

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 0095

DATE: June 8, 2000

TO: ALL PARTICIPANTS

FROM: DTC PROXY DEPARTMENT

ATTENTION: PROXY/REORGANIZATION MANAGER

SUBJECT: Telegen Corp
CUSIP # 879413 10 2

Telegen Corp is soliciting acceptances of its Second Amended Plan of Reorganization, dated May 26, 2000 (the "Plan"). Holders of Telegen Corp of record on May 25, 2000, are eligible to vote by ballot to accept or reject the Plan.

The Second Amended Disclosure Statement dated May 26, 2000 and other materials for voting on the Plan refers to a hearing on confirmation of the Plan, which is scheduled to be held on June 28, 2000. DTC also received the attached Ballot & Letter. Participants may obtain copies of the materials for voting on the Plan by contacting:

Innisfree M&A, Inc.
At 877-750-2689

DTC will provide Telegen Corp with a listing of the Participants which had The Company's Common Stock on deposit with DTC at the close of business on May 25, 2000, so that the Participants may vote on the Plan.

Participants are referred to the Second Amended Disclosure Statement dated May 26, 2000 for a statement of the terms of the Plan.

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Participants are advised that acceptances or rejections of the Plan must be received by The Balloting Agent no later than June 23, 2000. Executed ballots should be returned to:

Innisfree M&A, Inc.
FDR Station, P.O. Box 5143
New York, NY 10126-1037

Telegen Corp Common Stock will remain eligible at DTC during the solicitation.

Participants are referred to RIPS Envelope 93 and LENP for details of the Plan.

Karl Baker

Manager

Attachments

0095.PXY



May 26, 2000

To Our Shareholders:

Enclosed you will find a Ballot and Disclosure Statement for the Plan of Reorganization (the "Plan") of Telegen Corporation ("Telegen").

As you know, Telegen filed for Chapter 11 reorganization on October 28, 1998 and we have been working diligently toward a successful reorganization for the past year and a half. We are pleased to report that Telegen has raised sufficient new capital to propose this Plan to you and to resume full corporate and R&D operations upon confirmation of this Plan.

We urge you to fully review this Plan and the attached disclosure before making your decision. We believe this Plan is fair to our shareholders and we respectfully request that you vote to accept this Plan.

If the requisite majorities of our creditors and shareholders vote to accept this Plan and it is then confirmed by the Bankruptcy Court, the Plan calls for a one-for-sixteen reverse split of the presently outstanding common stock. In other words, every sixteen (16) shares of Telegen Common Stock will be automatically exchanged for one (1) share of Telegen New Common Stock. As of this date, Telegen has raised approximately \$19 million in new equity capital, contingent upon confirmation of this Plan by June 30, 2000. Please note that Telegen is currently selling New Common Stock to new investors at \$10.00 per share.

If a sufficient number of creditors and shareholders vote to reject this Plan, or, if this Plan is not confirmed by the Bankruptcy Court, it is likely that Telegen will be liquidated and your current Telegen shares will be worth nothing. Please refer to "Exhibit A — Pro-Forma Balance Sheet and Liquidation Analysis" for further details.

In order to have your vote counted, it must be received by the Telegen's voting agent, Innisfree M&A, Incorporated, by 5 PM Pacific Time on June 23, 2000. If you have any questions regarding the voting procedures or this package, please call Innisfree toll free at 1-877-750-2689.

We thank you for your continued support.

Sincerely,

Handwritten signature of Jessica L. Stevens in black ink.

Jessica L. Stevens
President/CEO

Handwritten signature of Bonnie Crystal in black ink.

Bonnie Crystal
Executive Vice President/CTO

JLS/ms

Telegen Corporation

1840 Gateway Drive, Suite 200
San Mateo, CA 94404
Tel: (650) 261-9400
Fax: (650) 261-9468
www.telegen.com

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re
TELEGEN CORPORATION,
FKA SOLAR ENERGY RESEARCH CORPORATION
AND SOLAR ENERGY RESEARCH CORPORATION
OF CALIFORNIA,

Debtor.

Chapter 11
Case No. 98-34876-DM-11

**BALLOT FOR ACCEPTING OR
REJECTING PLAN OF
REORGANIZATION**

For Use by Class D-1
Holders of Common Stock

Telegen Corporation has filed a Plan of Reorganization dated April 21, 2000. The Bankruptcy Court has approved a disclosure statement with respect to the Plan (the "Disclosure Statement"). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot.

You should review the Disclosure Statement and Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your equity interest has been placed in Class D-1. If you hold claims and interests in more than one class, you will receive a separate Ballot for each class.

If your vote is not received by Innisfree M&A Incorporated, the Debtor's Voting Agent, on or before the voting deadline set forth below, and such deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.

If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote and even if you vote to reject the Plan.

VOTING DEADLINE: 5:00 p.m., Pacific Time, on June 23, 2000.
DO NOT RETURN ANY SECURITIES WITH THIS BALLOT. This is not a transmittal letter and may not be used for any purpose other than voting on the Plan.

HOW TO VOTE

1. COMPLETE ITEM 1 (if not already filled out by your nominee) AND ITEM 2.
2. REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 3.
3. SIGN THE BALLOT (unless your Ballot has already been signed or "prevalidated" by your nominee).
4. RETURN THE BALLOT IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE (if the enclosed envelope is addressed to your nominee, make sure your nominee receives your Ballot in sufficient time to submit it to the Voting Agent before the voting deadline).

Item 1. Number of Shares of Common Stock Voted. The undersigned certifies that as of May 25, 2000, the undersigned was either the beneficial owner (the "Beneficial Owner"), or the nominee of a Beneficial Owner, of the following number of shares of Common Stock (insert amount in the box below). If your Common Stock is held by a nominee on your behalf and you do not know the amount, please contact your nominee immediately.

YOU MUST VOTE ALL SHARES OF COMMON STOCK THAT YOU BENEFICIALLY OWN EITHER TO ACCEPT OR TO REJECT THE PLAN, AND MAY NOT SPLIT YOUR VOTE.

Item 2. Vote. The beneficial owner of the Common Stock identified in Item 1 votes as follows (if you do NOT check a box your vote will not be counted):

(Check one) ACCEPTS REJECTS the Plan.

Item 3. Certifications. By returning this Ballot, the Beneficial Owner certifies that it (a) has full power and authority to vote to accept or reject the Plan with respect to the shares of Common Stock listed in Item 1, (b) was the beneficial owner of the Common Stock described in Item 1 on May 25, 2000, and (c) has received a copy of the Disclosure Statement and the Plan.

Print or Type Name of Shareholder: _____

Signature: _____

Print or Type Name of Person Signing: _____

Title of Person Signing: _____

Address: _____

Telephone: (_____) _____

Date: _____

You will not be responsible to pay any fees, commissions, or other remuneration to any broker, dealer, or other person for soliciting votes on the Plan. This Ballot shall not constitute or be deemed a proof of claim or equity interest or an assertion of a claim or equity interest.

VOTING DEADLINE

YOUR BALLOT MUST BE FORWARDED TO YOUR NOMINEE OR TO THE VOTING AGENT, AS APPLICABLE, IN AMPLE TIME FOR YOUR VOTE TO BE RECEIVED PRIOR TO THE VOTING DEADLINE, WHICH IS 5:00 P.M., PACIFIC TIME, ON JUNE 23, 2000, OR YOUR VOTE WILL NOT BE COUNTED.

- IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO THE VOTING AGENT, INNISFREE M&A INCORPORATED, YOU MAY RETURN YOUR BALLOT TO THEM VIA FACSIMILE AT (212) 750-5799.
- IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE, PLEASE DO NOT FAX YOUR BALLOT TO THE VOTING AGENT.

IF YOU HAVE ANY QUESTIONS

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE VOTING AGENT, INNISFREE M&A INCORPORATED, AT (877) 750-2689.

BALLOT — CLASS D-1 (SHAREHOLDERS)

