

July 6th, 2011

Dear interested party,

You have received this email because you have shown an initial interest for commercial involvement with our company and our products based on Andrea Rossi's e-Cat invention (exothermic reaction between Hydrogen and Nickel).

Since you have shown an initial interest, we are offering you - on good faith - the first opportunity prior to issuing a public announcement that we are accepting international expressions of interest through our website.

This letter will update you on our current status, and provide you with an understanding of the structure with which we are proceeding for all international partnerships. The manner is the same globally.

Due to the immense global interest we have received the past months (currently 63 countries and more than 850 companies), we have streamlined our international sales to meet this global demand in the most efficient manner.

We understand that our approach will not be suitable for all, and that many of you will wish to be involved once the national partner has been assigned.

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Regarding our international sales approach, it is as follows:

- We sell the rights to manufacture our products exclusively to one company for a given country at a fixed royalty price of 40.5 million Euros per factory producing 300,000 units annually. Within this price, we will:
 - Provide the blueprints to establish the factory according to our international standardized plans, including all details for the machinery / software / technical know-how used in the factory.
 - Provide transfer-of-knowledge (production, technical, after sales, maintenance) both in Greece as well as on location
- Additional royalties are paid to us for each product sold
- We sell and deliver the industrial secret as a component to the final product in a black box, plug-and-play module.
- Local company partnerships, marketing, points of sales, technical support remains the responsibility of the country rights holder.
- If additional factories need to be built, the same principles remain.
- Our business and pricing is structured to create lucrative win-win opportunities for all.

Regarding time-line and milestones for those interested to proceed in talks:

- Initial meeting in Athens during July and August (except 14-20 July and 10-20 August) to discuss and sign preliminary expression of interest contract, whereby the opportunity to secure the exclusive rights will be given.
- Meeting in our factory during October to inspect and verify kW units
- Meeting in our factory during December to inspect and verify MW units

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Regarding next steps, and based on the information provided herein, if you see opportunities that match your company's capabilities, and if you believe your company qualifies to proceed with further talks, we welcome your reply to this email accordingly in order to:

- Signing of a non disclosure confidentiality agreement sent by us upon request
- Secure a date for a meeting in Athens during July or August

The abovementioned initial meeting in our offices here in Athens should not last more than 3-5 hours. Appointments will be set according to availability. As mentioned above, these meetings will take place during July (excluding 14-20) and August (excluding 10-20).

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Regarding factory specs, below is some basic information regarding the overview of the factory requirements according to our standards:

Larger and smaller factories can be negotiated according to market size. The basic aspects of each factory producing 300,000 units annually (kW and MW product ranges) are:

- 12,000m² space (maximum height of 14 meters for half of the allocated space)
- IT to monitor production line, 1st level support and distribution channels

Assembly of products will include the following activities:

- Build-up of final product (electronics, heat management, etc)
- Assembly of reactors (purchased from Defkalion)
- Quality Control
- Total Quality Management
- Environmental Control
- Stress Tests
- Functional Tests of end products
- Recharging of units

- Recycling procedures

Factory Special Conditions:

- Clear air similar to pharmaceutical industry standards
- Access to constant flow of water
- Heat management of waste heat during tests of modules (this heat energy could also be used to run the factory's energy needs with third party technology)

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Regarding R&D, it is also the case that some of you seek partnerships in the field of R&D. Such interest is seen favorably, but will be dealt with under case-by-case assessment following a detailed expression of interest. Please note that such talks will take place after October 2011.

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We would like to reiterate that this communication is made and provided to you prior to our international announcement in light of your early participation in this exciting endeavor. As of September we shall be open to the world at-large through our new website, which, to date, has received nearly 2 million hits since June 23rd!

We look forward to hearing from you accordingly, and look forward to welcoming you in Greece. You can use the same email (info@defkalion-energy.com) for your replies.

Sincerely,

Symeon Tsalikoglou
Director Business Development & Marketing
Defkalion Green Technologies