

Control No. 33

COUNTERDESERTIFICATION & TUBAL-ALGALCULTURE

SBIR Phase III Commercialization Models

for

The Navajo Nation & Kenya

(Subject to Successful Completion of SBIR Phase I & II Research)

w/

Oklahoma Technology Commercialization Center (OTCC) Planning Guide
(Updated & Expanded by PSI)

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Table of Contents	Page(s)
Executive Summary	1
Company Overview & Background.....	3
Products & Technology.....	5
Market Definition.....	6
Competitive Analysis	7
Market Positioning.....	8
Marketing Plan.....	9
Distribution Channels	10
Sales Approach & Proposition	10
Management.....	11
Implementation Plan	13
Financing.....	14
Location	16
Supplements	18

Appendices

- Resumes (See Tabs)
- Financial Statements
- Technical Data/ Patents
- Research & Location Items
- Marketing Materials

Available Upon Request

- References
- Letters of Intent
- Personal References
- Financial Worksheets
- Articles & Publications
- Term Sheets

Reviewer Comments & Questions

N.B. This business plan is for information of prospective investors
not a solicitation for the sale of stock.

All details are proprietary.

EXECUTIVE SUMMARY

1) Company Background: Preparedness Systems International, Inc.(PSI), is a for-profit business founded on 12 Nov 2003, but not activated until 01 January 2014. PSI's goals are to produce commercial food, feed, fiber, niche, tree and green energy crops on waste/ desert lands using innovative and advanced counterdesertification and tubal-algalculture technologies from PSI/ NPI (see below). A secondary purpose of PSI's for-profit, venture(s) ---as herein proposed--- is to produce royalty income for the self-help technologies, licensed from Needful Provision, Inc. (NPI) --with patents in the name of the inventor and PSI's President, and NPI's founder, David A. Nuttle. Subject innovative technologies were licensed from NPI, the owner, per technology donations made by the inventor (Nuttle) ... and further researched/ developed by PSI.

2) Products & Technology: The primary product(s), to be commercialized by PSI, includes the above stated crops and related value-added food/ feed products and/or biofuels. The technology employed is designed to help improve food security, energy independence, trade balances/ homeland security and essential preparedness for rural and remote areas in developing areas/ nations ... starting with the Navajo Nation and then Kenya. The new products produced will provide domestic/ local and foreign governments w/ the means to "speed" effective national agriculture and economic development for their developing populations. The above said products are intended for local, national and various developing national/ international markets having significant profit potential.

3) Management Team: David A. Nuttle, Pres., has a BS in Agriculture with 39 years of agriculture/ community development, and self-help assistance in Africa, Asia, Latin America, and the Middle East, as well as the U.S. ---and Nuttle is the inventor of the technologies listed above. Nuttle has been President of NPI for over 19 years, and was previously the President of a major public corporation. Linda C. Ehrlich, Ph.D., COO, has extensive experience in plant biology, technology transfer, entrepreneurial training, and new business starts. Gacii Waciuma, Dir. of Project Training, a native Kenyan, has an MBA and 17 years management experience in planning, development, and start of new ventures. He also has extensive experience in the design and conduct of corporate training.

4) The Market: According to United Nations, World Bank, and other data, some 1.9 billion people reside in arid regions having a high threat of natural and/or terrorist-caused disasters --- and they generally live in extreme poverty with over 840 million being nutrient deficient.. United Nations agencies, NGOs (non-govt. organizations), USAID, the World Bank, and governments of developing nations make an effort to provide these populations with self-help materials to increase their productivity and overall well-being. PSI's project will provide the means for these populations to have access to local, fresh and organic foods as well as having affordable biofuels available to support new, local enterprises. Although not now profitable in the U.S., biofuels do have considerable profit potential in developing areas. In Third World nations land, labor and other inputs for biofuels production are less expensive than in developed nations.

5) Financial Projections & Exit Strategy: Financial projections are based on a known global market of not less than 1.9 billion arid region poor (as noted above) ---with the financial intent/capability of U.N. Agencies, NGOs, USAID, and governments to purchase PSI's food, feed, fiber, niche & green energy products. These populations may also use barter trade to directly acquire essential items from PSI. Using the most modern and advanced counterdesertification as well as tubal-algalculture practices, PSI can make deserts "bloom" to produce the above stated crops for those needing same, while making significant net profits for PSI's stockholders.

For long-term financing, PSI plans to offer 10 million shares of common stock (at \$15 per share) to raise the \$150 million needed for said commercial ventures. (The 10 million PSI shares represent 100 % of the company.) This sale of stock will be a private placement as per Reg. D of the Securities Act of 1933. As soon as feasible, an Initial Public Offering (IPO) will be made to allow PSI shares to be traded publicly. This will allow investors to sell their PSI shares on the public stock market(s). A possible alternative will be for PSI to purchase its stock back, at an agreed profit, from investors who desire to sell ---and PSI should have sufficient profits to make such purchases. If a problem develops as regards sale of stock, PSI may seek "S" status and limit the number of Accredited Investors to 75 --- as now provided by law(s), for such corporations. Under the S Corporation option, PSI may provide a contractual agreement to purchase stock from any investor who wished to exit. The current S Corporation structure may be converted to a C Corporation, at a later date, as necessary to seek an IPO.

6) Funds Sought & Uses: To start PSI's initial counterdesertification and algal crop production, in the Navajo Nation and Kenya, an "angel" investor, who desires to remain anonymous, plans to provide \$75 million in exchange for 5 million shares of PSI's common stock (at \$15 per share). Additional funds are expected as needed from the sale of additional PSI stock shares. Funds will be used to start some 12,400 acres of crop production on an area of little utilized Kenyan desert land East of Lake Turkana ... using irrigation water that is pumped/ piped from that lake. The size of PSI's Navajo project area is still under negotiation. (The option is to lease vacant desert land in Arizona.)

7) Homeland Security Considerations for Participants: Subject project will indirectly assist Kenya in achieving food and energy security, and improved employment/ income for local populations. All of these benefits will assist the GOK (Govt. of Kenya) in dealing with current terrorism, insurgency and refugee problems that weaken the national security of that nation. (Thus, the GOK fully supports PSI's subject efforts.) In the case of the Navajo Nation, they have a critical need to create quality jobs to help provide tribal security ... and PSI's project will do just that.

8) Special Factor(s): Much of the world's insecurity and conflicts are frequently caused by the fact that 2.7 billion people, worldwide, generally live without potable water, adequate healthful foods, sanitation, safe housing, security, or means of obtaining an adequate income. According to United Nations' data some 840 million people live on the brink of starvation (as noted above), and the resulting levels of frustration and anger continue to increase. Such conditions assure sustained global conflict. PSI's subject venture will begin to provide commercial solutions to such problems.

9) Social Entrepreneurial Basis: PSI's food and energy products are produced in a manner that will help conserve resources and protect the environment while improving the well-being of mankind. In brief, PSI's effort is considered a social enterprise, and 03 (three) percent of annual gross profits go to support the charitable activities of a respected U.S. charity, Needful Provision, Inc. (NPI).

10) Opposition & Risks: Terrorist and narcoterrorist groups seek to sustain poverty and anger among the populations they depend upon for recruits, intelligence, and general support. These groups may fight to maintain such status. As PSI enters foreign markets, there may be opposition to PSI's venture activities in these areas. Subject opposition will be due to the fact that some PSI products may be used to assist poor populations in achieving the kind of self-sufficiency needed to resolve many poverty issues. Given the potential for armed opponents, prospective investors will be advised that investment in PSI will come with some risks. (No investments will be accepted unless each group or individual is financially capable of assuming such risks.)

11) Contact Information: As provided on the cover of this business plan.

COMPANY OVERVIEW & BACKGROUND

12) "Elevator Pitch:" PSI, with some help from NPI, has developed innovative and appropriate, food security and green energy technologies to create the kinds of social enterprises/ products that will be of very significant benefit to disadvantaged populations, worldwide ---while also benefiting the environment, and the investors that support commercialization of these technologies. With increased, global availability of modern communications, the world's poor are now generally aware of what they don't have. Upwards of 2 billion people are eager to acquire those products that can help achieve food security and energy independence to achieve a degree of well-being. The time is right to present an appropriate combination of such products to these peoples, and to show them ways to meet their basic needs despite their poverty.

NPI has also developed unique counterdesertification and tubal-algalculture technologies to support food security and energy preparedness, with an emphasis on arid regions. These latter technologies have been licensed to Preparedness Systems Intl., Inc. (PSI). PSI will use NPI's technologies, and its own new technologies, to provide very innovative products to support food security and alternative energy goals for rural/ remote areas. With the known dangers of bioterrorism, with its high threat for rural residents, the said products will be essential for protection of desert dwelling peoples, as well as a safe, national food supply. You can make an investment in global peace, and help to protect your food supplies, by purchasing stock in PSI.

13) Founding History for NPI & PSI: NPI, founded in New Mexico, USA, on 12 June 1995, is an extension and formalization of the work started by its founder, David A. Nuttle, in 1959. Nuttle's very first project, in 1959-60, was to assist in the resettlement of some 200,000 refugees in then South Viet-Nam. Part of that effort included helping the Government of S. Viet-Nam (GVN) construct its agricultural research facilities, and start its agricultural extension programs. Nuttle then continued, in 1961-62, to assist the GVN

develop its first combination economic development and homeland security project. All of these projects were very successful, and resulted in the development of “models” used for later replication, of such projects, in other areas. After these experiences, Nuttle went on to start similar projects in Africa, other parts of Asia, Latin America, and the Middle East, as well as impoverished areas of the U.S. In 1995, Nuttle elected to increase his unique capabilities, for such work, by creating NPI and developing its staff. To help in effective commercialization of food security systems and green energy technologies, Nuttle started Preparedness Systems Intl., Inc. (PSI) on 12 Nov 2003. One of Nuttle’s very successful projects is documented in a study entitled “Buon Enao Experiment ... JP Harris.” This study is posted on Google

14) Technology & Milestones: Over the period of the above history, Nuttle invented 40 self-help, self-sufficiency technologies in the areas of community food security, health, “zero net energy” housing, alternative (green) energy, specialized transportation, and homeland security. Based upon competitive scientific peer reviews, Nuttle received grant support from the U.S. Dept. of Energy, U.S. Dept. of Agriculture, National Science Foundation, NC Biotechnology Center, and others. Many of these inventions, by Nuttle, were patented and then donated to NPI. Given the commercial potential of these unique innovations, several were licensed for commercialization resulting in significant royalty income for NPI. The most significant milestone is the fact that NPI now has a “package” of technologies that will greatly benefit the poor, on a global basis, while also achieving social entrepreneurial success, and general public good. NPI has also developed a unique “package” of counterdesertification & tubal-algalculture technologies now licensed to PSI, for benefit of the public and PSI stockholders.

15) Multiple Strategic Partners: NPI conducts research in cooperation w/ national labs, private labs, universities, and for-profit corporations. Recent working relationships have included the National Renewable Energy Lab (NREL), Research Triangle Institute (RTI), Duke University, North Carolina State University (NCSU), Moscow State University (MSU), in Russia, and The Chinese Academy of Sciences (P.R. China). In addition, NPI is developing a waste-to-energy project with Recovered Energy, Inc. ---and an algalculture project with Spirogyra Diversified. NPI’s prior rural social enterprise in Russia, the SSV (Self-Sufficiency Village) project, was undertaken with support from Russian government agencies and St. Petersburg State Technological University. NPI’s partner in Kenya is the Quick Lift Two (QL2) ... a Kenyan corporation. NPI’s Latin Division, ACA, and NPI’s Division in India, AGAP, were recently closed upon completion of local projects undertaken. PSI partners with NPI to commercialize the innovative NPI products developed to benefit mankind, worldwide.

16) Mission Statement & Team Direction: PSI’s mission is to research, develop, demonstrate, & commercialize innovative counterdesertification with tubal-algalculture and related preparedness technologies designed to assist arid region populations improve their well-being and self-sufficiency --- while also giving them an improved ability to survive and recover from natural and terrorist-caused disasters. The staff at PSI is dedicated to the accomplishment of said mission, while acting to insure that PSI’s social investors receive social, environmental, and economic benefits from their investments.

PRODUCTS & TECHNOLOGIES

17) Features of Products: On desert lands generally considered unproductive, PSI (as noted above) will undertake the efficient and profitable production of food, feed, fiber, niche, tree and green energy crops. The advanced counterdesertification & tubal-algalculture means used by PSI, to undertake this effort, is considered Trade Secret and are not detailed herein. In later years and as profitability allows, PSI will also produce Phase II homeland security and essential preparedness products having the following focus areas: 1) A clean cook stove; 2) A solar-zeolite powered refrigerator; 3) A rainwater collection & storage “kit;” 4) A portable solar-distillation unit for potable water production; 5) A “kit” for producing food/nutrient supplements; 6) A biochar kiln, in “kit” form for making biochar soil additives from old poultry litter, or mixtures of cellulosic waste and manures; 7) Aerobic, odorless composting toilets for safe disposal of human waste; 8) Block machines for making compressed earth-block for home construction; 9) Portable, hand-operated well drilling equipment for drilling water wells; 10) Teeter-Totter-type water pumps for very efficiently pumping water by hand; and 11) Secure/biosecure community shelters to help protect local populations during natural and/or terrorist caused disasters.

18) Competitive Advantage(s): Early counterdesertification technologies were first proven successful in the Thar Desert of NW India. Over a period of years, NPI made major improvements and additions to these technologies (... technologies NPI has fully licensed to PSI). Related innovations developed and tested include: a) Development of available water resources; b) Subsurface micro-drip irrigation; c) Artificial and natural means to reduce winds and blowing of sand(s); d) Assorted windbreak technologies; e) Protective desert cover crops such as Facai (Fa Cai) ... a desert vegetable grows in a thick mat; f) Selection & planting of arid region food, feed fiber, niche, tree and green energy crops, all planted to form unique symbiotic relationships; g) Tubal-algalculture (algaculture) to produce lipids for biofuels and algal food/ feed supplements; h) Creation and addition to soils of a bioactivated biochar that doubles typical crop yields; i) Making a sand-filtered livestock manure effluent, to add to irrigation water, to provide crops w/ nutrients; j) Supplemental technologies. There is no other known entity that currently has, or is using, most of the above PSI technologies.

19) Product Diagrams: None shown.

20) Benefits to End-Users: PSI's said food and green energy products will help United Nations agencies, NGOs (non-governmental organizations), and Third World governments to greatly reduce health care and assistance costs for impoverished populations (1.9 billion, worldwide), while at the same time greatly increasing the well-being and productivity of these end-user populations. By means of PSI's barter trade program (herein detailed), many end-users (populations in need) may directly obtain these PSI products for themselves.

21) User Education: Users should be trained in the best utilization of any or all of PSI's food and energy products. The staff, at PSI, is already at work developing the training manuals, instructional videos, and distance learning programs required.

22) Payment for Product(s): All of PSI's customers, such as those named above, will generally be required to pay cash in advance of any purchase. Other payment and barter options will be considered if and when they offer added marketing opportunities.

23) Demand Factor(s): According to U.N. data, some 2 billion of the world's 7 billion people are nutrient deficient and demand more foods. Marketing efforts are not needed since the demand is already so large. The primary end-users, the poor to include those living in or near deserts, will have a sustained high level of demand that can only be partly met based on funding donated by assistance agencies, such as the NGOs. If PSI's barter trade operations are effective, demand for PSI's products will increase as poor populations can barter for specific food products desired, or needed. These same populations are generally lacking in sources of energy, and most cannot afford to buy fuel/ biofuels or other forms of energy even when available. PSI's active barter trade efforts will help to provide PSI's biofuels for the poor in need of same.

24) Why Users Will Buy: Intermediate users, such as NGOs and government agencies will buy PSI products to help populations recover from natural and/or terrorist caused disasters and conflicts ---as well as buying PSI's products to improve a general assistance effort. End-users, the poor, will acquire PSI's food and energy products that help them meet a perceived need, while also achieving some means to then acquire those products; e.g. barter.

25) Supplier & Manufacturer Issues: PSI will contract for the manufacture and delivery of items needed to support counterdesertification-type crop production to include tubal-algalculture; e.g. the subsurface, micro-drip irrigation systems, algal tubes, etc.

26) Industry Standard(s): In general, there are only a few industry standards for those food and green energy to be produced by PSI. The primary concern will be meeting food safety standards for each area of production & consumption. Each of these standards will be met for PSI products. Specific standards requirements will be published as an annex to this business plan. (Any purchased parts or raw materials will also meet FDA, ASTM and other standards used to help assure quality of PSI's products.)

MARKET DEFINITION

27) Market Size & Trends: About 1/3rd of the world's population (1.9 billion people) have a need for food security and alternative energy products to assist them in providing their own basic needs and survival. Since most of these peoples live in real economic isolation, and are without sufficient cash to purchase products, the current market is less than 03 percent of the potential market. There have been some minimal efforts to increase barter trade to give these populations increased buying power. For the purposes of this business plan, the immediate export market is 300,000 rural/ tribal poor being the most vulnerable to natural and terrorist-caused disasters, or other conflicts. In addition, the assistance and governmental agencies that serve these populations are also part of the market. Another market consists of the U.S. Agency for Intl. Development (USAID) as related to the possible purchase of PSI products to support redevelopment efforts in the poor rural/ tribal areas of Iraq & Afghanistan, as well as Syria eventually.

This latter market also includes redevelopment efforts by United Nations agencies in Sudan, Yemen and Somalia. The potential global market consists of persons/ families in need of food security and alternative energy options.

28) Geographic Concentrations: Arid regions, worldwide.

29) Requirements of Selling Process: Most nations have some type of registration requirement for imported products, so PSI's product registration will be accomplished on a country-by-country basis. There are also assorted registration requirements for the operation of barter trade companies. In order to sell products overseas, PSI will need to meet these trading requirements for each country. In addition, an organized effort will be needed to seek, find, "cultivate," sell, and educate each individual customer or group of customers. There are no unusual selling requirements for most nations other than safety inspections for some PSI products.

30) Buying Behavior: Most populations typically engage in a search for options to meet basic needs, and then focus on the most affordable option. Overseas, a process of barter may be used to acquire the item(s) needed to meet the identified need. Very often, the need is critical and meeting that need may be a matter of life or death for the prospective buyer ---and his or her family. Thus, buying behavior may have some panic characteristics. In developed nations there are a number of buying behaviors to include impulse buying at one extreme, with planned or programmed buying at the other extreme. In the case of essential preparedness items, there may be some panic buying just prior to alerts, or warnings of possible natural disaster or terrorist attack.

31) Major Market Influences: The War on Terrorism has caused a major focus on making isolated, poor populations a part of the economic "mainstream" ----- thereby helping to remove these peoples from terrorist/ narcoterrorist influences. Major changes in world markets are now being driven by strategic national security issues ---issues that now demand that the needs of the poor be taken into account and effectively resolved. In Iraq and Afghanistan, the market for food security and essential preparedness items are also based on "nation building" efforts that include a serious effort to assist poor populations in achieving self-sufficiency. The same situation applies to a number of other Third World nations. In many nations, the market for essential preparedness items is now based on the realization that terrorists can attack targets at any location, and terrorists can cause very significant damage. The further realization is that terrorists may soon acquire portable nuclear, chemical, and/or biological (NCB) weapons for use in their future strikes. Such specific realizations have a strong influence favoring development of homeland security, and such influence directly relates to PSI's future markets. The current, global economic crisis has greatly increased the number of people working to soon achieve some level of self-sufficiency. (Real Goods, a retailer of alternative energy and other homestead items, estimates that nearly 100,000 Americans annually are working to create self-sufficient homesteads ---see below..)

COMPETITIVE ANALYSIS

32) Known Competitors: There are 4 or 5 entities using limited, early forms of

counterdesertification for crop production, but none directly compete with PSI. One potential competitor, for PSI's Phase II preparedness products, is GAIAM Real Goods --- with its catalog sales of alternative energy systems, composting toilets, water purification systems, solar ovens/ grills, kerosene-powered refrigerators, and so on. There are several smaller companies that sell 72 hour kits and basic survival items. In the area of barter trade, for overseas markets, the primary potential competitors are Barter Trade UK and BarterCard in Australia. Both of these barter companies typically engage in large multi-million dollar barter trades, and are not competitors for barter trade among the poor.

33) Competitor Profile(s): No significant direct competitor exists and potential competitors do not offer advanced counterdesertification or tubal-algalculture systems as a complete "package." Please review Internet sites emprep.com/, aafintl.com/ & solar.realgoods.com to see the products of competitors having a few items similar to one or more of PSI's Phase II products.)

34) Potential Leverage: Any company, or organization, successfully producing quality, affordable foods, biofuels, and/or essential preparedness items, in one area, has the potential to leverage that success by offering similar products in other regions --- primarily locations where needs have been identified. Foods, alternative (green) energy, and essential preparedness products are needed by some 1.9 billion poor people as herein documented. The potential for actual leverage overseas will often depend on the potential to encourage, and engage in barter trade to facilitate purchases by impoverished populations. In developing nations, each one of PSI's products acts to leverage the others using the concept of complete "packages" of unique self-help technologies rather than just one or two items.

35) Conclusions & Implications: In the area of basic needs, 1.3 billion poor are in critical need of items to assist in their survival, well-being, and eventual self-sufficiency ---and these same populations have critical food needs. Real global security cannot be achieved as long as these poor are isolated from the economic "mainstream." Weapons of mass destruction (WMD) have been perfected to the point that use by small terrorist groups is a possibility, and natural disasters are an increasing threat. The survival of modern society may now depend upon our "reaching-out" and helping to meet the needs of subject populations at the same time we seek to better defend ourselves. PSI's products can help poor populations achieve food security, energy independence, and self-sufficiency, while also helping users achieve effective homeland security and essential preparedness.

MARKET POSITIONING

36) Unique Product Feature(s): PSI will utilize its innovative technologies, in several proprietary "packages," that enhance the means for the poor to achieve food security, energy independence, self-sufficiency and well-being. At the same time, PSI and NPI have developed a unique barter trade programs that will make the subject 1.3 billion customers (one customer at a time) a part of the modern world. The subject effort establishes a means of achieving homeland security where none exists in many Third World nations. In developed nations., PSI's products offer rural populations with a safe,

efficient, and affordable means to survive and fully recover from natural and terrorist-caused disasters. Biofuels are not now economical to produce in the U.S., but in many developing nations the lower cost of land, labor & other inputs makes biofuels profitable.

37) Why Should I Buy? Impoverished, nutrient deficient populations need to buy or otherwise acquire foods as a matter of survival. Biofuels are the best energy option to help protect our environment and meet energy needs at low cost. On a personal basis, you should buy basic essential preparedness items to make your world safer, provide freedom from fear, and achieve self-sufficiency. Moreover, you can help PSI assist the poor by your indirect support of NPI's charitable activities (PSI donates 03 percent of its annual gross income to NPI). Most populations should buy PSI products for their protection in the event of natural or terrorist-caused disasters. As an investor, you should purchase PSI stock as a social entrepreneurial investment with an excellent potential for very high return(s), while also contributing to peace in the world.

MARKETING PLAN

38) Pricing Strategy: In general terms, 1/2 of the price is based on production costs ---1/4 is based on the cost marketing, distribution, and product education ---and 1/4 is gross profit. Some quantity discounts may be offered to encourage "bulk" buying. Essential preparedness items, such as the secure/ biosecure community shelter, for the developed area markets, would be higher in price while also generally being higher in quality to appeal to the typical consumers there.

39) Sales Financing: Under most circumstances, credit will not be extended. Sales will generally be cash only, or based upon barter trade.

40) Whole Product: In the case of foods, the food or value-added food product is the whole product. In the case of green energy products, lipids are produced and then made into biofuels. For essential preparedness items, the product may be a single item or several items integrated into a system ---and the start-up, operating, and maintenance instructions are included. The specific details, of the whole product, will vary from product-to-product.

41) Customer Service: For foods, nutrient labels, cooking instructions and suggested recipes will be the primary service. Biofuels will typically have use and safety instructions. Every customer will receive training in the start-up, use, and maintenance of each of PSI's Phase II preparedness items purchased. For some essential preparedness equipment, service will include repairs at a reduced fee.

42) Warranty Policy: None for some items, and 6 to 18 months on other items. The warranty detail(s) will be finalized as a part of basic marketing plans.

43) Short Statement About Product(s): PSI's products are designed to provide food security, affordable energy, and a complete, integrated system to assist impoverished populations survive and recover from natural and terrorist-caused disasters as well as

conflict situations. In addition, most of these same products will assist poor rural/ tribal populations, worldwide, achieve self-sufficiency. A few of PSI's products will help to resolve specific health problems. For example, use of PSI's solar water distillation unit will provide potable water for rural villagers who now suffer a high rate of death from drinking polluted (infectious) water.

44) Promotion Plan: PSI will create its own Internet website to educate the public on its products, and the critical need for these products. The PSI website may be "linked" to the websites for the Federal Emergency Management Agency (FEMA) and the U.S. Dept. of Homeland Security (DHS) . . . and appropriate U.N. agencies. Product information, and instructions on proper use of products will be provided to farm organizations, such as Farm Bureau. Promotion will also be a part of PSI's training in food security, alternative energy, and essential preparedness to be presented to farm groups, and typical rural youth organizations such as 4-H and FFA. Use of advertising will be focused on farm and small business magazines, with some use of TV and local newspapers. The U.S. Dept. of State Commerce Section publishes and circulates a new U.S. Products newsletter in each and every country where the U.S. has an Embassy. Use of this resource will provide free international publicity of PSI's said products.

45) Market Entry Plan: Initial market entry will be in rural/ tribal areas/ arid regions of Kenya. If a U.S. model for purposes of technology demonstration and promotion, will be on the Navajo Nation's desert lands (subject to relevant approvals). The said preliminary marketing efforts will then be gradually replicated worldwide.

DISTRIBUTION CHANNELS

46) Direct Sales Effort(s): PSI will have a small sales staff, and their duties shall include educating potential customers, and the public, on the many advantages of PSI's counterdesertification methods, food security, green energy, and essential preparedness products. The sales staff will primarily focus on developing and finalizing sales.

47) Wholesale Channels Used: In some areas, there are well established wholesale channels for existing essential preparedness items. Whenever feasible and economical, these existing wholesalers will be given an opportunity to participate in marketing of PSI's products. For export sales, PSI will market its products through PSI's/ NPI's Barter Trade Centers. (For immediate barter trade basics, please see NPI's website: www.needfulprovision.org.)

48) Reseller Network(s): None will be used under present plans.

SALES APPROACH & PROPOSITION

49) Sales Organization: PSI's sales force will be organized around individual products and "packages" of products. In developed nations., the organizational structure shall also be regional. For developing nations, sales will initially focus on Africa, Asia, Latin America, and the Middle East. PSI's first foreign sales force will be in Kenya. The latter location was selected based upon a known interest in PSI's products, and PSI's current working relationship with potential customers in Kenya.

50) Compensation for Salesmen: All of PSI's salesmen will be paid on a commission basis only. Some sales bonuses may be paid as an additional incentive.

51) Typical Sales Cycle: PSI will produce and distribute products to its regional centers and country locations. Each PSI center will demonstrate products to many local, potential customers known to have a need for such products. Orders will be taken in advance of delivery, and proposed barter trades will be arranged so any poor customer will have a way to pay for the PSI products desired. Products are delivered to complete the sales transaction. The PSI sales staff also trains each customer on the use of a specific product, or products, received. In many cases, training in the use of PSI's products will be accomplished by the staff of NGO's purchasing PSI products for poor populations the NGOs seek to assist.

52) Demonstrated Interest: The reported 840 million people living on the brink-of-starvation take every opportunity available to plead for more food and food security. These populations, and more, also plead for affordable energy for transportation, industries/ businesses and homes. PSI's staff has been receiving emails and telephone calls from private and government organizations in several Third World nations. PSI is being asked to develop products to help their poor populations gain food security, affordable energy and better preparedness for disasters. After working in 42 Third World countries, PSI's President, David A. Nuttle, is well aware of the demonstrated interest poor populations have in making improvements to their safety and well-being. As previously indicated, some 1.9 billion people live in poverty and have an urgent interest in finding new, affordable ways to meet basic needs.

MANAGEMENT

53) "Key Primary Staff:" The heretofore named individuals, with their qualification now further detailed, will serve as PSI's primary staff, and they will recruit as well as train new personnel to meet overall management needs ---- food, energy, preparedness product development, will be under the direction of PSI's President, **David A. Nuttle**. All total, Nuttle has over 50 years of agriculture and homeland security experience to include: a) Farming; b) Farm management; c) FFA & 4-H projects; d) A BS Degree in Agriculture; e) Training in sustainable, organic, and biosecure food production techniques; f) R & D in Africa, Asia, Latin America, the Middle East, and the U.S.; g) Extensive agriculture research resulting in several grant awards and patents; h) Development of entrepreneurial training with emphasis on agriculture related enterprises; i) Author of related training manuals; j) The direction of large homeland security projects for rural villages; k) Past President of a large public corporation; l) President of a nonprofit charity, NPI; m) Planning and full direction of NPI's community food security and biosecurity projects; n) Research and development related to NPI's alternative energy and "zero net energy" structures and housing projects; and o) Inventor of most of the unique homeland security and essential preparedness technologies being used by PSI.

Technology transfer and entrepreneurial/ enterprise training will be directed by **Linda C. Ehrlich, Ph.D.**, NPI's former COO. Dr. Ehrlich's degree is in Botany. Her background is in technology transfer ---plus the entrepreneurial and enterprise training

programs needed to make such transfer effective. For several years, Dr. Ehrlich served as NPI's Chief Operations Officer (COO), and directed the development of technology transfer and entrepreneurial training. During this period, Dr. Ehrlich has worked extensively with the several unique microenterprise technologies developed by Nuttle, such as those named above. The focus of Dr. Ehrlich's efforts will be to train PSI's crop production staff in the use and best application PSI's counterdesertification and tubal-algalculture technologies.

Training of production staff, and PSI technicians, will be under the direction of **Gacii E. Waciuma**, NPI's former Director of Training for more than 3 years. Mr. Waciuma has an MBA ---and has over 17 years of planning, implementing, and directing corporate training for adults of all ages. One of Mr. Waciuma's added areas of relevant specialization are in directing both a commercial farming and composting operation providing the basis for PSI's biochar kiln product(s). Mr. Waciuma helped to train NPI volunteers working on NPI's community food security/ biosecurity projects. For the last year, Mr. Waciuma (a native Kenyan) has worked with PSI's founders in the planning of training needed for counterdesertification and algalculture project personnel, in Kenya.

54) "Key Hires:" As previously indicated, an array of "key" personnel will need to be selected, recruited, hired, and trained to help operate the PSI corporate structure as well as counterdesertification and tubal-algalculture facilities, and sales staff. The success of this hiring effort, will determine the success of PSI's business venture as herein described. (Due to security issues related to current terrorist activities, a security team will need to be employed to protect field operations in Kenya ... the threat is minimal, but real.)

55) Assessment of Weaknesses: Three PSI staff members, regardless of how well qualified cannot long operate a PSI organization whose ultimate success may be fully dependent upon development and expansion, worldwide. The greatest weakness for PSI will be during the initial period of new staff development. A secondary area of possible weakness is due to the fact that export sales could have a high failure rate without the official or unofficial "blessings" of "host governments." A related, but very important weakness for overseas expansion, is due to the unknown costs for personnel recruitment and training in different Third World nations. There are also many unknown and variable cost(s) for the cultivating of "working relationships" with different host governments.

56) Outside Board Members: During the initial start-up, all of PSI's Board members, except for two, have staff positions with PSI. The two outside Board members are Renee L. King and Tom Dittsworth. Both of these individuals have considerable and most valuable experience related to operation of ventures such as PSI. Ms. King is the owner and CEO of a successful financial corporation, Zion. Mr. Dittsworth has an MA and over 20 years of corporate contracting and purchasing experience in the U.S. and overseas. Both of these Directors provide early, strong and independent voices on PSI's initial Board.

IMPLEMENTATION PLAN(s)

57) Location & Facility Requirements: In the U.S., PSI's initial production location is planned for the Navajo Nation, under a contractual agreement. PSI has nearby offices and research/ support facilities near Dolores, CO (the 4-Corners area.) Overseas, PSI proposes to lease 12,400 acres of Kenyan desert land East of Lake Turkana, and buy irrigation water rights from that lake. An impoverished, rural area in Kenya will be the site of the first two Barter Trade Centers designed to facilitate PSI's product sales.

58) Labor & Support Requirements: PSI's crops/ foods and green energy production will take place at the above said Navajo Nation and Kenyan locations known to have a surplus of available labor. By providing leadership, hope, training, and encouragement, such potential employees are expected to provide a loyal, skilled work force to support PSI's efforts. Skilled management and labor will be required to operate PSI's very advanced counterdesertification and algalculture facilities. Engineering for production starts will be provided by Hays Engineering of Broken Arrow, Oklahoma until a qualified Kenyan engineering firm can be employed. Management, sales, product research and development, export, barter trade specialists, and technicians will provide the additional needed support.

59) Sub-contracted Production: In a few cases, there will be existing manufacturers producing quality components needed, by PSI, in the assembly of its support products for counterdesertification and tubal-algalculture; e. g. artificial windbreaks, algal tubes, etc. If it is economical to do so, PSI will sub-contract for the manufacture of such components, as may be needed. (When it is not feasible, PSI will proceed to develop its own means of manufacturing all components needed.)

60) Capital Requirements: An initial \$75 million angel investment will be used to pay for start-up, engineering, evaluation, test marketing, and marketing of PSI's various food and green energy products. These funds will also facilitate acquiring the portable tools & equipment for PSI's leased production operations (see above) ---and later start-up of global/ international trading operation as required to support barter and export operations. An additional \$75 to \$80 million, to be raised by stock sales (see paragraph 5 above) will be used to expand PSI's production and marketing operations.

61) Quality Control: Various stages of quality control start with crop selection and development of cropping systems ---followed by product safety/ quality analysis, and evaluation of content for products delivered. Quality control will be used to assure that all of PSI's items are the very best available in the current market. When barter trade is used to facilitate PSI's local and export marketing, quality control will be used to assure that all trade items may be converted to cash after the trade.

62) Critical Processes: Every phase of cultivation/ production, for each of PSI's food and green energy products, will have one or more critical processes. The proper engineering and design of the counterdesertification and tubal-algalculture production facilities will allow for delivery of products with high quality and no flaws resulting from the critical processes. Any items manufactured by others, under contract to PSI, will

generally not have critical processes. However, engineering review and quality control procedures will be used for every input for PSI's products.

63) Seasonality: Food and green energy products will always be in season, worldwide. For export markets, seasons often make a difference on what trade items are available for arranging barter trades. In the case of one tribes trading Neem seed for food items ...and then PSI's selling Neem to W.R. Grace, for making an organic insecticide ... these seeds may be harvested only a few times each year. Many barter trades will be seasonal in nature, and this fact will be taken into account for PSI's export program.

64) Inventory Control: There will be inventory control for PSI's products, and for barter trade items. Such control will occur at PSI's central facility, warehouse and regional distribution centers. In Phase II, essential preparedness items ---such as solar water stills, solar ovens, and the like--- will require lead-times, storage, planning for rates of turnover, and careful inventory control similar to other manufactured products. Manufacturing scraps may be recycled, or used to make other products. For PSI's items, obsolescence is not a problem since little or no improvement is needed for performance.

FINANCING

65) Funds Sought: In addition to a \$75 million angel investment, being obtained by PSI,, \$75 to \$80 million in expansion funds will be sought, as needed, using equity w/ 100 percent ownership granted in the form of 10 million shares of PSI stock w/ an initial value of \$15 per share. (PSI's 3 founders have been awarded 08 percent of stock for work performed for PSI, in lieu of salary or other benefits ...see paragraph 90.)

66) Sales Targets: Annual sales goals, for the first 3-years, are 7,400 tons of food/ biofuels sold annually for an average of \$1 per pound/ gallon (Kenyan wholesale price), for a yearly start-up total of US \$14,800,000. gross income, from 12,400 acres of production. (Phase II sales will be determined at a future date. PSI's export sales partly depend on the success of barter trade activities, as well as the purchasing interest/ capability of NGOs, USAID, and various U.N. agencies assisting impoverished peoples.

67) Revenue Growth: After the 3-year start-up period, sales and revenue growth are expected to increase not less than 45 percent annually for the next 5 years. This increase in revenue will come from increasing the number & size of PSI's counterdesertification and tubal-algaculture operations as well as the size of local & overseas markets.

68) Gross Profit: As noted above, gross profits are expected to average \$14,800,000 annually for the first 3-years, and increase each year thereafter. Such growth in revenue is based upon investing 35 percent of annual net profits on expansion of products and product production, until market saturation is achieved.

69) Operating Expenses: Preparedness Systems Intl., LLC (PSI) is expected to have U.S. operating expenses of US \$2.7 million annually, for the first 3-years ---- for costs related to product manufacturing, packaging, shipping, insurance, records & accounting, utilities, indirect expenses, modern manufacturing controls, advertising and sales, mgmt. & labor, office expenses, taxes, training, and so on. (PSI's initial crop land

and irrigation water will be made available for an estimated annual cost of \$900,000.) Export operations are designed to be self-sufficient, so operating expenses are held to a minimum. Operating costs will vary, to some degree, in accordance with the specific location. The primary operating expenses are labor, facilities operations, transportation, communication, packaging, postage and handling, marketing, some utilities, security, insurance, taxes, training, administration, and accounting. (There will be no debt service, but stock dividends will be paid to investors.) Annual cost of export operations are now expected to be \$430,000 for the first 3-years.

70) Means of Expense Reduction: PSI will use the most modern, efficient type of counterdesertification tubal-algalculture techniques to reduce the cost of producing foods and biofuels. Minimizing outside inputs will also reduce expenses. Labor costs will be reduced, by providing a self-help housing benefits program for all employees, and encouraging employees to engage in microenterprises to supplement income. Unskilled labor is generally used, and training is provided so specific tasks are performed at a high level of skill. By recruiting local residents, for the labor force, there is a higher level of loyalty and employees are less demanding. Employee profit sharing may be used to increase motivation, while reducing wage payments. Desert locations, throughout the world, typically suffer less inflation --and PSI's initial overseas operation, near Lake Turkana (in Kenya) will have lower costs when compared to typical farming areas.

71) Net Income: For the first full year of production, the last year of the 3-year start-up, Preparedness Systems Intl., LLC (PSI) is expected to provide a net profit of \$7 million, after taxes and operational expansion investments, based on best estimates. (As noted above, the average annual gross income, for the first year, is estimated to be \$14,800,000.)

72) Value of Social Benefits: In the Third World, subject project will first provide hope the poorest of the poor who now live in hopelessness and often support terrorism as a result of their resulting frustration. PSI's products will help to remove the very heavy burden of debilitating fear caused by the threat of inadequate supplies of foods and energy. Project area populations will also enjoy increased prosperity & peace.

73) Cash Flow, Balance Sheet, & Headcount by Period: As shown in Financial Statements presented in the Appendix.

74) Use of Funds: A \$75 million angel investment will be used to start PSI's production and marketing efforts. An added \$75 to \$80million, obtained by stock sales, will be used to expand PSI's counterdesertification food and green energy production. There will be 11 (eleven) primary food/ value-added food products, and two biofuels. Phase II preparedness products will be developed from some of PSI's profits.

75) Subsequent Funding Rounds: None required, other than what is indicated above, unless stockholders vote to fund further expansion of PSI.

76) Exit Strategies: An Initial Public Offering (IPO) is planned, and prior to that PSI may agree to purchase stock (for a pre-determined price) from investors who wish to

exit. If the IPO needs to be accomplished sooner, rather than later, use of the Stock Exchange in Singapore would provide an early option. Since PSI's operations are international, Singapore is an excellent choice. This stock exchange has a good record while being fast, economical, and efficient as regards entry and use. There are also other Stock Exchanges that may also be considered as efficient and more economical options to the New York Stock Exchange.

77) Relevant Ratios: For the first 3 years alone, the gross annual average Return on Investment (ROI) is estimated to be 10 percent for each year (\$70 million investment vs. \$7 million net return, after taxes and expansion expenditures). As additional project investment and expansion takes place, the ROI is expected to improve dramatically each of the following years.

78) License of NPI Technology: PSI's efforts are made possible by the innovative, proprietary (patented) technologies owned by NPI ---- based on a 100 percent donation by the inventor, David A. Nuttle (NPI's founder). NPI's contract license (royalty) fee is 03 percent of annual gross sales of PSI products, plus 01 percent of gross sales for any sub-licenses (of NPI's technology) PSI may grant to others.

LOCATION(s)

79) Important Factors in Marketing Areas: In the U.S., some 03 percent of our 2 million farms produce nearly 50 percent of the food supplies. Over half of U.S. farms are small, producing less than \$10,000 annually in food products. The large corporate farms, or mega-farms, provide an attractive target for terrorists and would suffer major losses in the event of a successful bioterrorist attack. Small farms could collectively provide safe food production/ storage by using PSI's biosecurity techniques. With the increase in U.S. unemployment rates, and with an expanding financial crisis, many Americans are working to achieve increased self-sufficiency as soon as possible. Many developed nations have a crop/ food production profile similar to the U.S. PSI's crop/ food production on desert lands (1/3rd of all lands) will create a food production reserve to help meet unexpected food production crisis in some areas.

Many Third World nations and governments operate under a form of oligarchy with power and wealth being held by a minority of the population. A majority of the populations are often poor living in social, economic, and political isolation from the nations in which they reside. Many of these populations live with a "cashless" economy and trade for the items needed for survival. According to UN (United Nations) data, some 920 million of these people live on the "brink-of-starvation" with a total of 1.3 billion people being the poorest of the poor. All total, the poor total some 1.9 billion people, nearly 1/3rd of the world's population. Barter trade will be essential if PSI is to provide its food and energy products to this market.

There are numerous charities/ NGOs that seek to assist the poor. Overall, these charities/ NGOs lack the resources necessary to assist more than 05 percent of the poor populations described. Barriers to providing more support includes funding, trained personnel, local government cooperation, transportation, security, climate, and local

health issues. The U.S. Agency for Intl. Development (USAID), and other government “aid” organizations provide many Third World governments with billions of dollars to assist the poor. Too often this “aid” has been used by the various oligarchies to strengthen their positions of power, and little real support is given to the poor. Overall, corruption of the “aid” process has acted to reinforce continued isolation of the poorest of the poor. Such corruption must be fully considered for all export operations.

80) Contact for Singapore Exchange: Prospective investors, and investors in PSI, may obtain further information, on Singapore’s Exchange, by contacting Mr. Magnus Bocker, SGX Centre 1, 2 Sheriton Way, Singapore (Tel. 6236-8888). PSI may or may not utilize Singapore’s Exchange to make an early IPO.)

81) Alternative PSI Location(s): PSI has several invitations to start its unique counterdesertification and tubal-algalculture effort(s) in a number of nations with large deserts and food security and/or energy problems; e.g. Yemen. For purposes of a U.S. demonstration for potential investors there, PSI may also undertake such project initially on desert lands of the Navajo Nation (in Arizona, USA).

82) U.S. Manufacturing: As heretofore noted, some counterdesertification and tubal-algalculture support systems, such as artificial windbreaks and algal tubes, may be initially manufactured by Hays Engineering & Manufacturing, in Oklahoma, USA.

83) Security Aspects of Location(s): Terrorism, insurgency, conflict, and crime are now international, and any one area is not necessarily more secure than another.

84) Supporting Activities (for Barter Operations): Millennium Aerospace Corporation (MAC) has worked with PSI and NPI in the design of a unique cargo aircraft with defensive capabilities to support operations in high risk areas. Moreover, this aircraft, known as the “Swan,” has short take-off and landing capabilities, and may operate (land and take-off) on water, sand, and/or dirt thereby facilitating safe delivery of personnel/ cargo in remote areas. As may be needed to support expanding remote/ desert area barter operations, PSI will plan to acquire two of these aircraft in future years.

GIT Satellite Communications assisted PSI and NPI in the design of a unique, two-way, text-messaging satellite-type pager with foreign language, encryption, and “burst” transmission requirements to make communications with isolated, remote barter trade centers both feasible and very economical. GIT will manufacture these pagers for PSI as needed.

It should be noted that both MAC and GIT have rights to the products identified above, and will be manufacturing and selling these to others. The GIT Pager will still be known by that name, but the military version of the “Swan” will be known as the “Seahawk.”

N.B. Appendices, as listed in the Table of Contents, are available on request.

Supplements

85) Operational Locations: In 2015, depending on availability of funding, PSI plans to start manufacturing the herein described self-help/ preparedness items in Kenya (specific location to be determined).

86) Sales of Stock: PSI's further stock sales are delayed until after PSI has used the initial angel investment of \$75 million for startup as outlined herein.

87) IPO Planning: Future buyers of PSI stock will want a quick and easy way to sell their stock and hopefully return a profit. A quick and efficient way to create an IPO is now with the Singapore Exchange (SGX) currently represented in the U.S. by Merrill Edge Trading (www.MerrillEdgeTrading.com). An IPO for the U.S. is an option, but this process will take much longer and is very costly.

88) Initial Product Focus: PSI will initially focus on production, in the Navajo Nation and in Kenya, of crops/ foods and value-added food products as well as biofuels (forms of green energy).

89) Salary & Benefit Agreements: PSI's Officers & Directors have all agreed to continue work without salary, benefits or other compensation until PSI starts one or more production efforts generating income for PSI. At such time, PSI's Board will approve the salaries and benefits for working staff and employees.

90) Ownership to Date: Based on initial work and inputs needed to incorporate, organize and start PSI, the original founders of PSI, David A. Nuttle, Linda C. Ehrlich, and Randy D. Gibson were each awarded 2 (two) percent of PSI's stock. For critical developmental (startup) work after PSI's founding on 12 Nov 2003 until 01 Jun 2014, PSI's Board awarded David A. Nuttle another 2 (two) percent of PSI's stock. Thus, 92 percent of PSI stock was reserved for future sales to investors ...as a means to raise needed expansion/ operational funds.

91) Licensing of NPI Technologies: In December 2003, PSI Board elected to license proprietary product technologies from Needful Provision, Inc. (NPI) for an annual royalty fee of 3 (three) percent of wholesale gross starting with the date of sales for any one product. PSI's and NPI's Boards agreed on these terms, and further agreed that the subject technologies would be perfected by NPI at NPI's expense before the operational start date on any one technology. It was understood that NPI needed considerable time to complete these tasks, and it actually took until 01 March 2014 for the above said license agreement to start.

92) Public Disclosure of Interest: David A. Nuttle is the primary founder of PSI and NPI, as well as being the inventor of over 20 innovations donated to NPI to provide royalty income to support the charitable operations of that 501(c)(3) charity founded on 12 June 1995. One of those inventions, U.S. Patent No. 5,121,708 was sold, to Neu Verde Energy (NVE), but that sale is yet to close. The remaining technologies were then

licensed by PSI for commercial production/ income generation (see above).

93) Triple-Bottom-Line: PSI will seek profits while also attempting to do social good and assist in helping to protect our environment.

94) PSI's Trade Secret Policy: As appropriate, the inventor of PSI's proprietary technologies licensed from NPI have patents pending by the inventor, David A. Nuttle. However, most of the vital counterdesertification and tubal-algalculture technologies are being held as Trade Secrets to prevent others from acquiring same without payment of fair compensation for the IP (intellectual property).

95) Allocation of PSI's Shares and Future Pricing: As noted in paragraph 90 above, PSI's founders own 08 percent of PSI's authorized stock shares (800,000 shares). If the said Angel investor provides \$75 million for another 50 percent of authorized shares (5 million shares), a balance of 42 percent of shares (4,200,000 shares) remains ... for future stock sales, to raise additional capital. PSI's per share stock value is expected to increase as PSI's profitability is demonstrated. Thus, the estimated \$80 million in added funds, as may be needed, would come from the sale of these 4,200,000 shares at a higher per share stock market price.

96) PSI's Operating Restrictions: As a corporation founded in the U.S., and partly bound by U.S. policies/ restrictions, PSI shall not conduct business with any nation or nations considered hostile to the U.S.

97) Current Valuation of PSI Stock: The current value of PSI's stock, \$15 per share, was and is based on the estimated fair market value of the 14 Trade Secrets that form PSI counterdesertification production systems for efficiently & profitably growing food, feed, fiber, niche and green energy crops on desert lands. Moreover, these unique innovations have a probable multi-billion dollar commercial potential.

98) Determination of Numbers of PSI Shares: Counterdesertification operations must be large in scope to be efficient, and the cost for commercial startup will be over \$65 million for each venture. To plan for stock sales that would produce some \$150 million, PSI's Directors approved the issue and subsequent sale/ use of 9,200,000 million shares of PSI common stock. (As noted above, 800,000 shares of PSI stock has been issued to PSI's founders.)

99) Annual Stock Dividends & Reports: PSI will pay an annual stock dividend based on profitability, and as determined by PSI's Directors. In addition, PSI will provide detailed annual reports to stockholders with specific information as required by any future IPO (initial public offering) for PSI's stock.

100) Calculation Factor: All calculations herein are based on U.S. dollars.

101) Export Consideration(s): The export of innovative agricultural technologies,

such as those developed by PSI, help to achieve U.S. national security objectives by providing the means for nutrient deficient populations to increase their own food production while also producing the biofuels needed to create industries and jobs. It is such efforts that assist in attaining the type of food and energy security that helps to both reduce and avoid conflict in overseas areas experiencing same. The U.S. would act in a self-defeating manner by attempting to restrict such technologies for use by U.S. farmers only ...and I say this because that is what a few academics have proposed. PSI can profit from the export of its technologies while assisting with the achievement of global stability that promotes peace.

102) Newest Competition: The University of Adelaide, in cooperation with Murdoch University, Parry Nutraceuticals and S. China Univ. of Technology, are planning a large algalculture facility in a near-desert area in the Karratha region of Australia. A series of ponds/ raceways will be used for production on open/ waste land with the hope of actual replication of nearly 25 tons per acre year of algal lipids ... while fixing nearly 60 tons of CO2 yearly. The goal is to produce biofuels for not more than \$2 per gallon using low-cost inputs. The project director is David Lewis, from the Chemical Engineering Dept. of the Univ. of Adelaide. Funding is from government and private sources. From PSI's experience, open ponds/ raceways (used for algal production) suffer losses from contamination problems caused by dust, blowing sand, reptiles, rodents (rodents that drown in pond water), old plant materials and foreign algae delivered on the wind. For this reason, PSI will make a proposal to Dr. Lewis for comparison testing of PSI's tubal-algalculture system as a probable better option for arid region algalculture.

103) Updated Threat Analysis: Petroleum executives often pay "political payola" (in the form of large bribes) to influence members of Congress to introduce and support legislation to discourage development of green (alternative) energy to include biofuels. Such opposition, and even more extreme forms of opposition, must be expected from the U.S. petroleum industry ... and industry known to be active in protecting its usual energy monopoly, worldwide. PSI's investors will be warned of this threat.

Date of Plan Completion: 30 May 2014

Approved by: _____
David A. Nuttle, PSI's President & Chairman