



**“Oil Doesn’t Wear Out It
Just Gets Contaminated”**



The Company

Next Generation Filtration Systems dba *RE³ Optimization Systems*

- 6,500 square foot Facility in Titusville, PA
- Perform Engineering, Testing and Product Assembly
- Key Personnel - Ken Geiger, Jim Parker, Pete Canovali and Bill Cline



The Technology

- Conserver Patented Oil Purification System
 - 7 Patents in USA
 - China, Canada, Europe and Australia

- Two Phases of Oil Purification
 - Designed micro glass element filters particulates
 - ***Second Phase is the Patented Evaporation Chamber where moisture is removed from the lubrication fluid***

Water is the Problem

“Failure due to water contamination may be catastrophic, but it may not be immediate. Many failures blamed on lubricants are truly caused by excess water...The effects of water on oil are insidious.”

Marianne Duncanson of Exxon Mobil Corporation

Practicing Oil Analysis - September, 2005

Customer Problem

Reported Problems from Moisture Build-Up

- ❖ Shorter component life due to rust and corrosion
- ❖ Water etching/erosion and vaporous cavitation
- ❖ Hydrogen embrittlement
- ❖ Oxidation of bearing babbitt
- ❖ Wear caused by loss of oil film or hard water deposits.

Marianne Duncanson of Exxon Mobil Corporation

Practicing Oil Analysis - September, 2005

Conserver Customer Value

- Extends Equipment Life Cycle
- Extends Lubrication Life Dramatically
- Reduces Maintenance Cost
- Improves Operations



Converter Product Markets

- ***Industrial***
- ***Commercial***
- ***Transportation***

Shale Gas Applications

- ***Compressors***
- ***Pumps***
- ***Generators***
- ***Gear Boxes***
- ***Hydraulic Systems***

The Competitors

Industrial Market

- Vacuum Dehydration, complex and high price – twice the price (see Rayonier letter at Booth)
- Filter carts with absorption filters
- Filter canisters with absorption filters
- Replace the Equipment/Fluids on a Regular Basis

Pricing and Value

- **Wholesale Price** - ranges from \$1,000 to \$12,750, based on fluid reservoir size
- **ROI** - In most cases the Payback will be between 12 and 18 months
- **Sample** - Well site compressor unit would have a wholesale price of \$2,150 and an expected ROI of 12 months or less

Case Studies



- **Industrial**

- Rayonier
- Duke Power
- Georgia Pacific

- **Transportation**

- Alaska West Express

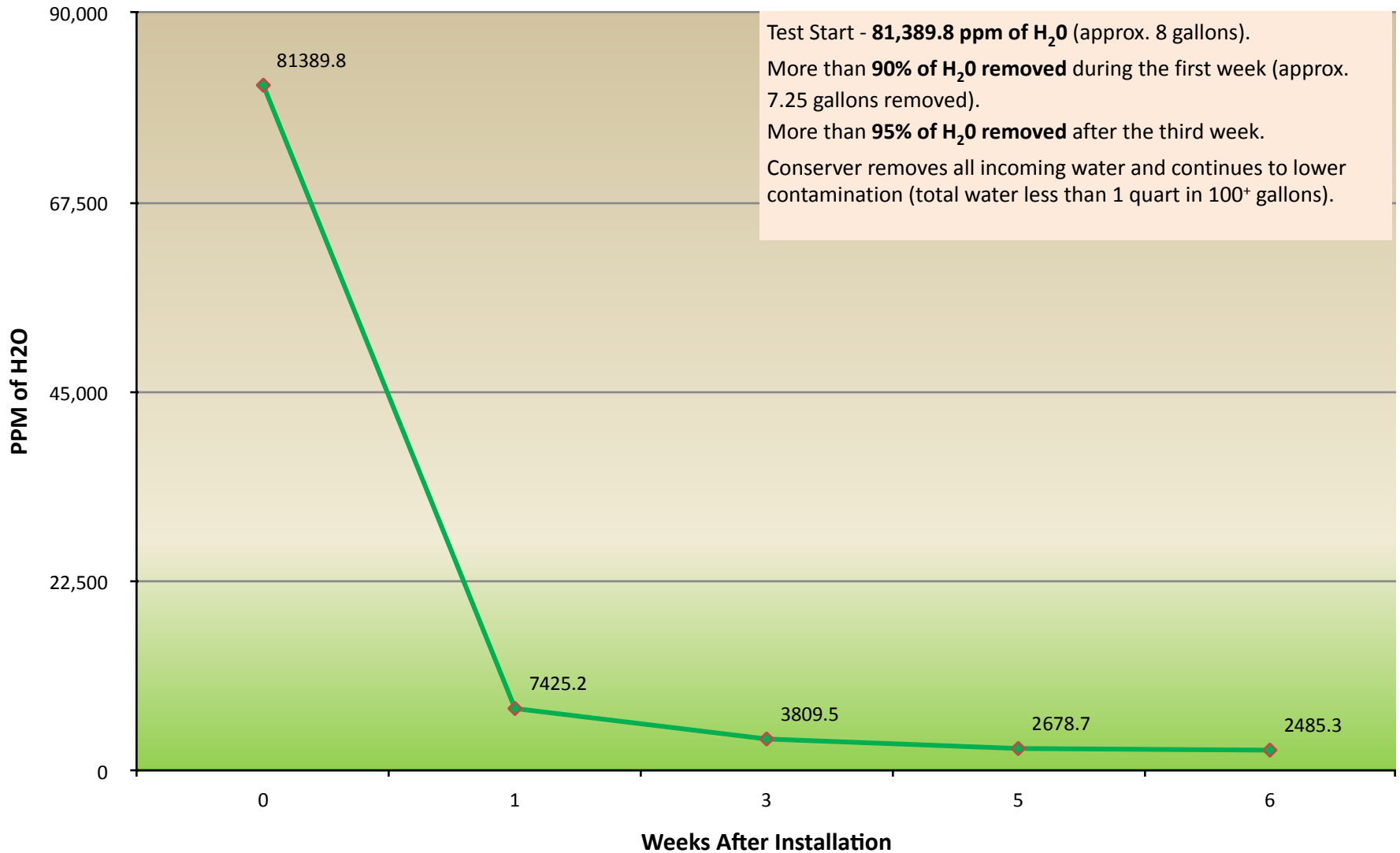
- **Commercial**

- Johnston Precision

Have Supporting Documents for Each Example

Rayonier - RE3 Initial Beta Test

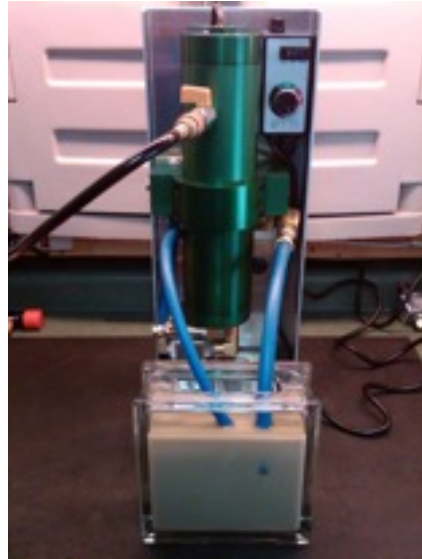
100+ Gallons of Turbine Hydraulic Oil



Alaska West Express

- **Initial Test - April 2008 Two Vehicles**
 - Have Accumulated over 1.1 million miles
 - 1 Required Oil Change on each, Oil tested at 5-7 K Mile Intervals
 - No Indication of Wear on the Crankshaft Rod or the Main Bearings
- **Added More Vehicles in 2010**
 - Over \$30,000 in Total Cost Savings
 - Over Four Million Miles with No Reported Problems
 - Now Purchases H2's for All New Trucks - \$1,200 per unit
 - Supporting Letters Available for Review

Johnston Precision



Thank You

www.Nextgenfiltration.com