

Captured from www.iesiusa.com on 4 June, 2005

Low Operating Cost Hydrogen Generation

We believe that the low-cost hydrogen-generation technology is the "crown jewel" of the company because of its potential to revolutionize the energy supply throughout the world.

iESi's technology allows for the delivery of pure hydrogen directly to a compressor without the usual requirements for membranes or dryers. The capital costs to facilitate production are significantly less than steam methane reforming, the currently dominant, energy-intensive method that produces over 90 percent of the world supply.

Unlike steam methane reforming, our hydrogen-producing technology does not require a fossil fuel source such as natural gas –instead, it uses water as the fuel source for the production of hydrogen. Only small amounts of electricity are required as part of the plasma process, and the hydrogen purity levels consistently attained from our low-operating-cost hydrogen generator are more than 99.999999 percent pure.

We are in the final stages of completing the manufacture of a hydrogen-generation unit. It will be available for private demonstration to licensees and investors in late 2004. To protect its intellectual property, process patents have been filed, including worldwide Patent Cooperation Treaties (PCTs) that are adhered to by more than 100 countries.

Efforts are currently directed at commercializing the broad areas of potential application for this technology.

LOW OPERATING COST HYDROGEN GENERATION

The Company's hydrogen generation technology will dramatically reduce the cost of hydrogen. iESi will be seeking out traditional high-volume users of hydrogen such as refiners and fertilizer plants and negotiating long-term contracts for hydrogen at costs that the competition is unable to match. There is a very finite group of high-volume hydrogen users. These prospective clients will receive invitations to see first-hand the commercial demonstration units in operation.

Hydrogen Generation Customer Profile

Fertilizer manufacturers

Oil refineries

Food processing plants

Explosives and detonation industries

Pharmaceutical