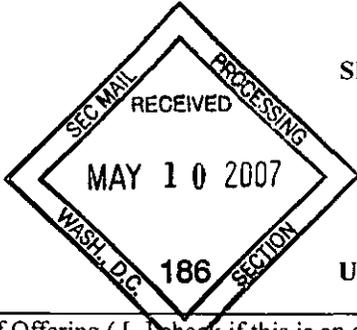


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FORM D

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM D NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D, SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION

Table with columns: SEC USE ONLY, Prefix, Serial, DATE RECEIVED

Name of Offering ([] check if this is an amendment and name has changed, and indicate change.) POWER AIR CORPORATION: Private placement of 10% Secured Promissory Notes and Equity Consideration Certificates, in the Total Principal Amount of \$2,190,000(1)

Filing Under (Check box(es) that apply): [] Rule 504 [] Rule 505 [X] Rule 506 [] Section 4(6) [] ULOE Type of Filing: [X] New Filing [] Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer ([] check if this is an amendment and name has changed, and indicate change.) POWER AIR CORPORATION

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (In. 4777 Bennett Drive, Suite E, Livermore, California, USA 94551 (925) 960-8777

Address of Principal Business Operations (Number and Street, City, State, Zip Code) (if different from Executive Offices) Telephone Number (Including Area Code) (same as above) (same as above)

Brief Description of Business Development of fuel cell and clean energy technology

Type of Business Organization [X] corporation [] limited partnership, already formed [] other (please specify): [] business trust [] limited partnership, to be formed



PROCESSED

MAY 23 2007

THOMSON FINANCIAL

Actual or Estimated Date of Incorporation or Organization: Month 0 8 Year 2 0 0 4 [x] Actual [] Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction) NV

GENERAL INSTRUCTIONS

Federal: Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6). When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Information Required: A new filing must contain all information requested. Filing Fee: There is no federal filing fee.

State: This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

- (1) In addition to promissory notes, each investor in this brokered private placement also received an equity consideration certificate (an "Equity Consideration Certificate") in an amount equal to the original principal amount of the promissory note taken by such investor in this offering (a "Note"). Each investor's Equity Consideration Certificate entitles such investor to receive, at their election, either: (a) the identical securities Power Air Corporation ("Power Air") will sell in its next qualified offering (the "Qualified Offering") in a number to be obtained by dividing 100% of the original principal amount of such investor's Note by the price of the security (or package of securities) sold by Power Air in the Qualified Offering; or (b) that number of common shares in the capital of Power Air equal to the original principal amount of such investor's Note divided by \$0.40 (plus an equal number of non-callable warrants exercisable at \$0.50 per share) for a period of seven years from the date of issuance.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

HALEY, H. DEAN

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

KOZAK, REMY

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

CECI, DONALD

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

PREST, DONALD M.

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

HARRISON, STEPHEN

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

POTTER, WILLIAM J.

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

BROCK, PAUL D.

Business or Residence Address (Number and Street, City, State, Zip Code)

4777 Bennett Drive, Suite E, Livermore, California, USA 94551

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

AURORA GLOBAL ENERGY LIMITED

Business or Residence Address (Number and Street, City, State, Zip Code)

Level 2, 33 York Street, Sydney, Australia, 2000

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General/Managing Partner

Full Name (Last name first, if individual)

HDH GROUP, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)

3801 Albert Matthews Road, Columbia, Tennessee, USA 38401

(Use blank sheet, or copy and use additional copies of this sheet as necessary)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... Yes No
 Answer also in Appendix, Column 2, if filing under ULOE. [] [X]
2. What is the minimum investment that will be accepted from any individual?..... SN/A
 Yes No
 [X] []

3. Does the offering permit joint ownership of a single unit?..... [X] []

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

PAULSON INVESTMENT COMPANY, INC.

Business or Residence Address (Number and Street, City, State, Zip Code)

811 S.W. Naito Parkway, Suite 200, Portland, Oregon, USA 97204

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers (Check "All States" or check individual States) ~ All States

<u>[AL]</u>	[AK]	[AZ]	[AR]	<u>[CA]</u>	[CO]	[CT]	[DE]	[DC]	<u>[FL]</u>	<u>[GA]</u>	[HI]	[ID]
[IL]	[IN]	[IA]	<u>[KS]</u>	[KY]	<u>[LA]</u>	[ME]	[MD]	<u>[MA]</u>	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	<u>[NJ]</u>	[NM]	<u>[NY]</u>	[NC]	[ND]	<u>[OH]</u>	[OK]	[OR]	<u>[PA]</u>
[RI]	<u>[SC]</u>	[SD]	[TN]	<u>[TX]</u>	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers (Check "All States" or check individual States) ~ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers (Check "All States" or check individual States) ~ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers (Check "All States" or check individual States) ~ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

(Use blank sheet, or copy and use additional copies of this sheet as necessary)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box " " and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$2,190,000	\$2,190,000
Equity	\$0	\$0
[] Common [] Preferred		
Convertible Securities (including warrants)	\$0	\$0
Partnership Interests	\$0	\$0
Other (Specify):	\$0	\$0
Total	\$2,190,000	\$2,190,000

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount Of Purchases
Accredited Investors	47	\$2,190,000
Non-accredited Investors	0	\$0
Total (for filings under Rule 504 only)	0	\$0

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	N/A	\$ N/A
Regulation A	N/A	\$ N/A
Rule 504	N/A	\$ N/A
Total	N/A	\$ N/A

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	[]	\$0
Printing and Engraving Costs	[]	\$0
Legal Fees	[X]	\$10,000
Accounting Fees	[]	\$0
Engineering Fees	[]	\$0
Sales Commissions	[X]	\$219,000
Other Expenses (identify): State Filing Fees	[X]	\$4,910
Total	[X]	\$233,910

- (1) In addition to promissory notes, each investor in this brokered private placement also received an equity consideration certificate (an "Equity Consideration Certificate") in an amount equal to the original principal amount of the promissory note taken by such investor in this offering (a "Note"). Each investor's Equity Consideration Certificate entitles such investor to receive, at their election, either:
- (a) the identical securities Power Air Corporation ("Power Air") will sell in its next qualified offering (the "Qualified Offering") in a number to be obtained by dividing 100% of the original principal amount of such investor's Note by the price of the security (or package of securities) sold by Power Air in the Qualified Offering; or
 - (b) that number of common shares in the capital of Power Air equal to the original principal amount of such investor's Note divided by \$0.40 (plus an equal number of non-callable warrants exercisable at \$0.50 per share) for a period of seven years from the date of issuance.

4. b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a.
 This difference is the "adjusted gross proceeds to the issuer."

\$1,956,090

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

		Payments to Officers, Directors, & Affiliates		Payments to Others
Salaries and fees	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Purchase of real estate	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Construction or leasing of plant buildings and facilities.....	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Repayment of indebtedness	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Working capital	<input type="checkbox"/>	\$0	<input checked="" type="checkbox"/>	\$1,956,090
Other (specify):	<input type="checkbox"/>	\$0	<input type="checkbox"/>	\$0
Column Totals	<input type="checkbox"/>	\$0	<input checked="" type="checkbox"/>	\$1,956,090
Total Payments Listed (column totals added)		<input checked="" type="checkbox"/>	\$1,956,090	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type)	Signature	Date
POWER AIR CORPORATION	<i>A. Deane Haley</i>	April 23, 2007
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
<i>A. DEANE HALEY</i>	<i>EXECUTIVE CHAIRMAN & COO</i>	

ATTENTION
 Intentional misstatements or omissions of fact constitute federal criminal violations.
 (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.252(c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? Yes No
 [] [X]
- See Appendix, Column 5, for state response
2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239,500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly signed person.

Issuer (Print or Type)	Signature	Date
POWER AIR CORPORATION		April 23, 2007
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
A DEAW HALEY	EXECUTIVE CHAIRMAN & COO	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1 State	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and Amount purchases in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL		X	Promissory Note and Equity Consideration Certificate ("Note") ⁽¹⁾ Note with an original principal amount of \$50,000 ⁽¹⁾	1	\$50,000	0	0		X
AK									
AR									
AZ									
CA		X	Notes with an original principal amount of \$560,000 ⁽¹⁾	5	\$560,000	0	0		X
CO									
CT									
DE									
DC									
FL		X	Notes with an original principal amount of \$20,000 ⁽¹⁾	3	\$20,000	0	0		X
GA		X	Notes with an original principal amount of \$610,000 ⁽¹⁾	10	\$610,000	0	0		X
HI									
ID									
IL									
IN									
IA									
KS		X	Note with an original principal amount of \$10,000 ⁽¹⁾	1	\$10,000	0	0		X
KY									
LA		X	Notes with an original principal amount of \$35,000 ⁽¹⁾	4	\$35,000	0	0		X
MA		X	Note with an original principal amount of \$5,000 ⁽¹⁾	1	\$5,000	0	0		X

APPENDIX

1 State	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1) Promissory Note and Equity Consideration Certificate ("Note") ⁽¹⁾	4 Type of investor and Amount purchases in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
ME									
MD									
MI									
MN									
MS									
MO									
MT									
NC									
NE									
NH									
NJ		X	Notes with an original principal amount of \$105,000 ⁽¹⁾	2	\$105,000	0	0		X
NM									
NV									
NY		X	Notes with an original principal amount of \$645,000 ⁽¹⁾	14	\$645,000	0	0		X
NY									
ND									
OH		X	Note with an original principal amount of \$10,000 ⁽¹⁾	1	\$10,000	0	0		X
OK									
OR									
PA		X	Notes with an original principal amount of \$15,000 ⁽¹⁾	2	\$15,000	0	0		X
RJ									
SC		X	Note with an original principal amount of \$50,000 ⁽¹⁾	1	\$50,000	0	0		X
SD									
TN									
TX		X	Notes with an original principal amount of \$75,000 ⁽¹⁾	2	\$75,000	0	0		X
UT									

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and Amount purchases in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No	Promissory Note and Equity Consideration Certificate ("Note") ⁽¹⁾	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
VT									
VA									
WA									
WV									
WI									
WY									
PR									

- (1) In addition to promissory notes, each investor in this brokered private placement also received an equity consideration certificate (an "Equity Consideration Certificate") in an amount equal to the original principal amount of the promissory note taken by such investor in this offering (a "Note"). Each investor's Equity Consideration Certificate entitles such investor to receive, at their election, either:
- (a) the identical securities Power Air Corporation ("Power Air") will sell in its next qualified offering (the "Qualified Offering") in a number to be obtained by dividing 100% of the original principal amount of such investor's Note by the price of the security (or package of securities) sold by Power Air in the Qualified Offering; or
 - (b) that number of common shares in the capital of Power Air equal to the original principal amount of such investor's Note divided by \$0.40 (plus an equal number of non-callable warrants exercisable at \$0.50 per share) for a period of seven years from the date of issuance.

END