



## PRECISION MOTOR TRANSPORT GROUP

BAVARIAN MOTOR TRANSPORT  
TRI-STAR TRANSPORT

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December 1, 2006

RE: Ethos Environmental and Ethos FR

In May, 2006, our company, Precision Motor Transport Group, LLC (PMTG) was researching fuel savings options and located a product called Ethos FR, manufactured by Ethos Environmental in San Diego, California. We had already implemented reduced idling of equipment, reduction of out-of-route miles, fuel buying networks, and the installation of Auxiliary Power Units to reduce fuel consumption and cost. Based on our on-line research, the product seemed very promising especially with long-term clients such as the U.S. Military and Allied Waste.

As part of our research on the product, we made an appointment with Allied Waste in San Diego and visited their facility to discuss Ethos FR. Allied's General Manager, Maintenance Director and CFO confirmed to us that they have been using Ethos FR for over 6 years and have seen a fuel savings of over 10%, but even more significant was the reduction in emissions and maintenance costs. After the meeting, we contacted a distributor by phone and purchased enough Ethos FR to conduct a pilot test with several trucks in our fleet.

In early June 2006, PMTG established a set of parameters for our initial test which included one newer truck using a Detroit Series 60 engine, an older truck using a Caterpillar C13 engine, fuel only treatment, consistent drivers for each truck, initial education and training of product application for each fueling with each driver, product measuring tools, and manual and electronic calculation of miles per gallon. Neither driver was told what the product was designed to do other than the product was to be put in the fuel. We had purchased enough Ethos FR for each truck to run approximately 16,000 miles. We conducted this test in early June, 2006.

Our results were nothing less than spectacular. The Detroit Series 60 truck had a 9% increase in its miles per gallon and the Caterpillar truck had a 22% improvement. The drivers reported a significant reduction in smoke from the exhaust, more power from the truck, reduced noise, and significantly better fuel economy. One driver was quoted as saying "I have never gone this far on a tank of fuel". The improvement was realized over the duration of the test. Ethos FR worked to clean and lubricate the fuel system and took approximately 3-4 tanks of fuel to build to these results. Additionally, when the test was concluded and treatment with Ethos FR was stopped, each truck's fuel economy reduced back down to the historic miles per gallon over the next 3-4 tanks of fuel.

After these very positive initial results, we expanded our testing to approximately 25 trucks with the product in the fuel system only, 25 trucks with the product in the crank-case only, and 5 with the product in both. We established a baseline for each truck's historic miles per gallon from our fuel databases and proceeded to document an even broader test of our fleet using the same instructions and

parameters as used before. Our next series of testing began in July, 2006 and ran through September, 2006. Our results from the next series of testing also yielded a very positive improvement in the miles per gallon of the test units. Overall, the entire test group returned an 8-12% improvement in fuel economy. Interestingly, some of the trucks reduced their fuel economy for a few tanks during the test before we saw their fuel economy improve. Usually, the improvement took 3-4 tanks of fuel. We believe this was a result of the cleaning of the fuel system. The drivers in this group also indicated very positive impressions of the product in the truck using terms like the truck seemed new again, more power, and the truck ran quieter. This test fleet logged over 1,000,000 miles on the product and drove their same historic loaded and empty mile percentages.

Another interesting item to note was the effect of the outside temperatures on the fuel economy. During the July and August time frame, daytime air temperatures in the East and Midwestern U.S. ranged from 80 to 105 degrees. The heat, as it usually does, had a significant impact on the fuel economy of the entire test and non-test fleet. Each of the units running Ethos FR saw their recent miles per gallon fall, but all of the Ethos FR test trucks (55) remained above their baseline while the balance of the fleet (250 trucks) fell 8% or more below their historic baseline. We additionally compared each of the trucks in the Ethos FR test to their miles per gallon results from a year prior July and August results. Each of the trucks was 8-10% improved over the same time period from the prior year. As cooler temperatures returned in September, the fuel economy improved for the entire fleet, but the Ethos FR test group will outperformed their baselines by an average 8-10%.

After such promising test results we scheduled a meeting with the CEO of Ethos Environmental, the CEO of 4eCorporation, and General Manager of Allied Waste in San Diego in October 2006. The purpose of this meeting was meet the executives of these companies, learn more about the Ethos FR product, see the manufacturing facility, discuss shipping options, and ask more specific questions about additional uses for the product such as the use of Ethos FR in hydraulic fluid, bio-diesel, and the new ultra low sulfur diesel. Engine manufacturers have indicated that ULSD will reduce fleet fuel economy by 5% or more due to the reduced sulfur content in the fuel, which provides lubrication. Ethos FR can assist fleets in adding lubrication back to the ULSD.

As a result of our research, testing and our discussions with the executives of these companies, Precision Motor Transport Group and our family of companies is in the process of implementing the Ethos FR product in both the fuel and crankcase oil of our entire fleet. We expect to save approximately 8-10% on our fuel purchases, which would result in a reduction of approximately 480,000 to 600,000 gallons of fuel consumed annually, reduced maintenance costs, reduced emissions and pollution. We believe that the use of Ethos FR will not only benefit PMTG, but also will help the world environment by reducing the consumption of fossil fuel, and reducing emissions for better air quality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe C. Jacobson".

Precision Motor Transport Group, LLC  
Joe Jacobson, CFO