Innovative Energy Technologies

Clean Energy Technology Association, Inc.

Proposal for

Two Mobile CO_2 Capture and Use Units

June 1st, 2019

Take it to the Source!

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Dedication and Experience
that comes from decades of collaboration within
the oil, gas, chemical, and coal industries.

Key Investment Highlights

- Revolutionary and Highly Disruptive Carbon Capture Solution and Process

- World's first and only Mobile Carbon Capture System

- Based on Patented and Proven Coal Distillation Technology Used in Major Public and Private Sector Projects

- Significant Environmental Benefits
    - Reduction in Overall CO_2 Levels and Footprint
    - Water Preservation

- Untapped Market Demand, with Multiple Avenues for Growth

- Strong Cash Flow Profile, With Superior Investor Returns

- World-Class Management Team

Carbon Dioxide Background

Carbon Dioxide (CO_2) is a non-combustible greenhouse gas that some scientists say is responsible for global warming, now called, climate change. It is one atom of carbon double bonded to two oxygen atoms. Those who consider it harmful seem to believe that it is the complete burning of fossil fuels in cars and power plants that is responsible for climate change.

What many do not consider is that CO_2 exists naturally in our environment for very beneficial reasons, including its role in photosynthesis for all plant life. The natural forms of CO_2 creation are just the simple acts of respiration (animals and humans breathing in Oxygen and exhaling CO_2) and other natural occurrences such as combustion, volcanic eruption, and decomposition of organic matter. They sometimes seem to forget how important CO_2 is to our atmosphere due to its ability to absorb infrared and ultra-violet light from the sun. CO_2 is soluble in water which is the source of life on earth.

There is an abundant supply of CO_2, but it is not necessarily in the right place for proper use as a commercial product. Currently, pipelines, rail, and trucking bring CO_2 to the places where it is needed for commercial use. In the oil and gas industry alone there are 123 projects for Enhanced Oil or Gas Recovery (EOR) that utilize CO_2. Shale oil and natural gas enhanced recovery projects have increased the CO_2 demand dramatically. It is a versatile industrial product that can be used in many ways besides just the oil and gas industry for EOR, for welding, fire protection, air guns, decaffeination of coffee, supercritical drying, added to drinking water and carbonated beverages, frozen for dry ice, dry cleaning, rubber and ethanol making, as well as medical, pharmaceutical, and agricultural uses.

Examples of Failed CO_2 Capture Projects in Recent Years

Carbon Capture and Sequestration (CCS) have been around for many years. One such Project (CCS) in the USA was the **Texas Clean Energy Project** of Summit Power near Odessa, Texas. It was to be a small combined cycle power plant (gasification of coal) that could generate 400 megawatts of electricity while capturing up to 90% of the CO_2 produced by the power plant itself. The CO_2 was to then be sequestered into a reservoir nearby, and later used in the recovery of oil and gas from nearby field. This project ultimately cost investors and the government over $3.98 billion, and had to be scrapped.

A second such project in Mississippi was the **Kemper Project** of the Southern Company. It was also intended to be an integrated gasification combined cycle facility which would convert lignite coal into Syngas to be used to power an electric generation facility. This process would produce a large amount of CO_2 as well. So, it had a secondary goal of capturing 65% of the CO_2, and then utilizing it for EOR. Because the capture points were all fixed locations and required expensive infrastructure (such as many miles of pipeline at costs that could range as high as $400,000.00 per mile) to get the captured gases to the oilfields, as well as political head-winds, this project also failed after a final estimated cost from both government and private sector expenditures of $6.7 billion dollars.

A third example is the **Petra Nova Project** done near Houston, Texas in a combined effort with NRG/Reliant, Mitsubishi, Kansai Electric, J. X. Nippon Oil and Gas and Hilcorp. It was constructed near NRG's old W. A. Parish Power Plant. It had a cost tag of over $1 billion. The undertaking was funded in part by several hundred million dollars in U.S. government subsidies, and $250 million in direct loans from the Japanese government. This process is energy intensive and requires a dedicated natural gas unit.

In the Petra Nova Project, the CO_2 from a unit of the W.A. Parish Power Plant is captured, sequestered, compressed into a liquid with chemicals, separated, and then sent by pipeline to the West Oil Field of Hilcorp near Victoria, Texas about 80 miles away. It has dramatically increased the production of the field. However, the return on investment in this stationary project model that is coupled with a power plant, is not as high as it should be. This is mostly due to over-engineering, and pipeline, CAPEX, and OPEX costs of the project. It does, however, prove what many in the oil and gas sector have known for a long time; that injection of CO_2 into oil and gas reservoirs does significantly enhance recovery.

There are similar CCS projects going on all over the world, such as, the ones in Saskatchewan, Canada at the Weyburn Fields; called Weyburn - Midale, Cenovus, and Apache Canada. But, as best we have been able to determine, all are expensive, stationary projects which require rail, trucking, or lots of pipelines in the ground.

Further CCS Examples and EOR Information

All these EOR project examples are **stationary** projects coupled to oilfields for Carbon Capture and Sequestration (CCS). The logic of this model is that CO_2 is injected into or adjacent to producing oil or gas wells or reservoirs. Effective EOR usually requires supercritical conditions, meaning, the CO_2 becomes miscible with the oil and/or natural gas. *(An example of miscible is when something can be mixed with another thing like sugar and warm water.)* As stated previously, this approach has been around for a long time. It is known to increase oil or gas production, and total recovery by reducing residual oil or gas saturation by 7 to 23% and sometimes even higher additional to primary extraction. It acts as a pressurizing agent, and when dissolved into the underground reservoir, significantly reduces the viscosity, enabling the oil or gas to flow more rapidly through the reservoir to the removal well, thus increasing production itself.

Excluding the West Field Project of Petra Nova, one of the longest EOR Projects has been the Permian Basin of West Texas and Southern Oklahoma. In that field, the CO_2 is mostly sourced from sequestration sites in the McElmo, Brazos, or Sheep Mountain domes, and is delivered by the Cortez pipeline that is owned by several major oil companies. This requires added transportation costs, operating costs, incremental capital costs, and lifting costs in order to succeed. These costs continue to mount.

Current federal regulations for delivered natural gas allow for concentrations of no more than 1 to 2% CO_2 for home consumption. The gas pumped out of the ground after a CO_2 injection into a producing reservoir goes into a transportation pipeline has between 3 to 30% concentration of CO_2. It has to be removed and separated in the pipeline transportation process for retail sales. Sequestration of CO_2 into underground reservoirs is still, after all these years, not stabilized; as it can leak out of an abandoned reservoir or dome, and, as such, is not totally secure, and requires constant monitoring.

CETA has a better way!

Take it to the Source!

CETA's *Lite & Nimble*CO_2

(The L/N-CO_2 Process)

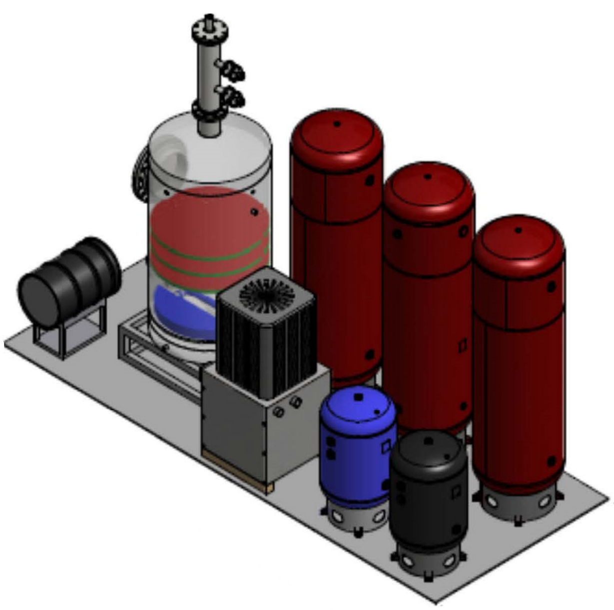
Mobile CO_2 Recycling Unit

for Enhanced Oil and Gas Recovery

As opposed to capture and storage in underground reservoirs, **CETA** sees **recycling** of CO_2 as a more sensible way to go. Mobile CO_2 capture and on-site delivery for injection at any oil or gas recovery source is a more practical and economical way of accomplishing CO_2 removal wherever needed. Our process cost-effectively separates, captures, and delivers CO_2 for direct use, *without the necessity of underground storage or expensive transportation* for secondary oil and gas recovery, drilling and fracking, as well as many other useful products described on page 9.

How It Works

Based on the composition of our trademarked **CETA***Solve*™, we have designed a CO_2 capture technology which absorbs CO_2 from natural gas, power plants, or a combustion gas stream. Within the *Light & Nimble*CO_2, **CETA***Solve*™ (extracted from coal in our distillation process) absorbs CO_2 into solution, making ammonium bicarbonate as a byproduct. This resulting solution (with absorbed CO_2) is marketable for many useful purposes including using it in enhanced oil and gas recovery. The solution is delivered into well bores where the CO_2 naturally separates (due to temperatures above 180ºF.) The released CO_2 enhances the amount of oil or gas that can be ultimately extracted from any given source well.



Our mobile units can be set up to capture CO_2 at any given CO_2 source, and can deliver our proprietary recovery-enhancement solution to any oil and gas source.

See attached economics.

June 1st, 2019

CETA Proposed CO_2 Transaction

During the last 18 months we have constructed equipment and tested our **CETA***Solve*™ as a liquid to extract CO_2 from various gas streams, and found that it will absorb CO_2 into the **CETA***Solve*™. Our results show, depending on the pressure utilized, that it can absorb and capture over 90% of the CO_2 out of the original gas stream or plant exhaust. Our expenditures to accomplish this to date are in excess of $2.3 million.

Once the CO_2 has been captured and absorbed in our **CETA***Solve*™, using our Mobile CO_2 Capture equipment, it can be taken back to the oil field and utilized a second time to help with enhanced oil recovery (EOR) from natural gas or oil wells. At least 25 to 50% of the **CETA***Solve*™ can be recycled more than once for this purpose. The use of this solvent with the absorbed CO_2 is also of further benefit to drilling and fracking operations, because it will reduce the amount of fresh water used in drilling and completion operations.

Additionally, **CETA***Solve*™ *without* absorbed CO_2 can be sold for use in manufacturing facilities, power plants, and other industrial plants to capture their CO_2 as well, much like capturing it from a well or pipeline, or power plant exhaust, as previously discussed. The content of our **CETA***Solve*™ *without* absorbed CO_2 is disclosed on page 10 for your information.

This program is to construct a second set of two *Lite & Nimble*CO_2 units by September 30th, 2019 that can be taken directly to designated use sources without requiring pipelines. This is a market we can now capture with proprietary technology and a fully-vetted, superior solvent product for this purpose. Initial deployment for both of these units is scheduled in Texas.

We have several major oil companies, the U.S. Department of Energy, a power plant, and several oil and gas property owners that would currently like to use our mobile units. The market for portable equipment within the CO_2 Capture and Use space is clearly present. What makes this superior to other methods is that it can deliver our CO_2 absorption solvent at a much more economic price tag, and each unit has an operational lifespan of up to 12 years.

To that end we have prepared economic pro formas for your usage that set out the economics for your consideration. We feel these are attractive economics for this initial project. The total cost of the building of these two mobile units will be $2,000,000.00.

We propose a 65%/35% split on free cash flow until you have recovered 1.5 times your original investment. A 50%/50% split until you have recovered 2 times your money. And a 35%/65% split for the balance of the life of the units which is expected to be an additional 10 to 12 years. These investment funds are eligible for depletion and depreciation tax deductions. They qualify for both 179 and bonus depreciation.

Funding for this $2,000,000.00 initial project for us will need to be as follows:

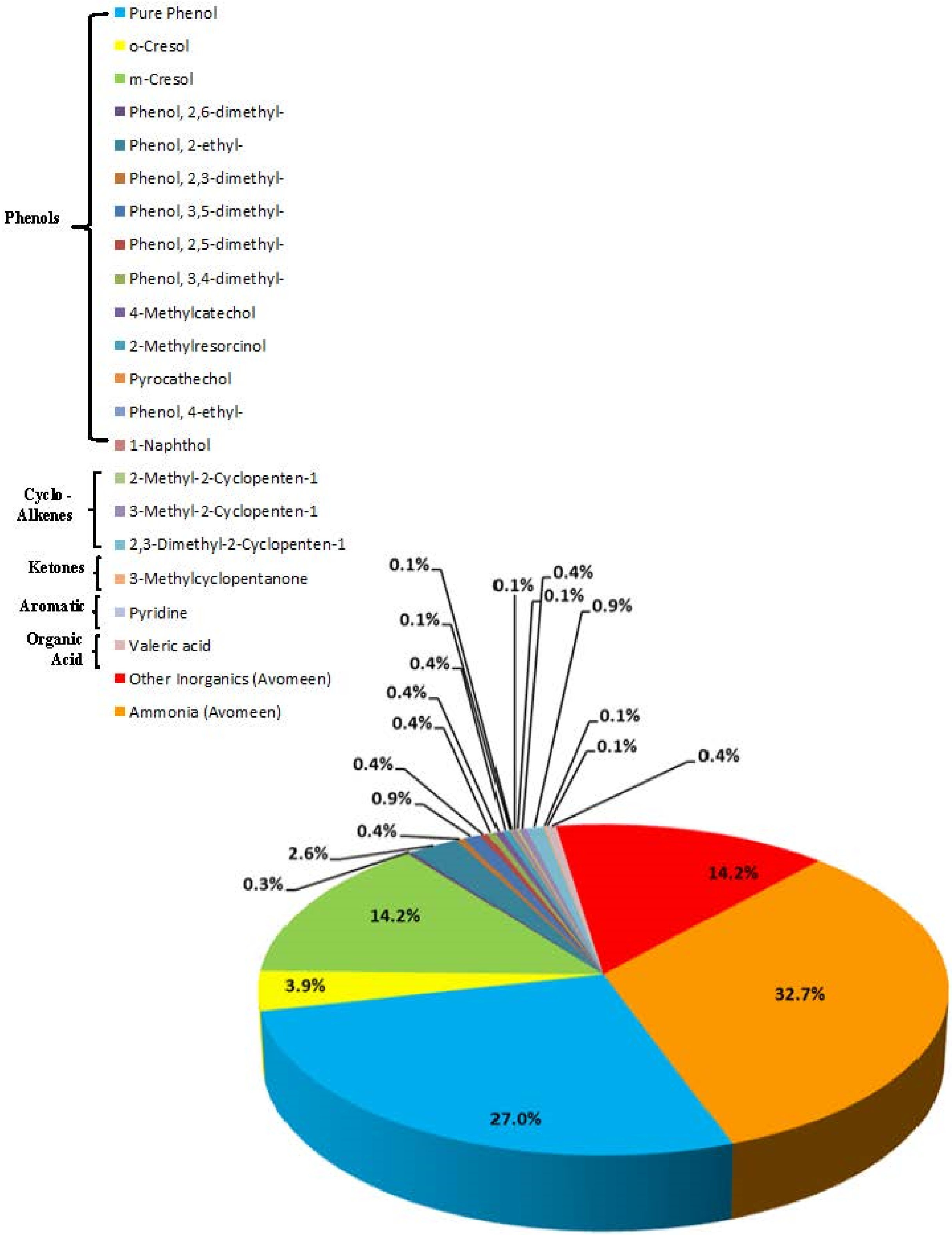
$ 500,000.00 - June 30th, 2019
$ 750,000.00 - July 31st, 2019
$ 750,000.00 - August 31st, 2019

First revenues would be received by you no later than November 30th, 2019.

Kindest Regards,

Roy W. Hill

CETA*Solve*™ Chemical Composition



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