What is ZEROS Technology?

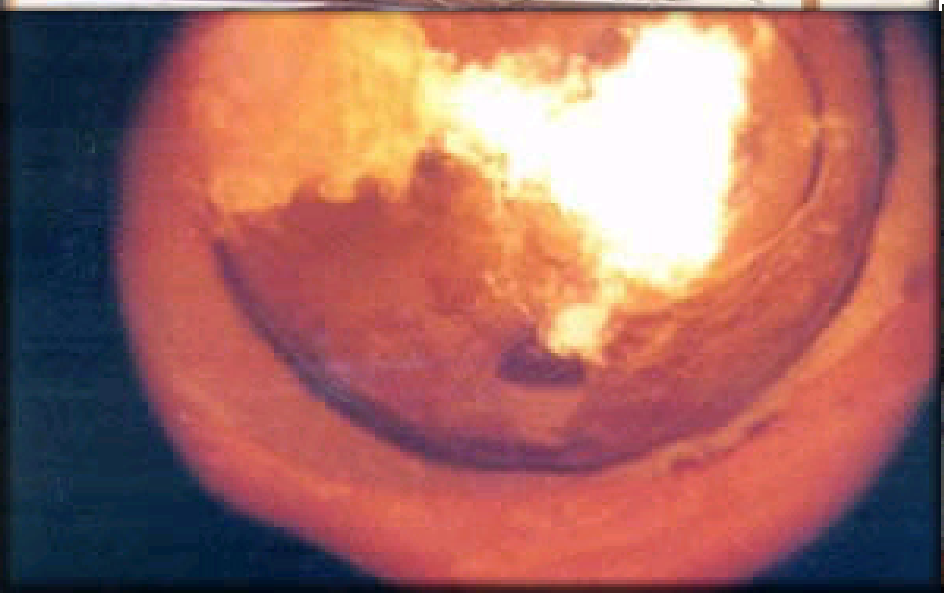
Zero-emissions Energy Recycling Oxidation System

- It is not necessarily a power plant project
- It is not necessarily a remediation project
- It is not necessarily a manufacturing project

Think of a ZEROS Technology Project as:

A small Refinery Complex

Representation of the ZEROS plant and its configuration. Actual equipment shown is from a prior generation technology that performed oilfield remediation.



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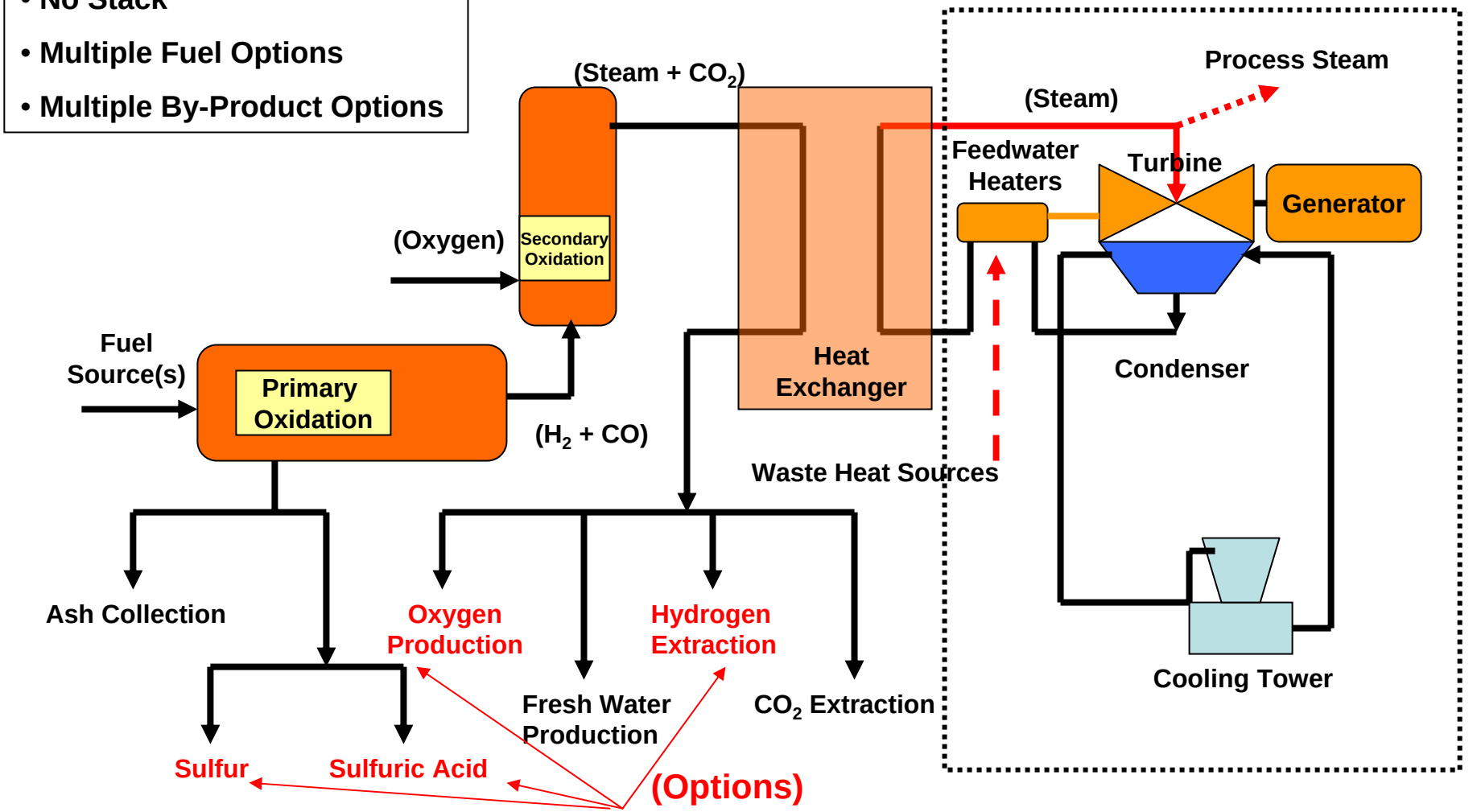
ZEROS Simplified Schematic

- No Stack
- Multiple Fuel Options
- Multiple By-Product Options



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Example Waste Handling Facility

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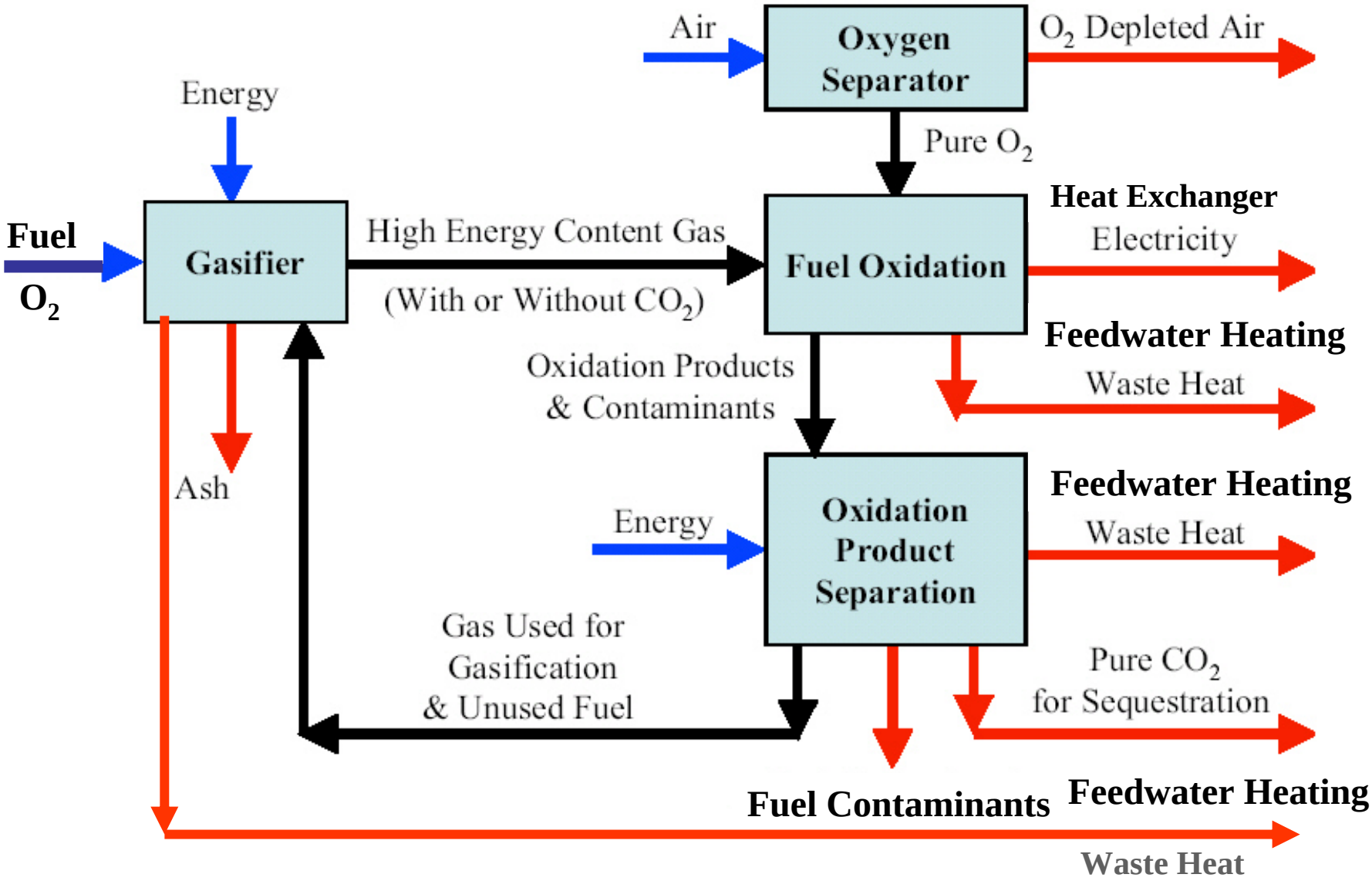
ZEROS Block Flow Diagram



Powering with ZEROS

Technology Advantages

- Requires No Air Permit[1]
  - (Locatable within the DFW Non-Attainment Zone)
- Multiple Potential Fuel Source Feeds
  - Cow Manure, Solid Municipal Sewage Waste
  - Trash (Paper, Plastics, Other)
  - Wood Pulp
  - Car Tires
  - Pet Coke, Coal, Waste Oil, Oil Tank Bottoms
  - Natural Gas

[1]See Notes on Permitting Requirements

Powering with ZEROS

Technology Advantages

- Potential Production of Multiple By-Products
  - Electricity
  - Process Steam
  - Distilled Water
  - CO_2
  - Slag / Char / Rock Wool
  - Sulfur, Sulfuric Acid
  - Oxygen, Hydrogen
- RECs – Renewable Energy Credits (Green Tags)
- Carbon Tax Credits
- Federal Tax Credits ?

Powering with ZEROS

Key Site Advantages

- Transmission / Distribution System Access
- Natural Gas Pipeline Accessibility
- Labor Sources
- Truck & Rail Service
- Multiple Fuel Source Options
- Multiple By-Product Markets
- Market Basis for Electricity
- Black Start Capability

Powering with ZEROS

Key Site Advantages

- Transmission / Distribution System Access
- Natural Gas Pipeline Accessibility
- Labor Sources
- Truck & Rail Service
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TriEnCon Services

Preliminary
Baja California Project
Financial Estimates

3 March 2005

Plant Cash Flow Analysis Model

Ver 5.5 1-30 Year Model (1 Mar 05)

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Construction	Revenue Stream		Fuel Expense		Unit Characteristics		Maintenance and Availability					
1201 Plant Cost	All Other Sources	Energy	Fuel	Efficiency	Unit Size	Auxilliaries	Planned Cap Fac	Planned Overhaul	Maint. Outage	Forced Outage	Unavailable Hours	
											504	Planned
											438.0	Unplanned
											942.0	Total
Basis		Mkt Price	Fuel Price	Heat Rate	Gross	Aux	%	5.75%	%	%	%	
1400	$34.03	$60.00	$0.00	6,200	50	8	85.00%	21	2.50%	2.50%	89.25%	Maximum
$/Kw	$/Mwh	$/Mwh	$/mmBtu	Btu/Kwh	Mw	Mw	Output	Days	Rate	Rate	Output	Available

Financing				Fixed and Variable Expenses							
Debt Ratio	Int Rate	Term	Net Mwh Production	Personnel	Var. O&M	Services	Insurance	Permits	Consum	Prop Taxes	A&G	QSE
			312,732									
%	%	Years		Staff	$/Mwh	% of Mairt.	$/1000	$1000/Yr	$/Mwh	$/100	$/Mwh	$/Mwh
80.00%	6.00%	20	Gross Fuel Cost $	35	$3.25	48.10%	$2.45	$25.00	$1.00	$0.00	$0.40	$0.00
Project Cost			2,886,047	1,050,000	1,016,379	488,878	171,500	25,000	312,732	0	125,093	0
Est. Cost	Equity	Debt	Royalties	30,000	<< Loaded Wages							
70,000,000	14,000,000	56,000,000	3,000,000									

Equity Cash Flow		Estimated Tax Rate
Total		
$550	Million	35.00%
NPV		
$303.87	Million	
B/C Ratio	Discnt. Rate	
21.71	4.00%	

Project Value	
NPV	
$289.87	Million
IRR	Ave ROE
111.25%	131.02%
CFROI	
314.10%	

Market Price Calculation		
Nat. Gas	Gas Adder	
Gas Price	Adder	Balancing Energy
$5.75	$0.35	$51.85
$/mmBtu	$/mmBtu	$/Mwh

Off	Planned Trainsets	
Round Trips	Cycle	
0.00	11	0.00
per Month	Days	Trainsets

Fixed and Variable Expense Summary (Annual Averages)			
Total Fixed and Variable		Annual Operating Expenses	
$10.20	$/Mwh	(less fuel) $3.19	Million
Fuel Expense	Total Operating Cost	Principal	
$9.23 $/Mwh	$19.43 $/Mwh	$8.95 $/Mwh	
Interest*	Royalty Fees	Total Est Bus-Bar	
$6.66 $/Mwh	$9.59 $/Mwh	$44.63 $/Mwh	

Fuel Consumption				
Fuel Quality	Heat Rate		(per Op Day)	
15996	6,200	72,151	221.49	9.23
Btu/Lbm	Btu/Kwh	Tons/Yr	Tons/Day	Tons/Hr
8500		6644.77		
30 Day Inventory (Tons)				

TriEnCon Services

Alternative/By-Product Production/Revenue Streams

Sulfur Production (Sulfur/H_2SO_4)		Sulfur Production		Sulphuric Acid Production		Ash/Slag Production		CO_2 Production	
Off	Sulfur	%	0.00	%	0.00	%	20	Tons	1:1
		Tons/Yr	0	Tons/Yr	0	Tons/Yr	14,430	On	Tons/Yr 72,151

Fuel Tipping Fees		Sulfur Sales		Sulphuric Acid Sales		Ash/Slag Sales		CO_2 Sales	
On	$/Ton 20	$/Ton		$/Ton		$/Ton 5		$/Ton 60	
	$/Yr 1,443,023	$/Yr		$/Yr		$/Yr $72,151		$/Yr $4,329,070	

Fuel + O_2	Consumption	O_2 Costs	Carbon Credits		Water Production		H_2 Production	
	Tons/Yr	$/Ton 20	Tons		Tons		Tons	
Fuel	72,151		65,592		144,302		0	
On Tons/Yr O_2	144,302	$/Yr 2,886,047	On		On		Off	

Syn Fuel Use Credit		Capacity Payment		Locational Marginal Pricing		Carbon Sequestration		Water Sales		Hydrogen Sales	
	$/Mwh 14.00		$/Kw-Yr 35		$/Mwh 5		$/Ton 2.00		$/Ton 2		
On	$/Yr 4,378,248	Off	$/Yr $0	Off	$/Yr $0		$/Yr 131,184		$/Yr 288,605		

Total Potential Annual By-Product Sales Income		
$10,642,281	$34.03	$/Mwh

(All Values Approximate)

Project Cash Flow Analysis (Years 1-10)

(All values x $ 1000 dollars)(2004 dollars)

Year	1	2	3	4	5	6	7	8	9	10
Electricity Revenue(s)	$29,406	$29,700	$29,997	$30,297	$30,600	$30,906	$31,215	$31,527	$31,843	$32,161
Licensing Agreement	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Operating Costs		(1% Escalation of Electricity Market Prices)			(Escalation - Labor 1.5%, Fuel cost 1/2%, Consumables 1%)					
Fuel	2,886	2,900	2,915	2,930	2,944	2,959	2,974	2,989	3,004	3,019
Fixed & Variable O&M	2,852	2,895	2,938	2,982	3,027	3,072	3,118	3,165	3,213	3,261
Property Taxes	0	0	0	0	0	0	0	0	0	0
Waste Disposal	25	25	25	25	25	25	25	25	25	25
Consumables & Water	313	316	319	322	325	329	332	335	339	342
Depreciation	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
EBIT	$16,831	$17,064	$17,300	$17,538	$17,779	$18,021	$18,266	$18,513	$18,763	$19,015
Interest Expense	3,360	3,269	3,172	3,069	2,960	2,845	2,723	2,593	2,456	2,310
EBT	$13,471	$13,796	$14,128	$14,469	$14,818	$15,176	$15,543	$15,920	$16,307	$16,704
35.00%										
Book Income Taxes	4,715	4,828	4,945	5,064	5,186	5,312	5,440	5,572	5,707	5,847
Net Income	$8,756	$8,967	$9,183	$9,405	$9,632	$9,865	$10,103	$10,348	$10,600	$10,858
Cash Flow										
Net Income	8,756	8,967	9,183	9,405	9,632	9,865	10,103	10,348	10,600	10,858
Depreciation	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Book Taxes	4,715	4,828	4,945	5,064	5,186	5,312	5,440	5,572	5,707	5,847
Cash Taxes	(5,021)	(4,285)	(4,533)	(4,775)	(5,012)	(5,241)	(5,467)	(5,690)	(5,840)	(5,979)
Principal	(1,522)	(1,614)	(1,710)	(1,813)	(1,922)	(2,037)	(2,159)	(2,289)	(2,426)	(2,572)
Equity Cash Flow	$10,427	$11,397	$11,385	$11,381	$11,384	$11,398	$11,417	$11,441	$11,541	$11,654
BTU Tax Credit	$4,691	$4,691	$4,691	$4,691	$4,691	$4,691	$4,691	$4,691	$4,691	$4,691
Net Equity Cash Flow	$15,118	$16,088	$16,076	$16,072	$16,075	$16,089	$16,108	$16,132	$16,232	$16,345
ROE	107.99%	114.92%	114.83%	114.80%	114.82%	114.92%	115.06%	115.23%	115.94%	116.75%
10 Year Ave ROE>>	114.52%	20 Year Ave ROE>>		117.70%	30 Year Ave ROE>>		131.02%			
Taxable Income										
EBT	13,471	13,796	14,128	14,469	14,818	15,176	15,543	15,920	16,307	16,704
Book Depreciation	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Tax Depreciation	2,625	5,054	4,676	4,326	3,997	3,703	3,423	3,164	3,122	3,122
Total	14,346	12,242	12,952	13,643	14,321	14,973	15,620	16,256	16,685	17,082
Cash Taxes	5,021	4,285	4,533	4,775	5,012	5,241	5,467	5,690	5,840	5,979
MACRS (20 Yr)	3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	4.46%	4.46%

TriEnCon Services

Operational Cost Assumptions Summary

Availability and Net Capacity

50	Unit Capacity (Mw)
8	Unit Auxiliary Loads (Mw)
89.25%	Planned Unit Availability %

Royalty /License

3.00	$ millions/yr

Efficiency/Heat Rate

6,200	Unit Heat Rate (Btu/KWh)
1%	Annual Performance Degradation %

Variable Operating Costs

$1.02	Major Maintenance Expenses ($ million)
$0.25	Water Use ($/MWh)
$0.25	Water Disposal ($/MWh)
$0.25	Chemicals ($/MWh)
$1.73	Ash Disposal ($/Ton)
$0.25	Other Variable O&M ($/MWh)
$1.00	Consumables ($/Mwh)
$25.00	Ash Disposal ($/Mwh)
$0.03	Cooling Tower Variable O&M ($/MWh)
$0.00	QSE Scheduling Fees ($/MWh)

Fixed Operating Costs

35	Plant Staff
$30,000	Average Salary & Benefits
$1,050,000	Labor ($)
$488,878	Routine Materials, Services, & Maintenance ($)
0	Water and Sewer Fixed Charges ($)
$25,000	Environmental ($)
0	Fixed Fuel Supply and Transmission Charges ($)
$125,093	Plant G&A ($)
$171,500	Insurance ($)
$0	Annual Property Tax ($)
$125,093	Corporate Overhead ($)
$10,000	Cooling Tower Fixed O&M ($)

Fuel Costs

$0.00	Fuel ($/mmBtu)
$9.23	Oxygen Costs ($/MWh)

Plant General & Administrative Expenses

$0.40	Corporate G&A Allocation $/MWh)
$0.55	Insurance ($/MWh)
$0.00	Annual Property Tax ($/MWh)
$0.08	Environmental (excluding allowances) ($/MWh)

Base Other O&M

$100,000	Recurring and Specific Maintenance ($)
$488,878	Generator Services ($)
45,000	Transmission Line Maintenance ($)

Fuel Inventory

$0	Fuel Inventory ($)
6844.77	30 Day Fuel Inventory (Tons)
$0.00	Fuel Cost ($/mmBtu)

Debt Service

$15.61	Capital & Interest ($/MWh)
$4.88	Capital & Interest ($ millions)

Gross Operationing Costs

$13,957,964

TriEnCon Services

Operational By-Product Assumptions Summary

Availability and Net Capacity

50	Unit Capacity (Mw)
8	Unit Auxiliary Loads (Mw)
89.25%	Planned Unit Availability %

Efficiency/Heat Rate

6,200	Unit Heat Rate (Btu/KWh)
1%	Annual Performance Degradation %

CO_2 Production

72,151	Tons/Yr
$60.00	Value ($/Ton)
$4.33	Revenue ($ Millions)

Ash/Slag Production

14,430	Tons/Yr
$5.00	Value ($/Ton)
$72,151	Revenue ($)

Sulfur Production

0	Tons/Yr
$0.00	Value ($/Ton)
$0	Revenue ($)

Sulphuric Acid Production

0	Tons/Yr
$0.00	Value ($/Ton)
$0	Revenue ($)

Fuel Tipping Fees

72,151	Tons/Yr
$20.00	Value ($/Ton)
$1,443,023	Revenue ($)

Water Production

144,302	Tons/Yr
$2.00	Value ($/Ton)
$0.29	Revenue ($ million)

Hydrogen Production

0	Tons/Yr
$640.00	Value ($/Ton)
0.00	Revenue ($ million)

Electricity Production

312,732	MWh's/Yr
$60.00	$/MWh
$18.76	Revenue ($ million)

Capacity Payments

$0.00	$/Kw- Yr
50000	Kw Installed
$0	Revenue ($)

Location-Based Marginal Pricing

$0.00	$/MWh
312,732	MWh's
$0	Revenue ($)

Green Energy Credits

$14.00	$/MWh
312,732	MWh's
$4,378,248	Revenue ($)

Carbon Tax Credits

$2.00	$/Metric Ton
65592	Metric Tons CO_2
$131,184	Revenue ($)

Gross Operational & By-Product Revenue Streams

$29,406,201