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To: AUTOMOTIVE NEWS EDITOR &
BUSINESS NEWS EDITOR
SAN FRANCISCO CHRONICLE

Subject: FUELING THE ECONOMY – WITH HYDROGEN

As fuel prices continue to soar, **the use of hydrogen as fuel in a wide variety of existing vehicles can literally revitalize our economy** over the next few years and make the difference between prosperity and bankruptcy for many businesses.

The following explains the applicability and technology of the NVI (National Vapor Industries) **Hydrogen Generator**. Please give me a call if you have any questions after reviewing the following information:

WHAT IS A HYDROGEN GENERATOR?

It is a container filled with water that contains a positive and a negative electrode, and which generates Hydrogen and Oxygen gas by breaking the water molecules apart using an electric current. In a motor vehicle, the electricity for a Hydrogen Generator comes from the vehicle's alternator. The resultant Hydrogen and Oxygen are drawn into the vehicle's Intake Manifold where it combines with fresh air and gasoline (or diesel) in the engine's combustion cylinders.

The **increase in Horsepower** decreases the amount of gasoline or diesel required. The combustion yields Water Vapor, which cleans out your engine & **reduces harmful emissions** that your engine normally produces.

HOW DID YOU GET INVOLVED WITH HYDROGEN GENERATORS? I have a Bachelor's degree from UCLA in Industrial Design and a Master of Public Health degree from University of Southern Mississippi in Environmental Health. At the same time, I have served the last 11 years as an Environmental Scientist in the US Army Reserve (retired in 2007) and as an Occupational Health Scientist for the US Department of Labor for the same period of time (also retired, 2007).

As a result of my academic training and experience, I have been very interested for some years in improving fuel economy while improving air quality at the same time. On a personal level, I own a 2001 Chrysler Town & Country, currently with 145,000 original

miles – it's been a good vehicle, but with poor gas mileage. I had planned to trade it for a Hybrid vehicle of some kind earlier this year, but when I learned of the NVI Hydrogen Generator about 6 months ago, I became intrigued. The Hydrogen Generator is relatively inexpensive when compared to the approximately \$5,000 cost of a new Hybrid vehicle above the price of a comparable non-Hybrid.

WHAT DIFFERENCE HAVE YOU SEEN IN YOUR FUEL MILEAGE? I have driven my mini-van over **9,000 miles since installing the hydrogen generator**, and my average city/highway fuel consumption has gone from 19 mpg before installing the generator to nearly 24, consistently (21 on the highway to 27). My exhaust is remarkably clean & odor-free due to more complete combustion, and my horsepower and torque have improved. I consume 1 gallon of distilled or carbon-filtered water every 1,200 miles; distilled water costs 64 cents plus tax at Wal-Mart.

CAN THE UNIT BE TRANSFERRED TO ANOTHER VEHICLE, SUCH AS AN RV? Absolutely. I own a 2008 Newmar Grand Star RV coach, 38' long and 30,000 lb. Earlier this year I had it wired to accommodate the NVI Hydrogen Generator, and a week later took it on a 700 mile trip to the Memphis, TN area. I had made the same trip 2 months earlier, averaging 60-65 mph and 6.5 miles per gallon. This time I averaged 65-70 mph and 8.5 miles per gallon – nearly a 30% improvement in economy, and at higher driving speeds. Notably, the hydrogen generator that powered my RV is the same unit I use on my family car – I simply disconnected it from the mini-van (about 3 minutes) and placed it in the harness provided for it in the RV (another 3 minutes). Then put it back in the mini-van when we returned. THAT'S portability!

IT IS POSSIBLY THE ONLY RV COACH IN THE U.S. CURRENTLY POWERED BY HYDROGEN.

IS A HYDROGEN GENERATOR SAFE? CAN'T HYDROGEN GAS EXPLODE? The unit is very safe, since there is no hydrogen gas under pressure – which is the condition that is required for an explosion; the gases are generated "on the fly" as the water is broken down into hydrogen and oxygen by electrolysis, powered by the vehicle's alternator. If I'm in a collision and the Hydrogen Generator is crushed, the worst thing that will happen is that water will splatter everywhere. A vehicle's gas or diesel fuel tank is a far greater safety concern in an accident than the Hydrogen Generator.

WHERE CAN YOU GET THESE HYDROGEN GENERATORS? When I purchased the Hydrogen Generator for my mini-van, I was a concerned consumer. I have since chosen to become an authorized representative of the primary Distributor of the NVI Hydrogen Generator, PROVIDENT TECHNOLOGIES, L.L.C., which is headed by Asa Waters, an electrical engineer who worked for Sprint for nearly 30 years. Provident Technologies is based in Orlando, FL (407-521-7881); Mr. Waters' cell is 407-489-2680). PROVIDENT TECHNOLOGIES' primary business goal is to establish a comprehensive network of dealers/installers throughout the Southeast, and move westward and northward. Currently over 90% of the Hydrogen Generators currently installed and operating are on vehicles in northern California, which is where the

manufacturer is located. Provident Technologies currently has installation networks and marketing of the NVI Hydrogen Generator in Florida, Alabama, Mississippi, Idaho, Connecticut, Southern California, and Indiana. We're expanding at the rate of about 2 states per month. Provident Technologies has 3 corporate officers and 10 field representatives currently. We expect to double that within the next 2 months.

WHERE CAN THIS HYDROGEN GENERATOR BE INSTALLED LOCALLY? We are building a network of installers around the country, and have certified installers in Orlando, FL; Boise, ID; and the San Francisco Bay area currently. You can get up-to-date information from:

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HOW MANY CARS & TRUCKS ARE OPERATING WITH THIS HYDROGEN GENERATOR? Approximately 500 vehicles are operating with the NVI Hydrogen Generator nation-wide; most are in Northern California, and about half of these have been operating for over a year. NVI hand-built this unit most of last year, and began mass production with a new factory in Livermore, CA in December 2007 with a capacity of 1,000 Automotive models and 2,000 Industrial models per month. A tractor trailer operating currently in the LA Basin with the hydrogen generator has not only experienced significant fuel mileage improvement, but also a drastic drop in exhaust emissions.

WHAT SPECIFIC EMISSION REDUCTION CAN BE EXPECTED? This will vary from vehicle to vehicle, but every truck and automobile operating with an NVI hydrogen generator will have much cleaner emissions, since hydrogen is a 100% clean burning fuel (it recombines with oxygen to form steam, which cleans carbon out of dirty engines and keeps them clean). A series of 7 tailpipe emissions tests done by the California Air Resources Board on the tractor trailer referenced above had consistent results of between 3 and 4.5 parts per million of carbon in the exhaust. The state standard is 40. Such clean emissions on a diesel powered vehicle with no other type of control device is unprecedented.

WHAT OTHER KIND OF TESTING HAS BEEN DONE ON THE HYDROGEN GENERATOR? The National Institute of Occupational Safety and Health (NIOSH) has agreed to testing of the Industrial Model of the NVI Hydrogen Generator, designed for large industrial diesel equipment and haul trucks. Their particular interest is in the reported significant reduction in diesel particulate (soot) exhaust emissions resulting from its use. NIOSH is an agency of the Center for Disease Control (CDC) of the US Dept of Health, Education and Welfare. In addition, the corporate offices of Precision

Auto Care in Leesburg, VA are currently evaluating this Hydrogen Cell for installation by their 450 auto care centers nationwide.

ARE THERE OTHER COMPANIES THAT ALSO MANUFACTURE HYDROGEN GENERATORS SIMILAR TO YOURS?

There are a number of other companies in the US and Canada that build and market Hydrogen Cells that appear to be of a similar design. None utilize exactly the same technology as the NVI unit, and none to my knowledge have produced the consistent fuel savings of the NVI unit. Likewise, the NVI unit to my knowledge is the only electrolysis-based vehicle-mounted Hydrogen Generator that does not utilize caustic chemicals, which can eventually damage a vehicle's engine. Government scientists with whom I have spoken consider most of these companies to be marketing "snake oil". In other words, there are many extraordinary claims made and no data to back them up such as "double and triple your current fuel mileage." Our claims are much more conservative -- 25% improvement in fuel mileage, up to 40% with some vehicles. We have tailpipe emissions testing from California, plus over a million miles of field testing of our device, but we're very proactive in placing it in the hands of testing laboratories, government agencies and other organizations because we are confident that they will validate our own experience. Our warranty is for a year with unlimited mileage, and Provident Technologies guarantees full satisfaction within 30 days of purchase or a full refund less shipping and handling.

ARE THERE ANY COMPETITORS OPERATING IN THIS AREA? There are several in the Eastern US and one in Canada that I'm aware of. Each of them utilizes a mixture to enhance performance that is caustic (corrosive) and which can be drawn into the engine. There are no harmful chemicals whatever used in our unit.

HOW MUCH DO THESE DEVICES COST EACH? The retail cost for the Automotive Model and/or the Industrial Model (tractor trailers, commercial buses, etc.) can be obtained by contacting Provident Technologies at (251) 545-3874 or myself at (817) 798-4193 (Cell).

HOW MANY HAVE YOU SOLD AND TO WHOM? About 300 units were sold before Provident Technologies became a distributor 3 months ago. Since then about 200 more units have been sold. We expect sales to mushroom as the effectiveness of the unit becomes better known and fuel prices continue to soar.

WHAT ABOUT LOCAL SALES? There are individual families that have purchased the unit, but those most interested in the device are fleet owners, including local governments. Recently the Judge of Probate for Baldwin County, AL purchased the first hydrogen generator to be installed on an official county vehicle in this state - a 2006 Ford Crown Victoria. The Sheriff's Dept of Baldwin County is discussing with me a 30 day test of the device on a county patrol cruiser. At the same time, the fleet manager for the City of Moss Point, MS is introducing to the City Council at its March meeting a proposal to do a similar test on a Moss Point city vehicle. I would love to see the US Army use this technology on its tanks, haul trucks and other fuel-guzzling vehicles!

IS THIS TECHNOLOGY IN USE IN OTHER PARTS OF THE WORLD? It has been under development around the world for over 20 years, and a number of companies -- notably one in Canada -- market devices employing similar technology. But to the best of my knowledge, a unit that is both consistently fuel-efficient and "green" (lowering toxic emissions) had not been developed until Matthew Schadeck, an engineer in Wellington, NV, designed the one we distribute.

WHAT ABOUT THE IRS HYBRID VEHICLE TAX CREDIT? Here is the text, taken from the our website; this means a portion of the cost of the unit can be deducted dollar for dollar from one's business or personal tax liability This may not apply to units that are leased by businesses. Business owners who consider leasing should check with their tax preparer.

The official written opinion expressed below was provided in 2007 by Mr. Jacobs, IRS Representative No. 75-15658:

"IRS Form 8911 clearly states that this (Hydrogen Generator) would qualify as alternative fuel vehicle refueling property because it is injecting hydrogen into a motor vehicle."

NOTE: I can arrange a 3-way phone interview between you, myself, and the designer/engineer of the unit (Matthew Schadeck ; Wellington, NV) ; and/or the President of NVI (David Jewell; Livermore, CA) and/or Asa Waters, president of PROVIDENT TECHNOLOGIES.