difficult for a small company to reach our theoretical 5 year projections. We are not aware of any research firm that forecasts the three statements (IS, BS, CF) in 3 cases for 5 years. We believe our price targets are unique to the body of knowledge in the field of securities analysis.

Note: How we calculate our Price Targets

We further explain our Cohen DCF, which is an important 25% component of The Cohen Price Target. The Cohen Discounted Cash Flow Analysis (DCF) creates a price target and values a company today, based on projections of how much future cash will be generated from a Company. Our DCF analysis assumes that a Company is worth all of the cash that it can make available to investors in the future. It is called "discounted" cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming capital is raised, to calculate the free cash flow we expect a company to generate during our 5 year forecasted time period. After using a formula to discount free cash flow, we divide the total forecasted equity of the Company by the shares of stock outstanding to calculate our Cohen DCF (Discounted Cash Flow) valuation, or theoretical price per share target. We believe our Cohen DCF is a more accurate method of calculating operating cash. We forecast three assumed price targets because companies change during 5 years, Base Case, Optimistic Case, and Pessimistic Case.

Note: What is our formula used to calculate our DCF, the Cohen Price Target?

Some line items include free cash flow to the firm, the weighted average cost of capital, assumption of capital raised and capital spent, and the total enterprise value of the business less its debt, total equity value, total shares outstanding, and our projected price per share. A DCF cannot be academically calculated without projecting the 5 year cash flow statement.

Risks of the Cohen Price Target

Our Price Targets assume capital will be raised in our four components, or 100% of the Cohen Price Target. The majority of micro cap/small cap companies need capital to reach our 5 year sales and cash flow projections. In the academic world, The Gordon Growth Model justifies an analyst's decision to forecast for 5 years. We

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forecast the three statements for 5 years in 3 cases. However, in the practical/real world, buying a micro-cap stock based on 5 year forecasting is highly risky.

If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model. If an investor believes that a given Company cannot raise the necessary capital to reach our projections, then any investment becomes highly risky.

The investor should consider the possibilities of a given company being able to raise capital and execute over 5 years. Few micro/small cap companies are able to raise enough capital and execute over an extended period of time, primarily due to competition, management competence, access to capital, and execution of their master budget. Our price targets are academic theory and should not be relied upon. Investors should do their own research and consult with their financial consultants.

**FINANCIAL EXHIBITS****Income Statement – Base Case**

all figures in \$ 'millions	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
Net Revenues	-	4.5	22.5	75.0	225.0	337.5	405.0
Cost of Production	-	1.8	9.0	30.0	90.0	135.0	162.0
Gross Profit	-	2.7	13.5	45.0	135.0	202.5	243.0
Total Operating Costs	1.2	1.5	7.5	25.0	75.0	112.5	135.0
Operating Profit/ EBITDA	(1.2)	1.2	6.0	20.0	60.0	90.0	108.0
Depreciation and Amortization	-	0.2	0.4	1.0	2.1	3.8	5.9
Earnings Before Interest and Tax/ EBIT	(1.2)	1.0	5.6	19.0	57.9	86.2	102.1
Interest Expense, Net	(0.0)	-	-	-	-	-	-
Earnings Before Tax/ EBT	(1.2)	1.0	5.6	19.0	57.9	86.2	102.1
Taxation Expense / (Benefit)	-	0.2	1.1	3.8	11.6	17.2	30.6
Net Profit/Loss for the period	(1.2)	0.8	4.5	15.2	46.3	68.9	71.5
Shares Outstanding - Basic	74.9	75.2	75.2	75.2	75.2	75.2	75.2
Shares Outstanding - Diluted	74.9	75.2	75.2	75.2	75.2	75.2	75.2
EPS - Basic	(0.02)	0.01	0.06	0.20	0.62	0.92	0.95
EPS - Diluted	(0.02)	0.01	0.06	0.20	0.62	0.92	0.95

**Balance Sheet – Base Case**

all figures in \$ 'millions	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
ASSETS							
Cash and Cash Equivalents	0.4	1.2	0.2	0.7	7.8	41.2	84.8
Accounts Receivable	-	1.1	4.1	10.9	32.6	48.9	58.7
Inventory	-	0.3	1.4	4.5	13.5	20.2	24.3
Other Assets	0.1	0.1	0.4	1.3	3.8	5.6	6.8
Total Current Assets	0.4	2.7	6.0	17.3	57.7	116.1	174.6
Property, Plant and Equipment, Gross	1.0	2.1	4.2	10.1	21.4	38.3	58.5
Capital Expenditure	1.0	1.1	2.0	6.0	11.2	16.9	20.2
Depreciation for the year	0.1	0.2	0.4	1.0	2.1	3.8	5.9
Accumulated Depreciation	0.1	0.3	0.7	1.7	3.9	7.7	13.6
Property, Plant and Equipment, Net	0.9	1.8	3.4	8.4	17.5	30.6	45.0
Other Assets	-	0.3	1.7	5.6	16.9	25.3	30.4
Total Assets	1.3	4.9	11.1	31.3	92.1	171.9	250.0
LIABILITIES							
Accounts Payable	-	0.4	1.8	6.0	18.0	27.0	32.4
Other Current Liab.	0.1	0.1	0.4	1.3	3.8	5.6	6.8
Current portion of LT Debt	0.2	-	-	-	-	-	-
Total Current Liabilities	0.2	0.4	2.2	7.2	21.7	32.6	39.1
Long-term Loan	-	-	-	-	-	-	-
Total Liabilities	0.2	0.4	2.2	7.2	21.7	32.6	39.1
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributed Surplus	2.7	5.2	5.2	5.2	5.2	5.2	5.2
Retained Earnings	(1.7)	(0.8)	3.7	18.9	65.1	134.1	205.6
Total Shareholders Equity	1.1	4.4	8.9	24.1	70.4	139.3	210.8
Total Liabilities, Shareholders Equity, M	1.3	4.9	11.1	31.4	92.1	171.9	250.0

**Cash Flow Statement – Base Case**

all figures in \$ 'millions	2011 F	2012 F	2013 F	2014 F	2015 F	2016 F	2017 F
Operating Activity							
Net Income	(1.2)	0.8	4.5	15.2	46.3	68.9	71.5
Adjustments to Reconcile Cash Flows							
Depreciation and Amortization	-	0.2	0.4	1.0	2.1	3.8	5.9
Other Adjustments	-	-	-	-	-	-	-
Changes in operating assets and liabilities:							
Accounts receivable	-	(1.1)	(2.9)	(6.8)	(21.7)	(16.3)	(9.8)
Inventory	-	(0.3)	(1.1)	(3.1)	(9.0)	(6.7)	(4.0)
Other assets	(0.1)	(0.0)	(0.3)	(0.9)	(2.5)	(1.9)	(1.1)
Accounts payable	-	0.4	1.4	4.2	12.0	9.0	5.4
Other liabilities	0.1	0.0	0.3	0.9	2.5	1.9	1.1
Change in Working Capital	(0.0)	(1.0)	(2.6)	(5.8)	(18.7)	(14.1)	(8.4)
Cash Flow from Operating Activities	(1.2)	(0.0)	2.3	10.4	29.7	58.7	68.9
Investing Activity							
Expenditures for property, plant and equipn	(1.0)	(1.1)	(2.0)	(6.0)	(11.2)	(16.9)	(20.2)
Other Long-term assets	-	(0.3)	(1.4)	(3.9)	(11.2)	(8.4)	(5.1)
Cash Flow from Investing Activities	(1.0)	(1.5)	(3.4)	(9.9)	(22.5)	(25.3)	(25.3)
Financing Activity							
Proceeds from or repayment of debt	0.2	(0.2)	-	-	-	-	-
Proceeds from issuance of common stock	2.3	2.5	-	-	-	-	-
Cash Flow from Financing Activities	2.5	2.3	-	-	-	-	-
Net Change in Cash	0.3	0.9	(1.1)	0.5	7.2	33.4	43.6
Opening Cash Balance	0.1	0.4	1.2	0.2	0.7	7.8	41.2
Ending Cash Balance	0.4	1.2	0.2	0.7	7.8	41.2	84.8



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