

From: Morrison, Richard
Sent: Mon Jun 07 22:19:57 2010
To: Suttles, Doug J
Cc: Morrison, Richard
Subject: KC cell
Importance: Normal

Doug, here's his cell **PERSONAL CONFIDENTIAL**

My contacts tell me they will propose the following

- will want us to commit to 50-60 units for 90 days to put on 20-30 boats/barges @ \$20k/day/unit = (\$90mm)
- they are still convinced it works, even though there have been some startup tweaks
- still has the vision of one on every boat

Here's what I've been able to figure out on relationships

- Kevin's brother bought the DOE license (patent protected) originally
- Brother sold it to a guy name Bret who was there for the first test (the peanut butter) and manufactures in US
- An employee of Bret moved to UK and started making the machines for 1/3 the price (patent expired), so now there are 2 manufacturers.
- John Houghtaling is a piece of work apparently

- Ocean Therapy Solutions has received revenue on the brown water option (\$20k/day) since May 20. Turns out they guys I've been working with have gone with another contractor (CCS) who have had the V20 units in operation for many years here in gulf coast - they had experienced operators and fully packaged kits. They'll probably throw D&L and the Project manager under the bus tonight.

Points we should make:

- yet to get the system to work, we're still not convinced
- the separator not the silver bullet, it's about the package and people that surround it.
- we're out on a limb, spent \$1mm in 2 weeks with brown water

Exhibit AA

option, double that for the deep water.

- Reality isn't always what you'd like for it to be.
- All we can offer is a modest ramp up of activity provided brown water and deep water options prove themselves.

This will be fun

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