

Advancing Energy Efficiency With Innovative Technologies and Services

CORPORATE SUMMARY

Corporate Background

Blue Earth, Inc. (OTCQB:**BBLU**), is engaged in a mergers and acquisition strategy in the clean-tech industry. Our primary focus is acquiring companies and innovative technologies that serve the multi billion dollar energy efficiency services and renewable energy market sectors. The targeted companies provide a variety of energy services that enable customers to reduce energy consumption, lower their generating capacity and maintenance costs and realize environmental benefits. The targeted technologies typically include various measures designed for a specific customer or facility in our target market of small commercial businesses and residences to improve the efficiency of building systems, such as refrigeration, lighting and heating, ventilation and air conditioning.

Management also intends to accelerate introduction of the acquired technology/products by offering and installing them through energy management services companies and manufacturers representatives, which have an established base of customers at the local, state, regional and national levels. In order to accelerate product introduction, management expects to enter into varying types of agreements with these energy management companies, including joint venture/associate relationships and acquisition agreements, as may be appropriate, for each company and geographic territory.

Management has identified several energy management and energy management service companies that have been successfully operating in the small commercial business and residential segment of the energy efficiency sector. We have initiated acquisition discussions with energy services companies that specialize in three categories that address small commercial business energy efficiency needs: *refrigeration, lighting and HVAC*. The targeted acquisition candidates currently provide energy efficiency retrofit services to the small commercial business space.

Management is also identifying energy services companies that provide turn-key energy solutions to public and private clients including complete Engineer/Procure/Construct, design-build of cogeneration, alternative and renewable electric plants for “green buildings”; cleanrooms for bio-tech, medical device, semi-conductor and high technology industries that require cleanrooms or laboratories; regular service and mechanical maintenance through long-term contacts and independent third-party commissioning of mechanical and energy projects.

Management believes that these companies are ideal candidates from which to build a nationwide distribution, installation and service network through a combination of acquisitions and/or joint venture/associate relationships. We believe they will become important building blocks in our efforts to establish a presence as a premier company in

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the multi-billion dollar energy efficiency services and renewable energy sectors of the clean-tech industry.

We strive to participate in the global movement for a sustainable planet by offering products and services that optimize energy use, reduce harmful environmental emissions and substantially reduce energy costs to our customers.

The Blue Earth Way

We place a high value on cultivating an enterprenuerial culture that inspires our team members, rewards our shareholders while remaining focused on providing our customers with energy saving products and services that reduce their energy expenses and contribute to the sustainability of our planet.

From a business viewpoint, we share the idea that “blue is the new green” and that taking care of our planet for ourselves and future generations, while making a profit, is an essential component of thinking blue.

Recent Events

Castroville Expansion

Castroville, Inc. a subsidiary of Blue Earth is expanding its energy efficiency retrofit model into Southern California, Oregon, Washington, Nevada, Arizona, Utah and Idaho. The business expansion will use the Blue Earth Energy Management Services (BEEMS) trade name to build the Blue Earth brand identity. CI is hiring additional personnel to provide energy efficiency retrofit services under the leadership of Mr. John Pink.

CI has served over 6,000 small businesses and several utilities in Northern California. CI participates in numerous utility ratepayer-funded energy efficiency rebate programs, one of which CI successfully developed for the utilities called “*KEEP YOUR COOL*”. For small businesses, it performs energy audits and comprehensive commercial refrigeration efficiency upgrades in restaurants, supermarkets, refrigerated warehouses and other businesses, saving its customers tens of millions in utility expenses.

CI has created a business model for substantially generating and delivering kW and kWh that benefits both utility and the end user. CI provides energy efficiency services to small commercial businesses and delivers custom programs directly to utilities. The model is both expandable and scalable. CI is well positioned in terms of capabilities and relationships with utilities and the energy services companies (ESCO) running the third-party programs. CI intends to become a statewide and regional supplier of utility scale energy efficiency resources delivered by its customized, turnkey vertically integrated small commercial programs.

In addition to energy efficiency retrofits, CI also has on-going contracts to provide periodic maintenance to numerous restaurants, and other refrigerated facilities throughout the San Francisco Bay Area.

CI management believes that the key to sustaining and expanding its services is to take part or take advantage of a constant stream of technological innovation. By identifying, evaluating and verifying the best new measures CI is able to serve its 5,400 small commercial customers and bring in new ones.

CI establishes Blue Earth's position in the rapidly growing energy efficiency services sector by providing seasoned EE business developers, important relationships with utilities and a large customer base that includes regional and national companies.

Xnergy Developments

Xnergy, Inc. a subsidiary of Blue Earth, Inc., provides a broad range of comprehensive energy solutions, including the design and implementation of energy savings projects, energy conservation, energy infrastructure outsourcing, power generation and energy supply risk management. Xnergy has been at the forefront of energy efficiency improvements and has been rated the #1 Alternative Energy Provider by the San Diego Business Journal. Xnergy serves private and public clients from all industries throughout California and helps them minimize their energy consumption, while also designing, building and implementing cutting-edge alternative energy technologies such as solar, CHP and fuel cells. The model is scalable.

Blue Earth entered into a Purchase and Sale Agreement dated as of July 26, 2012, with White Horse Energy, LLC for the Company to acquire 100% of the issued and outstanding limited liability company interests in Waianae PV-02, LLC, a Hawaii limited liability company, which is the owner of certain rights to construct an approximately 497 kilowatt photovoltaic solar energy system in Waianae, Hawaii. Xnergy will perform the Engineer, Procure, Construct ("EPC") for this and all Hawaii and California solar PV projects.

Construction began in the third quarter of 2012 and is expected to be completed no later than the first quarter of 2013. On August 3, 2012, Blue Earth announced it acquired the exclusive right to construct seven different solar PV projects totaling approximately 3.5 megawatt DC in Hawaii. The projects are valued at approximately \$15 million and are located on the island of Oahu and are primarily ground mount solar systems.

Three life science projects totaling \$1.4 million, as well as Orange County School, a solar PV project all in California, are expected to be 90% completed in the fourth quarter of 2012. In addition, the construction of the Sunvalley Solar PV projects, also located in California, valued at approximately \$4 million, began in the third quarter and are expected to be completed no later than the first quarter of 2013. The Sunvalley Solar projects have signed Engineer, Procure and Construct ("EPC") agreements with the owners of the businesses for

each of the respective construction sites. All of the customers have agreed to assign the 1603 Grant and Utility Incentives, including their own cash to pay for the solar PV systems. All of the projects are 1603 Grant eligible. Total backlog is projected to be between \$15 million and \$25 million at December 31, 2012.

As part of the previously announced development and financing agreement with Greenwood Biosar LLC, a joint-venture company between Greenwood Energy and Biosar S.A., Greenwood Power is part of the Libra Group, a privately owned international business group primarily focused on five core sectors: shipping, aviation, real estate, hospitality and energy. This joint-venture company, in addition to other funding sources, are capable of funding 50 mega watts of DC in 2013.

Xnergy also provides comprehensive maintenance and service programs, including every aspect of heating, ventilation and air-conditioning (HVAC), mechanical systems for design, build to repair and retrofit services. Xnergy recently acquired HVAC Controls & Specialties, Inc., an Idaho-based service company focused on providing HVAC controls and services to hospitals and other critical facilities. This acquisition gives Xnergy a firm presence in the Pacific Northwest region as part of its strategic objective to establish a national energy services platform.

Xnergy has received a number of awards and has received national recognition by the United States Congress for the company's "commitment, dedication and professionalism" for its work involving clean, green technology. Xnergy has over 100 MW of interconnect experience and has provided turn-key energy conservation, design-build and maintenance solutions for a number of high profile clients including Johnson & Johnson, Neutrogena, Cox Communications, Abbott Labs, Biogen Idec, The Irvine Company, John Wayne Airport, US Navy, Guidant Corporation, Pfizer, The Salk Institute, Medtronic, San Diego Zoo, Boston Scientific IVT, Harrah's Rincon Resort & Casino and the Pala Resort & Casino.

Corporate Strategy

Blue Earth, Inc. management is focusing its M &A activities on opportunities with the following profile.

1. Innovative and commercially proven technologies, which increase energy efficiency/water and wastewater, for buildings and large-scale industrial manufacturing processes.
2. Energy management services companies, which have an established customer base ideally suited to benefit from acquired/licensed technologies and products.

Bundled Retrofits. An important element of the M&A strategy is to acquire energy management services companies with an established customer base in each of the aforementioned categories. The customer base of each potential acquisition will present an opportunity to cross-sell bundled retrofits to the other acquired companies customer base. For example, when we acquire a company that primarily specializes in *refrigeration*, we

will be in position to contact this customer base and offer energy management services for *lighting* and *HVAC*.

Utility Relationships. Another important criteria is an acquisition candidate's existing relationship with utilities. We are actively seeking private companies that have successfully provided utility funded rebate programs as incentives to their customers to adopt energy efficiency measures that a particular utility based program is offering.

Entrepreneurial Approach. We will maintain and nurture an entrepreneurial attitude within our acquired companies and toward our customers by remaining flexible in designing energy efficiency programs tailored to specifically meet their needs.

Expand Scope of Product and Service Offerings. Through our energy efficiency measures and products, we will enable our customers to conserve energy and reduce emissions of carbon dioxide and other pollutants. We plan to continue to focus on providing sustainable energy solutions that will address the growing demand for products and services that create environmental benefits for our customers.

We believe that the implementation and execution of our corporate strategy will benefit our shareholders and attract investors who are looking at two bottom lines: financial profitability and social or environmental benefits produced by BBLU and its products and services.

Market Drivers

Utility Rebate Programs. In a number of markets throughout the U.S., local electrical utilities and related organizations are offering rebates for the purchase and installation of energy efficient products and systems. Ratepayer funded programs are offered by utilities to encourage load reductions by its customers. It costs approximately seven times as much to produce a kWh as it does to save a kWh.

According to a study by Harris Williams & Co., in 2009, ratepayer-funded energy efficiency program budgets totaled *\$4.4 billion*. Approximately 55% or *\$2.4 billion* of program budgets fund incentives for utility customers (such as a small business owner receiving a rebate for the purchase of energy efficient motors, LED lights etc.). Approximately 30% or *\$1.3 billion* of program budgets, are designated to pay for outsourced program services, which consist of: (i) program consulting and design, (ii) program management and implementation, and (iii) evaluation, measurement and verification. Internal administration and other costs account for approximately 15% or *\$600 million*, of program budgets.

The ratepayer-funded energy efficiency program management sub-sector of the energy efficiency services sector is rapidly expanding in the U.S. From 2004 through 2009, ratepayer-funded energy efficiency spending increased from *\$1.7 billion* to *\$4.4 billion*,

representing a CAGR of 21.3%. The number of state-level policies enacted over the past several years suggests that the next decade will see sustained increase in funding levels. Ratepayer-funded energy efficiency spending is estimated to increase at a CAGR of 16.1% from 2010 to 2015.

Proven Management

A proven acquisitions management team, with over 25 years experience in founding and operating publicly traded companies, leads Blue Earth, Inc. CEO, *Johnny R. Thomas* and *John C. Francis*, Vice President Development and Investor Relations, grew revenues in one publicly traded company from \$29,000 to over \$350 million by acquiring thirty-four companies in approximately four years, while at the same time increasing its market capitalization to over \$1 billion.

Board of Directors

Laird Q. Cagan, Chairman of the Board. Mr. Cagan has served as a director and officer of several publicly traded companies, and has 20 years of experience investing in and building high growth technology companies as well as 5 years in the investment banking industry. Mr. Cagan is a co-founder and Managing Director of Cagan McAfee Capital Partners ("CMCP") a private investment firm and merchant bank he founded in 1990. During the 90's he invested in and helped build 15 high tech companies with over \$500 million of equity capital invested in those companies. Since 2000, CMCP has founded, funded and taken public 10 companies in a variety of industries including energy, alternative energy, healthcare, information technologies and environmental. CMCP portfolio companies have raised over \$600 million of equity capital and over \$2 billion of capital has been invested in those companies or their projects. Mr. Cagan previously worked for two of the largest investment banks in the world, Goldman, Sachs & Co. and Drexel Burnham Lambert. In all, he was involved in over 30 transactions valued at more than \$15 billion, bankruptcy work-out transactions of more than \$2 billion, and a variety of equity, high yield bond and senior debt financings. He holds his Series 7, 63 and 24 licenses. Mr. Cagan attended M.I.T. and received his B.S. and M.S. degrees in engineering and his MBA from Stanford University. Mr. Cagan is also a graduate of the UCLA Director's Training Program.

Johnny R. Thomas, Director, president and Chief Executive Officer. Dr. Thomas has served as a director and officer of several publicly traded companies. He has founded and invested in several public offerings in the following sectors including, environmental, agriculture, biotechnology, energy and high technology. In spearheading a mergers and acquisition program, he grew the company from \$29,000 in revenues to more than \$350 million by acquiring 34 companies in approximately four years and increased the market valuation of the company to \$1.2 billion. Dr. Thomas received the "Entrepreneur of the Year" award from Ernst & Young, LLP/NASDAQ in 1998 for the Southern Nevada/Riverside California area. Dr. Thomas received a B.S. degree in agronomy from New Mexico State University and a Masters and PHD in genetics/plant breeding from Oregon State University.

Capital Structure

Common stock issued and outstanding: 19,471,836

Public float: 11,591,409

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Forward Looking Statements

This Corporate Summary contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this Corporate Summary are forward-looking statements. These statements relate to future events or to the Company's future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Investors should not place any undue reliance on forward-looking statements, since they involve known and unknown, uncertainties and other factors which are, in some cases beyond the Company's control which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statements reflects the Company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to operations, results of operations, growth strategy and liquidity. Such risks, uncertainties and other factors, which could

impact the Company and the forward-looking statements contained herein are included in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons, even, if new information becomes available in the future. Actual results could differ materially from these anticipated in these forward-looking statements.