

Investment Summary

Earthcare Energy, LLC

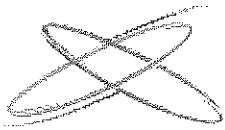
Earth's Complete Power and Waste Solution

**For Further
Information,
Contact:**

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Q4 2011



EARTHCARE ENERGY

EARTH'S COMPLETE POWER & WASTE SOLUTION

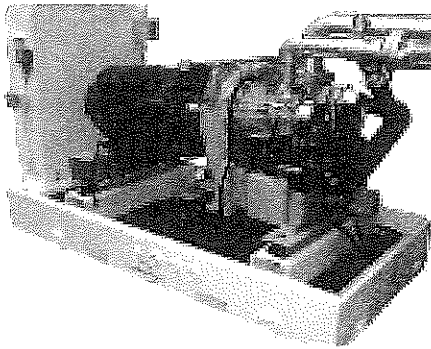
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Executive Summary

Earthcare Energy, LLC (ECE), an international renewable energy project developer and OEM, is ready to manufacture and market its unique Total Flow Gas Letdown Generator (TFG) to extract gas pressure energy from natural gas let down stations. The TFG is the lowest cost power generation technology available in the market today at \$.015 to \$.025 per kWh with operating costs of less than \$.0025 per kWh. A working prototype of the unit is in operation, and immediate demand for this product is already proven – **The U.S. Department of Defense (DOD) is working with ECE on a demonstration project which is expected to result in a 300 MW PPA worth an estimated \$6.3B in gross profit.**

The Product

The TFG is a power generation system that processes waste pressure from virtually any fuel source without expensive heat exchangers or organic binary fluids or mediums to transfer energy. The TFG is capable of utilizing pressure in wet steam, dry steam, geothermal fluids, water, natural gas, and many other waste streams. It utilizes Helical Screw technology which has a proven track record of literally millions of hours of operation and tens of thousands of installations worldwide. It has proven to be reliable, durable and truly cost effective. The TFG's patented coatings and other internal proprietary technology enable the unit to intake contaminants and impurities that allow for multiple fuel source applications. It can produce power from as little as 15 psi compressed air flowing at less than 2000 CFM. The TFG can produce 250 kW to 50 MW and up of renewable electricity for a subsidy free capex payback of one to three years. Following payback, electricity is produced at a fraction of a cent per kW –less than \$.0025 per kWh. The invention is covered in a U.S. patent application filed on July 21, 2011.



Market Opportunity

Target markets include utilities, governments, and commercial entities in the use and/or distribution of oil and gas, geothermal, industrial and petrochemical waste streams. For the North American and Global natural gas market alone, with over 2M let down stations, the electricity market opportunity utilizing the TFG is \$132B and \$541B annually, respectively. The TFG is disruptive technology and will radically transform the power generation market as well as create new markets. Utilities are searching for new revenue streams and the TFG enables them to turn an existing asset in the form of wasted pressure in their existing natural gas pipelines and turn it into clean, renewable energy that can be used to power existing facilities as well as to sell to the grid for new and significant revenue. ECE has extensive relationships with pipeline owners and operators and believes it has a significant first mover advantage in being able to capture sizeable market share through these relationships before meaningful competition exists.

'O competitor has offered a Total Flow Direct Screw Expander Generator solution for waste pressure recovery power generation at these low capital and operational costs to address this demand.

Competitive Advantage

TFG vs. Competing Technologies

	<i>Uses Fossil Fuel</i>	<i>Emission Free</i>	<i>Base Load 24/7</i>	<i>Distributed Generation</i>	<i>Generation Cost (1) ¢ / kW</i>
Renewables:					
TFG	no	yes	yes	yes	1½ - 2½ ¢
Geothermal	no	yes	yes	no	5 - 7 ¢
Wind	no	yes	no	no	5 - 10 ¢
Biomass	no	yes	yes	yes	7 - 8 ¢
Solar Thermal	no	yes	no	yes	9 - 12 ¢
Photovoltaics	no	yes	no	yes	12 - 20 ¢
Fossil Fuels:					
Gas Turbines	yes	no	yes	yes	7 - 11 ¢
Public Utilities	yes	no	yes	yes	7 - 12 ¢
Coal Plants	yes	no	yes	yes	8 - 14 ¢
Diesel	yes	no	yes	yes	45 - 150 ¢

(1) Includes CAPEX and OPEX

The TFG is the lowest levelised cost power available on the market today at only \$7 p/MWh. The capital cost is low because the TFG modifies readily available and proven off the shelf components. It's efficient, simple, flexible, and easy to install and maintain. It can be grid connected or operated on a distributed basis, and can be monitored and controlled remotely.

Sales

ECE has customer relationships with utilities, governments, militaries, and various commercial and industrial interests around the world including the U.S., Canada, Middle East, Central and South America, Asia and the Caribbean. Examples of ECE's current development portfolio include:

U.S. Department of Defense (DOD): The DOD contracted its independent engineering firm, Concurrent Technologies Corporation (CTC), to evaluate and assess the TFG technology and application for DOD power generation use. CTC gave its highest recommendation for rapid deployment (See Report), estimating that 6 GW of power was possible at only 10% of natural gas flow capacity. The DOD is preparing to conduct a demonstration test of the TFG at one of its Air Force bases as a final step to a full deployment schedule. The demonstration test is expected to conclude in Q1, 2012. Through ECE's unique and long term relationships at DOD, discussions to date indicate that a 30 year, 300 MW, PPA will be negotiated and signed immediately post demonstration. The 30 year, gross profit (GP), PPA value to ECE is \$6.3B.

Indonesia: An MOU has been signed for a 1 MW demonstration test with PERTAMINA PLN, the Indonesian State Owned Oil and Gas Utility, to be followed by an initial 5 MW TFG order. This is a geothermal application, with the TFG projected to double the current output capacity of their wells, with individual TFG's producing as much as 20 MW of power. This 100 MW account represents a 30 year gross profit opportunity, PPA value of \$2.1B.

Others: Additional development projects underway include Enbridge, Inc. (Canada's largest gas distribution company with 2080 gas jet down stations worth \$564M GP annually), and Centerpoint Energy (\$99M GP annually). The total current development portfolio represents almost 3 GW of power worth an estimated \$5B in annual GP.

Management

The Company has attracted a deep management team with more than 90 years of relevant business and renewable energy experience and a history of growing shareholder value. Through the development period, the intent has been to maintain a lean operation to maximize investment in project development. Currently, the Company has three employees and is being operated and managed by the founding team. In addition to the existing management, professional consultants are also being used for engineering, legal, government affairs and tax issues. Listed below are the current members of the management team and their status:

Kenneth Haney – Founder and Chairman, has a dynamic and extensive management career within the military, aviation and as an entrepreneur in private industry in the renewable energy industry.

Stephen Geldmacher – CEO, has over 29 years of executive and leadership success in the wireless and renewable energy industries including Nat'l VP of Sales in the start-up of Sprint PCS to \$15B annual revenue.

Erwin Washington – President, is an engineering graduate of the U.S. Air Force Academy and has a vast global background in the renewable energy sector.

Financials

The table below is a five year summary of Earthcare Energy's planned financial performance.

	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales	53	714	2317	3917	4500
Total Revenue (\$,000)	5,178	44,828	116,307	241,774	234,155
Gross Profit	(2,872)	(8,722)	28,365	181,574	234,155
Gross Margin (%)	(55.5)	(19.5)	24.3	75.1	100
Total Operating Expenses	5,282	6,905	7,207	7,523	7,855
Operating Income/ (Loss)	(9,064)	(17,631)	17,021	100,787	114,799
Headcount	36	39	39	39	39

The production cost of a 1 MW TFG is approximately \$700K. Over the course of a 20 year PPA, the same 1 MW unit will return \$12,141,360 in revenue using a \$.07 per kWh rate, an ROI of 1,635%. The company will realize the majority of its revenue via PPA's.

Investment

ECE is seeking investment of \$20M to develop Power Purchase Agreements (PPA) for the DOD and various other energy utilities in our sales pipeline. These funds will also be used to secure our manufacturing/assembly plant, begin production of TFG units and install and operate units on U.S. DOD domestic military bases and other energy utilities around the world under these PPAs. Funds will also be used to execute the Company's go-to-market strategy and complete other sales pipeline projects.

Project Profile Worksheet

Project Information	
Company Name:	Earthcare Energy, LLC
Project Name:	ECE Assembly Plant
Type of Project:	Start Up
Type of Entity:	LLC
Type of Business:	Manufacturing
NAICS or SIC Code:	333611
Address:	
Completed By:	4830 Wilson Road, Suite 300-132, Humble, TX 77396
Phone Number:	Stephen Geldmacher-CEO 916-284-0160
Email Address:	sgeldmach@earthcareenergy.com
Date:	12/6/2011

Project Description - Please include the product/service and a brief description of the project including timing.

Earthcare Energy, LLC requires the location and building to house a manufacturing/assembly plant for its "Pressure To Green Power" Total Flow Generators. The components and sub-assemblies for these units will be sourced as much as possible from local and state suppliers but may also come from other states nationwide. Primarily, most plant processes will include the assembly of these components and sub-assemblies into the finished product which includes skid-mounting. Some limited, small scale manufacturing will occur. Completed units will be secured in 20 and 40 containers for trucking to U.S. destinations as well as to the ports for international ocean freight shipping. First year production expectations are between 100-300 units. The company goal is to secure the assembly plant for opening in late Q2/2012.

Project Alternatives - Are there other sites or project configurations under consideration? Please list other potential locations.

None

Estimated Capital Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Land Costs	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000.00
Building - New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Purchase of Existing	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000.00
Building - Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-Internal Renovations	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00
-External Renovations	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00
Building - Leasehold Improvements	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00
Machinery & Equipment - New	\$ 2,000,000	\$ 2,000,000	\$ 500,000	\$ 300,000	\$ 250,000	\$ 5,050,000.00
Machinery & Equipment - Used	\$ 1,000,000	\$ 1,000,000.00	\$ 75,000.00	\$ 50,000.00	\$ 25,000	\$ 1,250,000.00
Pollution Control Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Investment	\$ 8,150,000.00	\$ 2,100,000.00	\$ 575,000.00	\$ 350,000.00	\$ 275,000.00	\$ 11,450,000.00

Estimated New Jobs at New Facility

Employment Category	By the end of the First Year of Operation		By the end of the Second Year of Operation		By the end of the Third Year of Operation		By the end of the Fourth Year of Operation		By the end of the Fifth Year of Operation	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Managerial										
Professional										
Technical										
Sales										
Clerical										
Craftsman (skilled)										
Operators (semi-skilled)										
Laborers (unskilled)										
Service										
New Job Creation to Date and Avg. Weekly Wage	27	60	78	108	120					
	\$ 38.46	\$ 39.42	\$ 40.41	\$ 41.42	\$ 42.45					
Total New Jobs										

Estimated Jobs Relocated to New Facility	
<i>Jobs are full time employees of the Company</i>	
Employment Category	Full Time Jobs
None	\$ -

Estimated Utility Requirements (or increase if expansion):	
Water	TBD
Sewer	TBD
Electric	TBD
Gas	TBD
Use of Port?	Yes

Benefits - Please provide a brief description of the benefit package offered to employees in the area below. Please include percentage paid by employer.

Medical, Dental, Vision, Paid vacation and holidays, sick leave, performance bonuses, flexible work schedules, employee assistance programs, employee stock purchase program.

Briefly describe the financing structure for this project.

Funding will be provided and/or supplemented through investor/PPA financing or other vehicles.

Earthcare

Energy, LLC

North America Natural Gas Application/TFG Opportunity Market Valuation-Current Accounts

References:

<http://www.eia.gov/ctapps/ipdbproject/IEDIndex3.cfm?tid=3&pid=3&aid=1>

<http://www.referenceforbusiness.com/industries/Transportation-Communication-Utilities/Natural-Gas-Transmission.html>

<http://www.indexmundi.com/>

<https://www.cia.gov/library/publications/the-world-factbook/fields/2180.html>

Account	Pipeline Miles	# Letdown Stations	Market Value- Equip.-75%/25% 500kW/1MW @ 30% GP Margin	Market Value- Electricity @ \$.05 p/kWh GP per year	Market Value- Electricity @ \$.05 p/kWh GP - .10 years	Market Value- Electricity @ \$.05 p/kWh GP- 20 years			
U.S. Dept. of Defense	N/A	7,900	\$2.14B	\$2.14B	\$21.4B	\$42.8B			
El Paso Corp./Gas TransCanada	43000	3,583	\$971M	\$971M	\$9.71B	\$19.42B			
Corp.	35500	2,537	\$687.5M	\$687.5M	\$6.875B	\$13.75B			
Enbridge Inc.	25000	2,080	\$563.7M	\$563.7M	\$5.64B	\$11.3B			
Kinder Morgan Centerpoint	24000	2,000	\$542M	\$542M	\$5.42B	\$10.8B			
Energy	8200	364	\$98.6M	\$98.6m	\$986.5M	\$1.97B			
Hawaii Gas Co.	1100	6	\$6.28M	\$6.28M	\$62.8M	\$125.6M			
Total	136800	18,470	\$5.01B	\$5.01B	\$50.1B	\$100.2B			



Indiana Economic Development Corporation ("IEDC")

Application for Incentives

General Information		Project Owner: Dorrie LoBue	Project Number: 415167
Legal Name as registered with Indiana Secretary of State ("Company")	EarthCare Energy, LLC		
Federal Employer Identification Number (FEIN)	38-3867198		
Business Structure	Other		
NAICS Code (6 Digits)	333611		
Company's Taxable Year End (M/D)	12/12		
Company Website	http://www.earthcareenergy.com		
Proposed Project Information			
Proposed Project Address	4830 Wilson Rd.	Parent Company	EarthCare Energy, LLC
City, State, Zip	Humble, IN, 77396	Parent FEIN	38-3867198
Proposed Project County	Vanderburgh	Parent Country	United States of America
Primary Contact Information			
Primary Company Contact's Name	kenneth haney	Title	Chairman of the Board
Address of Company Contact (if different from above)	4830 Wilson Rd.	Phone and Fax	Phone: (832) 731-0104 Fax: (281) 225-2386
City, State, Zip	Humble, IN, 77396	Email	khaney@earthcareenergy.com
Senior Official Information			
Senior Company Official Name	Stephen Geldmacher	Title	CEO
Address of Senior Official (if different from above)	4830 Wilson Rd.	Phone and Fax	Phone: (916) 284-0160 ext Fax: (281) 225-2386
City, State, Zip	Humble, IN, 77396	Email	sgeldmacher@earthcareenergy.com
Consultant Information			
Company's Hired Business Consultant Name (if applicable)		Consultant Release	Yes
Address		Local Economic Development Organization Release	Yes
City, State, Zip		Email	
Project Overview			
Description	<p>EarthCare Energy manufactures total flow generators that produce electricity from wasted pressure. The generator runs at one fifth of the speed of a regular turbine. Earthcare Energy, LLC requires the location and building to house a manufacturing/assembly plant for its "Pressure To Green Power" Total Flow Generators. The components and sub-assemblies for these units will be sourced as much as possible from local and state suppliers but may also come from other states nationwide. Primarily, most plant processes will include the assembly of these components and sub-assemblies into the finished product which includes skid-mounting. Some limited, small scale manufacturing will occur. Completed units will be secured in 20' and 40' containers for trucking to U.S. destinations as well as to the ports for international ocean freight shipping. First year production expectations are between 100-300 units. The company goal is to secure the assembly plant for opening in Q2/2012.</p>		
Certified Technology Park?	No		
Community Revitalization Enhancement District?	No		
Has the Company applied for Indiana's Venture Capital Investment Tax Credit for the project?	No		

New Project Investments

Calendar Year	2012	2013	2014	2015	2016	TOTAL
Land Acquisition	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Building Lease Payments	\$0	\$0	\$0	\$0	\$0	\$0
Building Purchase Costs	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
New Building Construction	\$0	\$0	\$0	\$0	\$0	\$0
Existing Building Improvements	\$1,150,000	\$0	\$0	\$0	\$0	\$1,150,000
New Machinery and Equipment	\$5,050,000	\$0	\$0	\$0	\$0	\$5,050,000
Special Tooling / Retooling	\$0	\$0	\$0	\$0	\$0	\$0
New Furniture and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0
New Computer / IT Hardware	\$0	\$0	\$0	\$0	\$0	\$0
New Software	\$0	\$0	\$0	\$0	\$0	\$0
On-Site Rail Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
On-Site Fiber Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$10,200,000	\$0	\$0	\$0	\$0	\$10,200,000

Investment Details

Public Infrastructure Needs (Off-site of project)	*Potential Qualified Investment under the Hoosier Business Investment ("HBI")	The approximate % qualified HBI expenditure that the Company expects to spend with Indiana businesses:	Used equipment purchased in Indiana, or transferred from out-of-state, for project
\$0	\$6,200,000	95.00%	\$1,250,000

Full-Time Permanent Indiana-Resident Positions by Calendar Year

Calendar Year	Number of Full-Time Permanent Indiana-Resident Employees at Project	Hourly Average Wage W/O Fringe Benefits / Bonuses	Cumulative Number of Net New Full-Time Permanent Indiana-Resident Employees at Project	Hourly Average Wage, excluding benefits or bonuses, of Cumulative Net New Jobs	Total Training Expenditure (Not Cumulative)	Total Employees to be Trained (Not Cumulative)
1 Year Ago	0	\$0.00				
Now	0	\$0.00				
2012			27	\$38.46	\$135,000	27
2013			60	\$39.42	\$165,000	33
2014			78	\$40.41	\$90,000	18
2015			108	\$41.42		
2016			120	\$42.45		
Description of the company's specific training needs for the location	Plant and Line employees will require 2-4 weeks training in the assembly of components and sub-assemblies into finished units, mounted on skids for transport. Technical and engineering experts will be imported within the state and around the U.S. to conduct training to individuals. Training expenses will cover travel, lodging, meals, and other miscellaneous training tools during the training period.					

Tax Liability Information by Year

Calendar Year	2012	2013	2014	2015	Prior Year Tax Liability (if C-Corporation)
Expected Indiana Corporate Tax Liability from AGI (entire company)	\$0	\$0	\$0	\$0	
Expected Indiana Corporate Tax Liability from AGI (due solely to project)	\$3,400,000	\$20,400,000	\$23,800,000	\$25,500,000	\$0

Submitted By:

Submitted On:

Earthcare Energy, LLC Pro Forma Financial Statements
Prepared December 12, 2011

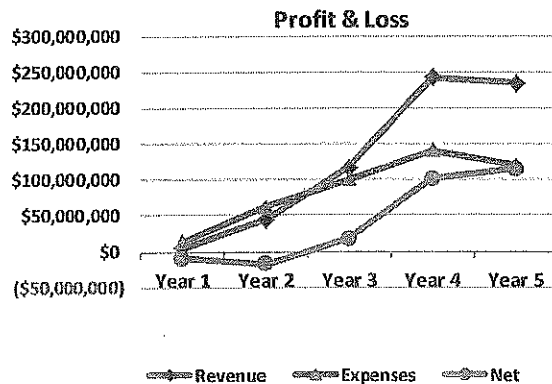
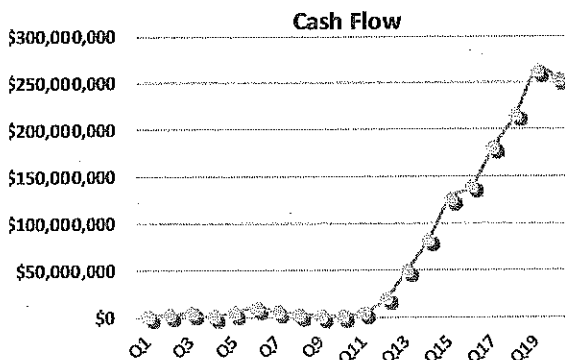
Profit & Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Net Sales	\$5,178,463	\$44,827,695	\$116,564,976	\$241,774,137	\$234,154,800
COGS	\$8,050,000	\$53,550,000	\$88,200,000	\$60,200,000	\$0
Gross Profit	(\$2,871,538)	(\$8,722,305)	\$28,364,976	\$181,574,137	\$234,154,800
Expenses	\$5,864,260	\$6,987,304	\$7,291,969	\$7,611,402	\$7,946,334
EBITDA	(\$8,735,798)	(\$15,709,609)	\$21,073,007	\$173,962,735	\$226,208,466
Amort., Dep., & Int.	\$328,599	\$1,921,180	\$2,296,438	\$1,911,293	\$1,616,894
Taxes	\$0	\$0	\$0	\$57,347,209	\$91,696,146
Net Income	(\$9,064,396)	(\$17,630,789)	\$17,021,099	\$100,787,214	\$114,798,749

Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	(\$9,064,396)	(\$17,630,789)	\$17,021,099	\$100,787,214	\$114,798,749
Changes from:					
Operating	(\$8,683,072)	(\$16,698,084)	\$18,154,789	\$120,804,575	\$115,834,214
Investing	(\$5,070,000)	\$0	\$0	\$0	\$0
Financing	\$14,924,706	\$19,041,885	(\$1,201,334)	(\$1,262,796)	(\$1,327,403)
Cash Inc. / (Dec.)	\$1,171,634	\$2,343,801	\$16,953,455	\$119,541,779	\$114,506,810
Beginning of Period	\$0	\$1,171,634	\$3,515,435	\$20,468,890	\$140,010,668
End of Period	\$1,171,634	\$3,515,435	\$20,468,890	\$140,010,668	\$254,517,479

Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current	\$1,171,634	\$3,515,435	\$20,468,890	\$140,010,668	\$254,517,479
Non-Current	\$4,824,265	\$3,921,954	\$2,796,563	\$1,994,854	\$1,422,938
Total Assets	\$5,995,899	\$7,437,389	\$23,265,453	\$142,005,523	\$255,940,416
Liabilities					
Current	\$135,590	\$165,984	\$174,283	\$19,389,936	\$19,853,484
Non-Current	\$4,924,706	\$23,966,591	\$22,765,257	\$21,502,460	\$20,175,057
Total Liabilities	\$5,060,296	\$24,132,575	\$22,939,540	\$40,892,396	\$40,028,541
Equity	\$935,604	(\$16,695,186)	\$325,913	\$101,113,127	\$215,911,876
Total Liab. & Equity	\$5,995,899	\$7,437,389	\$23,265,453	\$142,005,523	\$255,940,416

Valuation	\$5,178,463	\$44,827,695	\$116,564,976	\$241,774,137	\$234,154,800
Revenue (1x multiple)					

Investment		Loans		Cash	
Founder	\$0	Total	\$25,000,000	Breakeven	Mon 38
Preferred	\$0	Interest Paid	\$4,427,342	Least Cash	\$1,136,060
Common	\$10,000,000	Principal Repaid	\$4,824,943	Most Cash	\$270,487,908
Total	\$10,000,000	End Balance	\$20,175,057		



Investors - Earthcare Energy, LLC Pro Forma Financial Statements

Annual Valuations

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue - (1 multiple)	\$5,178,463	\$44,827,695	\$116,564,976	\$244,774,137	\$234,154,800
Discounted to Present Value	\$4,401,693	\$32,388,010	\$71,585,466	\$126,207,611	\$103,895,723

Investment

(\$ in thousands)

By Class

	Ownership		Returns	
	Investment	Shares	% Own.	From Co. Sale
Founder				
Preferred				
Common	\$10,000,000			\$33,769,166
Total	\$10,000,000			\$33,769,166

By Investor

Investor #1	Ownership		Returns		Performance		
	Investment	Shares	% Own.	From Co. Sale	ROI	IRR	NPV
	\$10,000,000			\$33,769,166	337.7%	35.7%	\$8,017,664
Common				\$33,769,166			