November 9, 2007

Mary Nichols
Chairman, California Air Resources Board
Headquarters Building
P.O. Box 2815
Sacramento, CA 95812

RE: Background on Exciting "Green" California Projects

Dear Mary,

I am currently working with several projects based here in California, all of which have exciting "green" elements to them. With a primary focus of the California Air Resources Board being the utilization of green technology, I believe these are all good examples of companies thinking outside the box to produce environmentally friendly products.

Altergy Systems engages in the design, manufacture, marketing and service of proprietary fuel cell power products that are changing the way the world gets its power. The new fully automated production line, installed at Altergy's production facility in Folsom, is capable of producing thousands of fuel cell plates per day, offering substantial opportunities to expand fuel cell production and deployment around the world. Altergy's low cost, robust, fully integrated and high efficiency fuel cell systems generate electrical power at the point-of-use, making low cost, distributed electrical power generation a reality.

Primafuel is a California-based company that is developing the production infrastructure and the technologies for next-generation low carbon fuels. While they are headquartered in Long Beach, Primafuel just recently entered into an agreement with the Port of Sacramento to build a biodiesel plant on the premises. This facility would convert vegetable oil into an alternative diesel fuel that produces lower net emissions of most air pollutants, as well as climate-warming carbon dioxide, than does conventional diesel. The plant at the Port would make 60 million gallons a year of biodiesel, nearly ten times the production capacity of the largest existing biodiesel plant in California.

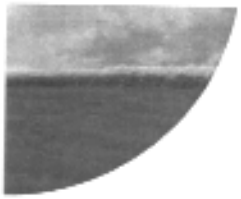
CalAg was founded in 1996 by two Sacramento Valley rice farmers who had been seeking alternative uses for rice straw, following CARB's call for the phasing out of field-burning. In 2003, CalAg was awarded a patent for the conversion of rice straw to industrial grade Medium Density Fiberboard (MDF). This MDF will be manufactured using recycled rice straw and an urea formaldehyde-free resin system and boasts numerous environmental benefits. These include: major reduction of greenhouse gas emissions by 120,000 tons each year, savings of up to 150,000 acre feet of water annually and savings the equivalent of 1.5 million trees from being cut each year. CalAg's new plan will be constructed in Willows, and will be the first MDF facility of its kind in the world.

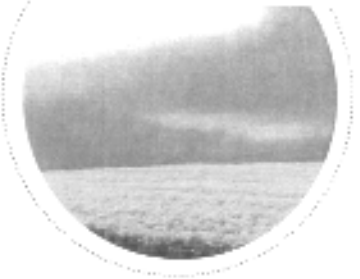
I would love to discuss any or all of these projects with you in more depth. I can be reached in the office at (916) 314-0472, or on my cell at (916) 502-2070. Thanks for your time and consideration.

Sincerely,

Jay Ziegler

Principal, Ziegler Associates





Primafuel™

Infrastructure & Technology for Low-Carbon Fuels

Leading the way to zero-carbon fuels™

Primafuel is a California-based company developing the **production infrastructure and the technologies** for **next-generation low-carbon fuels**. Primafuel's world-class **engineering, construction** and **operations experts** are developing some of the **largest** and most **advanced** production facilities in the world. Primafuel's **US** and **European research teams** are **leading** the energy industry's drive towards zero-carbon fuels™.

Building Infrastructure

Engineering & Construction

Experience building large-scale energy projects for leading industrial companies and governments

CH2MHILL · Delta-T

- CH2M HILL – Global leader in full-service engineering and construction with over 18,000 employees and annual revenues of $4 billion
- Delta-T – 25 years experience building biofuels plants having built over 80 facilities amounting to 3 billion gallons of U.S. ethanol capacity
- David Evans and Associates – Award-winning engineering and environmental planning firm leading the U.S.'s largest clean-energy projects

Commodities and Logistics

- Commodities and logistics managers with over 30 years experience in feedstock and fuels
- Experience in all major global oils markets advising Goldman Sachs, ADM, and Cargill

Finance

- Large, international investor backing with over $250M in available capital
- Purchase agreement in place to buy up to 100% of Primafuel's product

Production Equipment

- Proven equipment with years of commercial operation
- Process equipment earned U.S. EPA award for exceeding California's challenging standards by emitting no air or water pollution

Innovating Technology

Next Generation Technology

Primafuel is engaged in targeted research and development of catalysis, process chemistry, and reactor design to lower costs and reduce the carbon footprint of liquid fuels. Areas of research include:

- Non-edible fats and oil production
- Non-conventional liquid fuels processing from waste bio-materials
- Next-generation high performance biofuels

The Primafuel R&D team has over 100 years of renewable energy R&D experience. Prior research partners include Boeing, US Army, United Technologies, US Department of Energy and World Bank. Team members previously earned the 2005 Invention of the Year award from Time Magazine and Popular Science

BOEING · WORLD BANK · U.S. ARMY

International Research and Development

Primafuel's scientists work in laboratories in California and Sweden based on a long history of international collaboration. Our business activities span the globe.

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Primafuel is a proud member of the California Climate Action Registry

Corporate News

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Altergy Systems Unveils the World's First Automated, High Volume Fuel Cell Assembly Line

FOLSOM, California – *June 4, 2007* – Altergy Systems today officially unveiled the world's first and only automated, high volume fuel cell assembly line.

Altergy's industry-leading fuel cell technology and the new automated production-line enables mass production of Altergy's fuel cell products, offering substantial opportunities to expand fuel cell production and deployment around the world. The new production line, installed at Altergy's production facility in Folsom, California, is capable of producing thousands of fuel cell plates per day, representing orders of magnitude increases in rate and capacity over typical hand-built fuel cell plates and systems.

"Altergy's automated, high volume assembly line is an important leap forward in the commercialization and worldwide deployment of fuel cells as a viable and clean power generation alternative," stated Eric S. Mettler, President and CEO of Altergy Systems. "These California-built fuel cells are already providing distributed electrical power generation to customers around the world. Our new line greatly expands our capacity and our ability to meet our growing customer demand."

Joining Mr. Mettler to dedicate the new assembly line were U.S. Congressman Dan Lungren, CA-3rd; Ms. Linda Adams, Secretary of the California Environmental Protection Agency (CalEPA); and Dr. Alan Lloyd, President of the International Council on Clean Transportation and former secretary of the CalEPA.

The automated assembly line consists of SCARA (Selective Compliant Assembly Robot Arm) robots, lift and transfer stations, turntables, and automated conveyors. It employs automated parts placement, automated bonding, automated dispensing, automated in-line curing, automated in-line test, automated conveyance and automated stacking. More information about the Altergy *Freedom Power* systems is available at www.altergy.com.

– More –

Commented Congressman Dan Lungren: "This is a great day for all of us...something we can all rejoice in, that we can say 'this makes sense.' We're going to be able to utilize energy in a different way, in a more practical way, in a way that is going to make a difference in many of our everyday lives on a daily basis, and it is here now. Maybe what we're seeing here today will be as important for us in our everyday lives as that GPS idea was just 20 years ago, or Henry Ford's idea to make the car available, several generations ago. That's what's so exciting about this!"

"On behalf of Governor Schwarzenegger," stated Linda Adams, Agency Secretary, CalEPA, "he is very excited about this celebration of the world's first high volume fuel cell manufacturing plant, right here in California, a place known for leadership in technology and the environment. Governor Schwarzenegger believes a strong economy and a strong environment can go hand in hand. (Altergy) is manufacturing clean technology that is good for the environment and good for the economy, and creating new, high paying jobs right here in California."

Dr. Alan Lloyd, president of the International Council on Clean Transportation and former Secretary of the CalEPA, explained, "It (the Altergy fuel cell assembly line) is very impressive in volume production, quality control and scaling ability. Altergy's mass production capability is a wonderful step forward because cost becomes a key issue in terms of fuel cells. To be able to increase the volume to bring the cost down is a huge step forward."

SCARA robots are a key component of Altergy's high volume, automated fuel cell assembly line.

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Automation of numerous functions – lift and transfer, conveyance, parts placement, bonding, curing, assembly, testing, stacking – enables Altergy to produce fuel cell plates in commercial volumes.

An Altergy Freedom Power™ System, configured here with 11 kilowatts of power generation, is ready for installation at an outdoor wireless communications site.

About Altergy

Altergy Systems engages in the design, manufacture, marketing and service of proprietary fuel cell power products that are changing the way the world gets its power. Altergy's *Freedom Power* products provide *freedom* from the grid, *freedom* from foreign oil, *freedom* from traditional energy solutions, *freedom* from batteries and *freedom* from pollution. These low cost, robust, fully integrated, and high efficiency fuel cell systems generate electrical power at the point-of-use, making low cost, distributed electrical power generation a reality. Altergy's *Freedom Power* products are a solution to the serious global shortage of premium power and growing demand for low cost, high quality power.

More information about Altergy Systems is available at www.altergy.com .

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This news release contains forward-looking statements that are not based on historical facts, but rather are based upon numerous assumptions about future conditions, including but not limited to deployment of fuel cell systems and other products, that may ultimately prove to be inaccurate. These statements should be used with caution and are subject to various risks and uncertainties, many of which are outside the company's control. Actual events may materially differ from anticipated results. Factors that could cause actual results to differ materially from those in the forward-looking statements include unanticipated changes in the markets for fuel cell technologies, unanticipated changes in business relationships with customers and unexpected technical difficulties. We do not assume any obligation to update these forward-looking statements.

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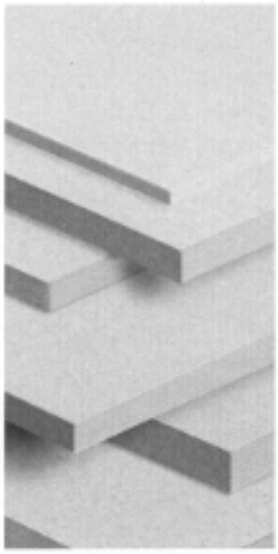
CalAg LLC

Groundbreaking will commence this summer (2007) on a world-class manufacturing facility in Willows, California, which will produce high-quality medium density fiberboard (MDF) from post-harvest recycled rice straw.

...We're especially excited about the emergence of CalAg MDF as a major local producer of fiberboard for California builders. Not only will its formaldehyde-free makeup improve the air we breathe in our homes; manufacturing ...from rice straw aids in reducing greenhouse gases as well.

Brian Gitt
Executive Director, Build It Green



Medium density fiberboard (MDF) in various thicknesses.

CalAg's new plant will be constructed on a 276-acre parcel of land in Willows, California, in the heart of rice-growing country. Financed in part by $175 million in California Pollution Control Financing Authority bonds, the entire machinery line will be provided by Metso Panelboard, the world's largest supplier of MDF manufacturing equipment.

At full capacity the plant will produce an annual output of 150 million square feet, or roughly 30 percent of California's current demand for MDF.

What is MDF?

MDF is an important raw material commonly used to make furniture, kitchen cabinets, store fixtures, doors, mouldings, and flooring substrates. A mature composite building product, MDF panels have traditionally been produced by pressing wood fibers together, under heat and pressure, utilizing a urea-formaldehyde resin system. CalAg's MDF will be manufactured using recycled rice straw and a urea formaldehyde-free resin system, and will compete directly with wood-based MDF in the marketplace. One hundred percent of CalAg's production will easily meet the California Air Resources Board's (CARB) new regulations for reduced formaldehyde emissions in composite wood products.

History

CalAg LLC was founded in 1996 by Sacramento Valley rice farmers Jerry Uhland and Jim Boyd. The two had been seeking alternative uses for rice straw soon after CARB called for the phasing out of field-burning, beginning in 1991.

Currently, the most common practice of straw disposal is to initiate a decomposition process by flooding rice fields after the annual harvest. This uses tremendous amounts of precious water, while releasing unwanted methane gas into the atmosphere.

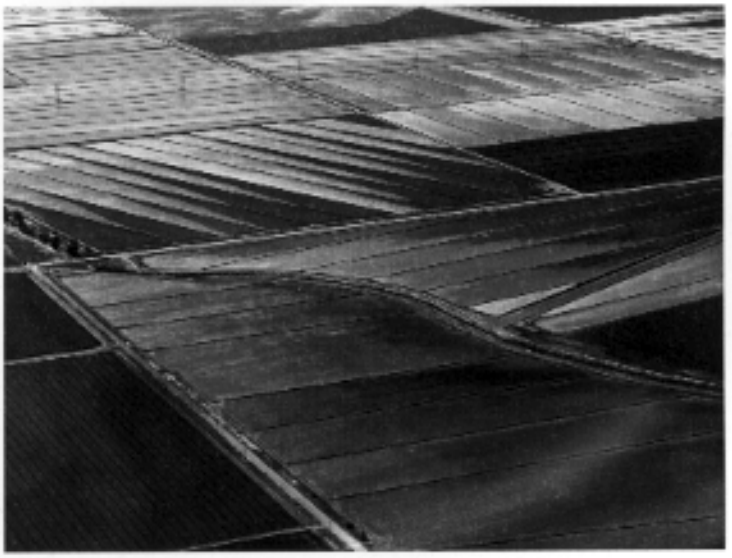
After years of extensive agrifiber research and privately funded development, CalAg was awarded a US process patent (2003), for the conversion of rice straw to industrial grade MDF. The Willows, California, plant will be the first MDF facility of its kind in the world.

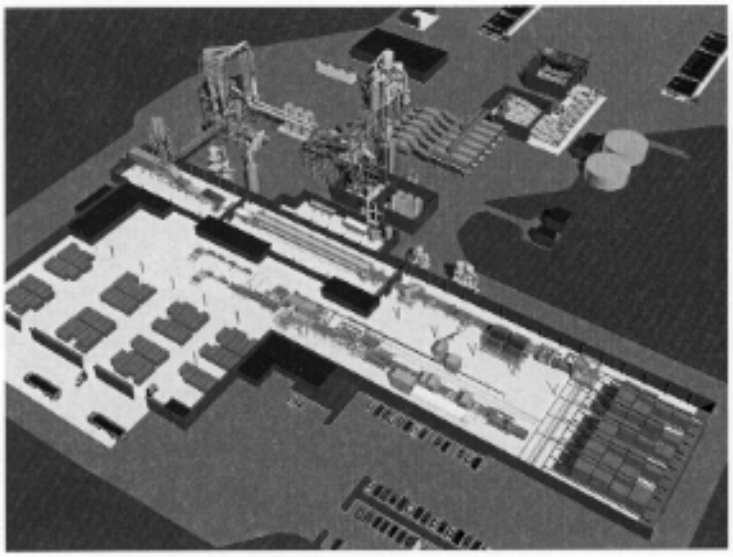
Glenn County rice farmer Jerry Uhland and 50-year California rice industry veteran Jim Boyd, the visionaries behind CalAg. Plant No. 1 will be built on land that has belonged to Boyd's family for over a hundred years.

The rice industry has worked hard to find alternative uses for rice straw. We are encouraged to see companies like CalAg making strides towards becoming successful enterprises that can be mutually beneficial for industry and our surrounding communities.

Tim Johnson
President & CEO
California Rice Commission

The Sacramento Valley produces 20% of the nation's rice and 1.5 million tons of rice straw every year; a steady, homogenous source of fiber for CalAg board.





Les Younie, CalAg's VP of Manufacturing and Engineering, and CEO Jerry Uhland at the Plant No. 1 site.

...In agriculture, the successful path to the future will be the ability to convert what many see as agricultural waste...into a viable, sustainable stream of useful goods and energy generation. CalAg is setting an important example in delivering fiberboard products from rice straw that will save water and reduce greenhouse gases along with other environmental benefits.

A.G. Kawamura
Secretary of Agriculture
State of California

Environmental Benefits

- Major reduction of "greenhouse" methane gas (from rotting straw) by 120,000 tons each year.
- Reduction of volatile organic compound (VOC) emissions. Comparably sized wood-based MDF plants typically produce more than 10 times the VOCs than CalAg's MDF plant will.
- Savings of up to 150,000 acre feet (35 billion gallons) of water annually, water that would be used to flood fields to decompose straw.
- Reduction of fall water diversions (for rice field straw-flooding) from the Sacramento, Yuba and Feather Rivers, which will help protect river flows for Chinook salmon, steelhead, striped bass and California fisheries.
- Production of a board that is urea formaldehyde-free and highly mold- and mildew-resistant, significantly improving indoor air quality.
- Reduction of fuel consumption and pollution associated with transportation of raw materials, as all of CalAg's rice straw supply is located within a 25 mile radius.
- Saving the equivalent of 1.5 million trees from being cut each year – replaced by a sustainable, recycled post-harvest agrifiber.

LEED Qualifications

CalAg MDF products may directly or indirectly contribute to LEED Green Building points for: Low Emitting Materials, Recycled Content, Regional Materials, Rapidly-Renewable Materials and Innovation in Design Credits.

Economic Benefits

- The CalAg plant will revolutionize the disposal of rice straw by converting it into a high quality, environmentally friendly and sustainable building product. By filling 30% of California's overall demand for MDF, CalAg will assume a key domestic manufacturing role when production commences in 2008.
- CalAg will have 115 full-time employees at the plant, with an additional 400 part-time jobs created during the straw collection period.
- The annual payroll is expected to exceed $10.5 million.
- The State of California has estimated more than 1,200 ancillary jobs will be created.
- Savings to Sacramento Valley rice farmers has been estimated at more than $20 million annually.

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Project Partners

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CH2M Hill
Evergreen Engineering, Inc.
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