

Skyonic Corporation

Presents

The SkyMine™ Process

A proprietary technology that removes carbon dioxide (CO₂) and other flue gas pollutants – converting same into non-toxic, commercial chemicals

Joe Jones
President & CEO

Steve Goldstein
Co-founder & Director

Company contact info: ● 1101 Havre Lafitte Dr., Austin, TX 78746 ● steve1111@reinspired.com, (512) 732-2111

Today

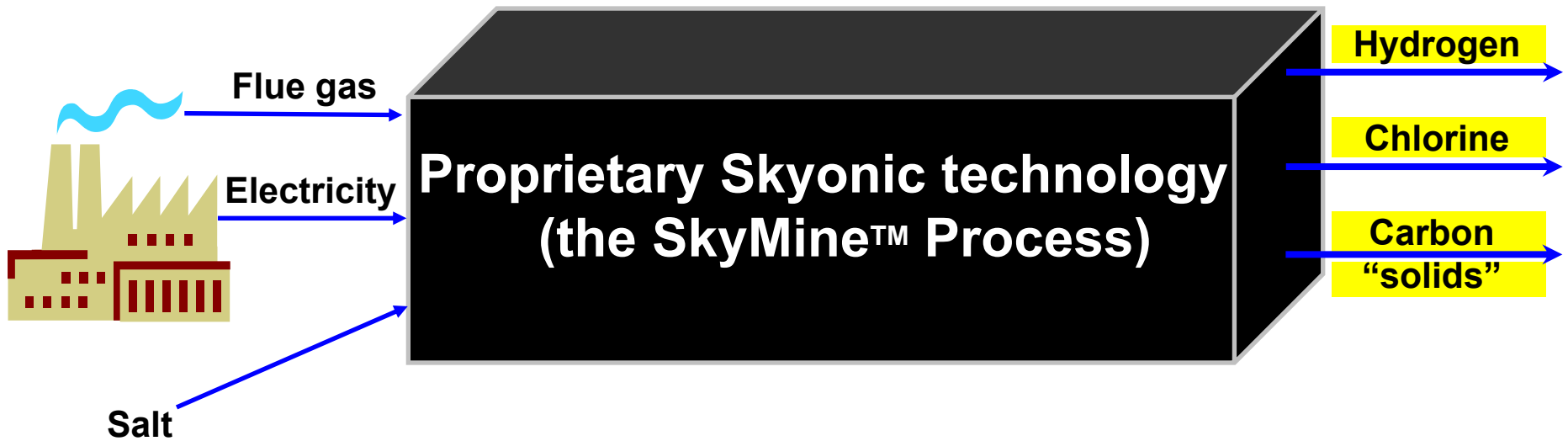
- **Who We Are** – an overview
- **The Promise of our Technology** – a “30,000 foot” view
- **Development Status & Scaling Plans** – a detailed view
- **Discussion of Thermodynamics** – a summary view
- **How the Federal Gov’t Could Help** – a candid view
- **Some Thoughts on Strategy** – our personal musings
- **Why hasn’t this been done already?**

Skyonic Overview

Sept 2004	<ul style="list-style-type: none">• Filed initial patent application at USPTO<ul style="list-style-type: none">• Broad, technology-defining basic method patent• 100 pages, about 3-dozen claims, PCT filed
Oct 2004	<ul style="list-style-type: none">• Retained Fulbright & Jaworski (Houston/Austin) as corporate counsel
Jan 2005	<ul style="list-style-type: none">• Incorporated (“C” corporation, Delaware)
Mar 2005	<ul style="list-style-type: none">• Entered work-for-hire contract with SouthWest Research Institute (SwRI)<ul style="list-style-type: none">• San Antonio, TX ...works with DOE often, large non-profit
April 2005	<ul style="list-style-type: none">• Closed Series A preferred stock round<ul style="list-style-type: none">• Private investors• “Silicon Valley” venture capital
May 2005	<ul style="list-style-type: none">• Hired 1st employee
June 2005	<ul style="list-style-type: none">• Retained Van Ness Feldman – Washington DC “energy” lobbyist firm

The Promise of Our Technology

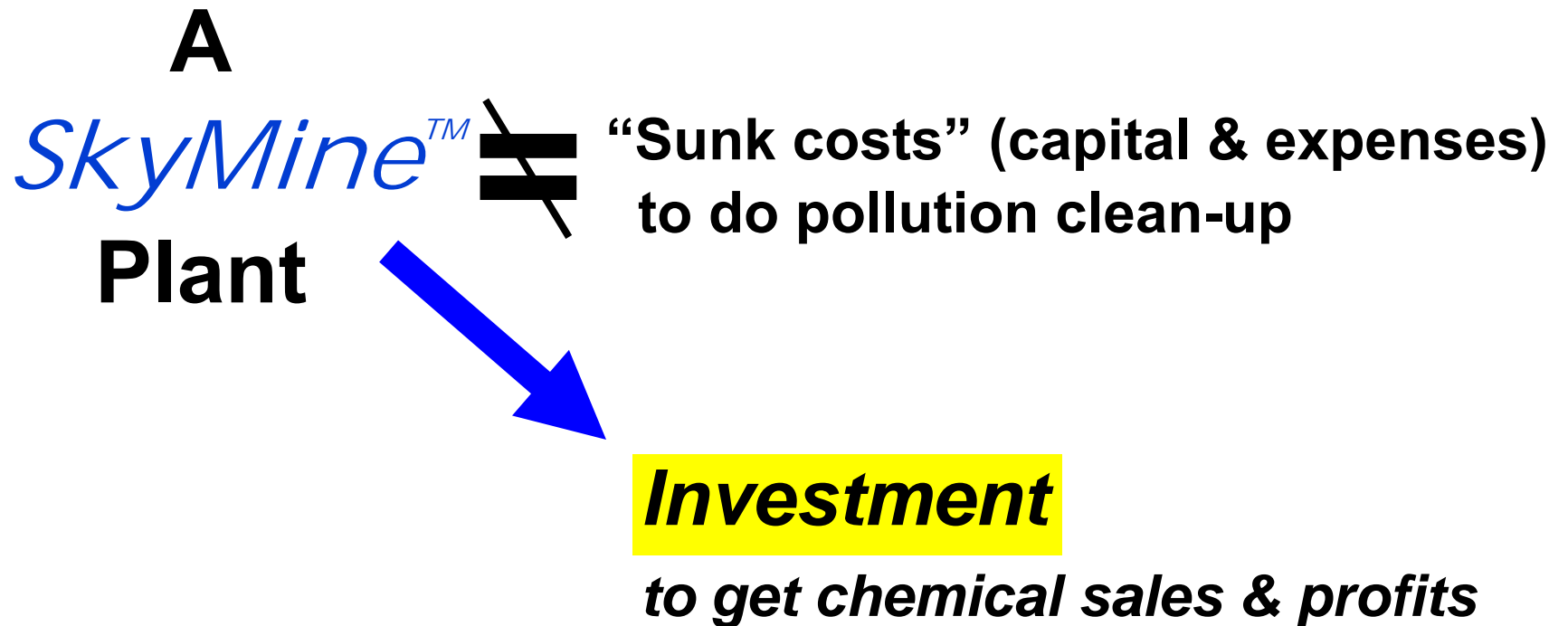
Page 1 of 4



***“Pollution” becomes hydrogen
(and other useful, salable chemicals)
CO₂, NO_x, SO_x & Mercury (Hg) become solids***

The Promise of Our Technology

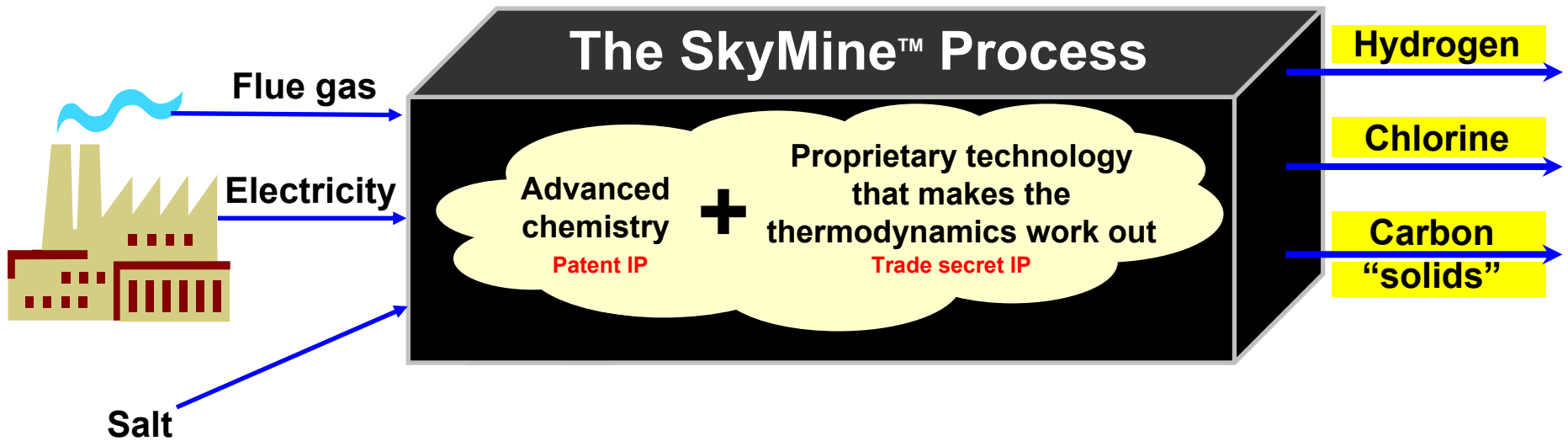
Page 2 of 4



...but what's in the black box?

The Promise of Our Technology

Page 3 of 4



***“Pollution” becomes hydrogen
(and other useful, salable chemicals)
CO₂, NO_x, SO_x & Mercury (Hg) become solids***

The Promise of Our Technology

Page 4 of 4

The SkyMine™ Process

- Will work on coal, oil & gas power plants
- GHG removal happens post-combustion
- Can be retrofitted into existing power plants
- Supplement or replace:
 - Carbon-capture & sequestration
 - Traditional NOx & SOx scrubbers
- 80% - 95% GHG remission rates
- Produces no toxics ...uses no toxics

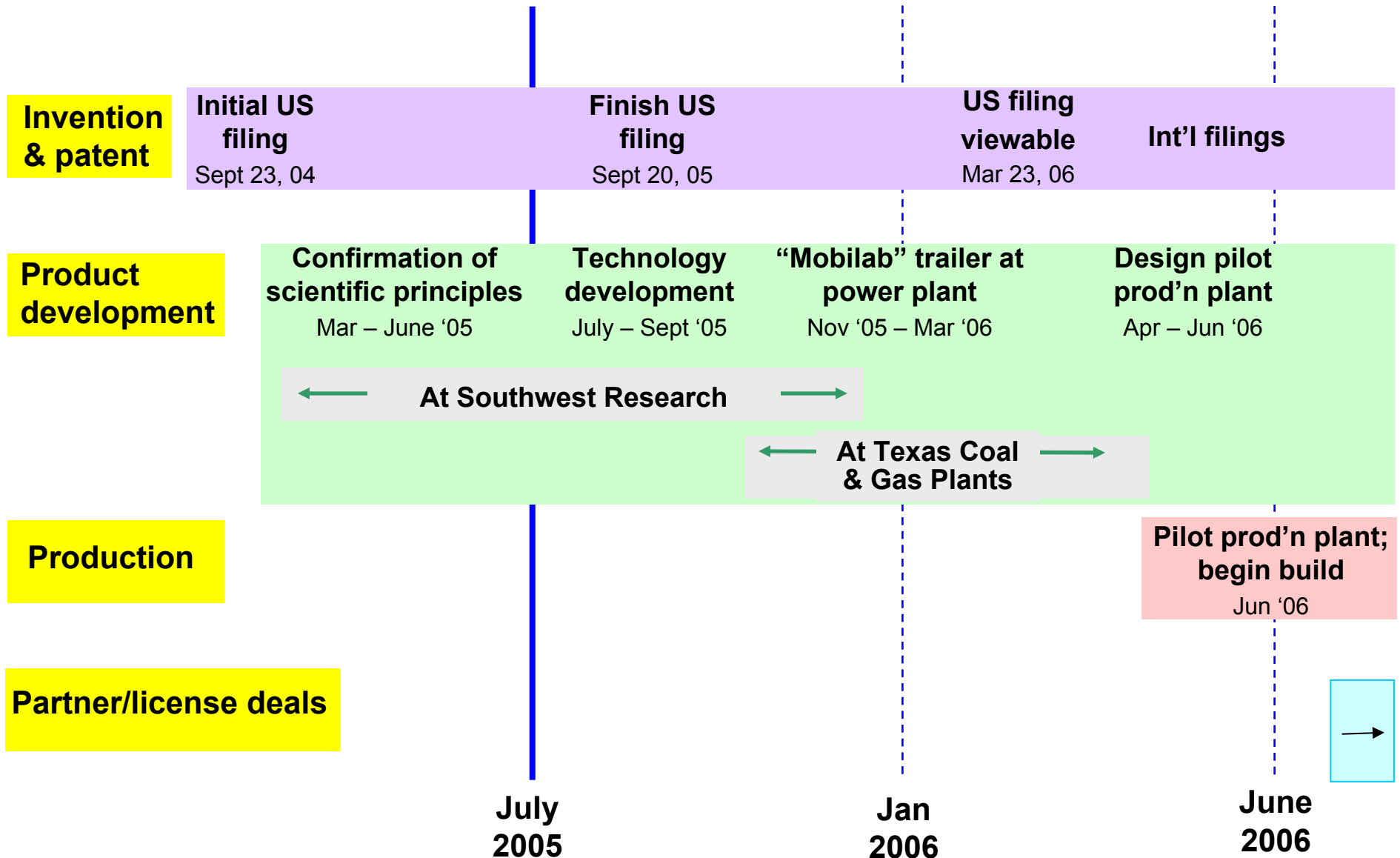
About *SkyMine™* Plants

- Located on or near (<1mile) power plants
- Requires 1 to 5 acres of land
- Buildings with pipe-field, tanking & equipment
- Headcount in the few dozen range per plant
- Each 10% remission “costs” ~3% of electrical production ... can be off-peak
- Capital in the \$100M - \$150M for a large plant
- Bricks & mortar facilities – dependable cash flow

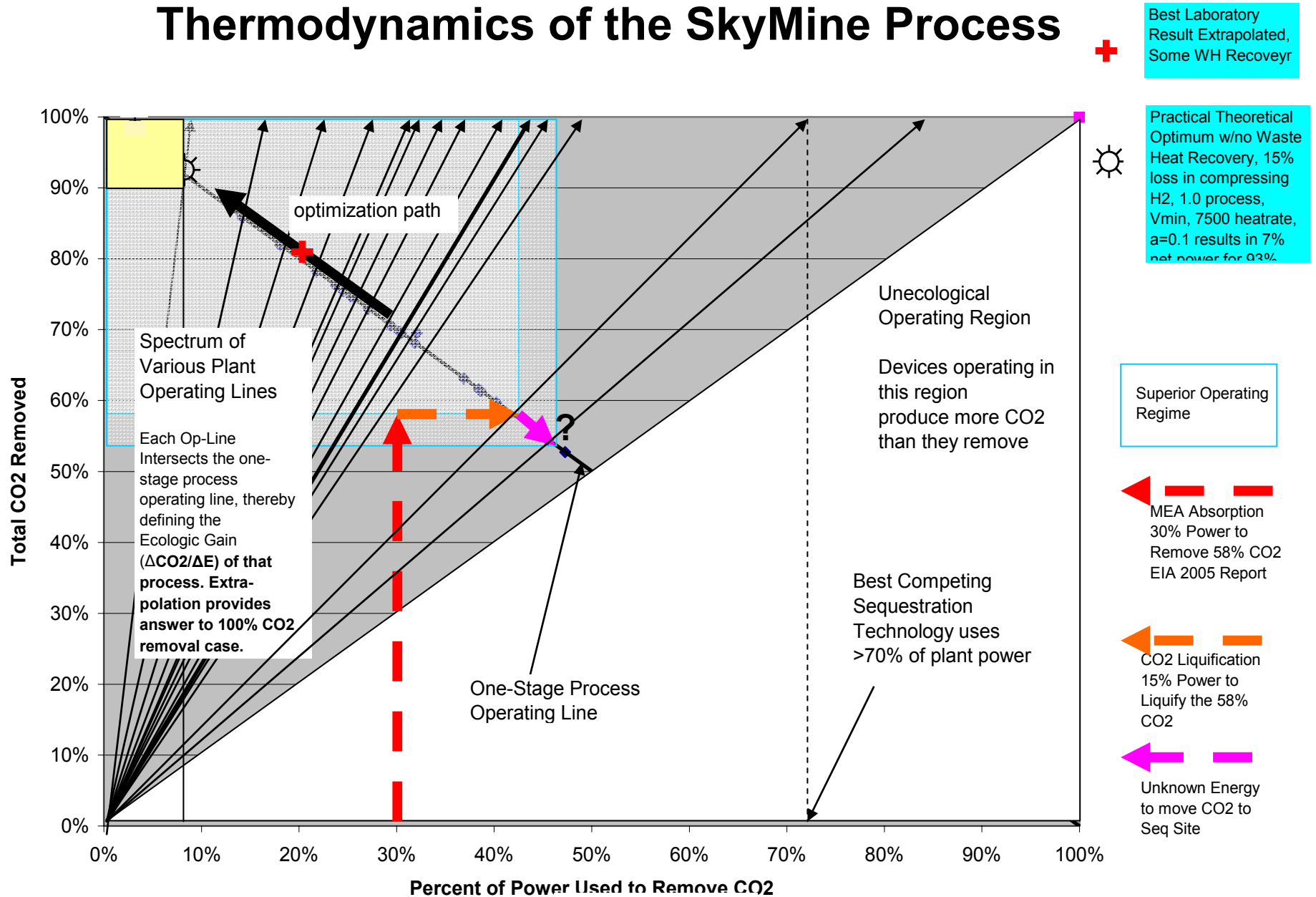
*SkyMine*TM Process Development Status

- **The SkyMine process has been fundamentally proven at lab-scale**
 - >100 experiments over 6 months
 - All experiments performed on-site at Southwest Research
 - 80% + CO₂ absorption demonstrated (SO_x & NO_x much higher)
 - 3 solids-producing pathways proven
 - Thermodynamics of solution demonstrated (described later)
 - Rudimentary implementation of Skyonic's proprietary technology
- **Plan to progressively scale to production-sized unit scale**
 - **Step 1: We're developing a 12' x 56' trailer to beta site with "real-life" flue gases**
 - ~200x scale-up vs lab throughput (~400 LPM)
 - Also to confirm capture of elemental mercury
 - Beta site successively at coal and gas plants in Texas (6 to 9 months, start 4Q2005)
 - **Step 2: Then do 10% to 33% size pilot scale plant (late 2006, early 2007)**

Skyonic Timeline



Thermodynamics of the SkyMine Process



How the Federal Government Could Help

Here's our plan:

- Raise \$10M to \$40M in capital for a SkyMine Pilot Plant (sizing it to funds raised)
- Staff up the company ...tell the world about us & seed conversion to our tech

The Federal government could help by:

- The Mobilab beta site experience (4Q2005 through ~2Q2006) will provide conclusive proof that the proven lab technology can be scaled to industrial-plant size.
- *The Federal government – presumably through the DOE – could help by committing to fund the pilot plant; conditioning disbursement on the successful conclusion of the Mobilab trailer beta site experience.*
- Skyonic would share the technical results with the DOE during the beta site period

Some Thoughts on Strategy...

The *SkyMine™ Process* Could:

- Enable a USA carbon “stand-still”
- Support USA in exporting carbon-reducing technology to developing countries
- Position hydrogen “wells” at fossil-fuel power plants
- Provide a “sink” for off-peak renewable energy
- Allow the use of lower-grade fuels (coal) with less than status quo emissions
- Enable US companies to become much larger exporters of certain chemicals

... and we assume everyone remembers that the USA has 25% of the world's proven coal reserves?

The *Skyonic SkyMine*TM Process

Why now? ...Why not earlier?

Outcry >Regulation >Improvement

- Particulates
- Smoke
- Carbon Monoxide (CO)
- SO_x, NO_x
- Now: CO₂

Recent enabling technologies

Proprietary Skyonic technologies

A *SkyMine*TM plant is a new idea

- Co-location must be done intentionally
- Chemical companies use other pathways
- Power companies aren't chemical companies

CO₂ cap/trade market is a *new reality*

- Began in 2004 (ahead of Kyoto)
- Kyoto presages carbon-based taxing of multi-nationals
- CO₂ cap/trade exists in Europe