

Clean Energy Systems, Inc.

Up-Date On Oxy-Fuel Combustion McIlvaine Hot Topic

January 2013

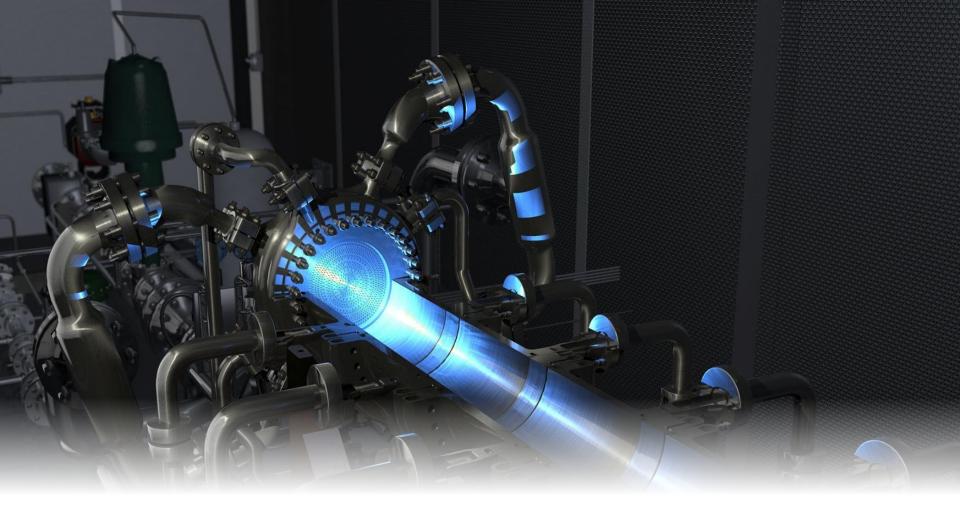
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Clean Energy Systems, Inc.

Presentation Outline

- Company Background
- Technology Overview
- Markets and Product Development





Company Background

Company Background

History and Recent Developments

- Founded in Sacramento, California by former Aerojet (a GenCorp company) aerospace engineers; incorporated in 1996
- Specialize in oxy-fuel power generation
- CES technology portfolio
 - ⇒ 20 MWt 4" Oxy-Fuel Gas Generator
 - ⇒ 200 MWt 12" Oxy-Fuel Gas Generator
 - ⇒ 30 MWt Oxy-Fuel Reheaters
 - ⇒ 150 MWe Oxy-Fuel Turbine
 - \Rightarrow 30 45 MWe peaking oxy turbine
- 30 patents issued on zero-emissions oxy-combustion technology power cycles, 36 patents pending
- Owner of two power plants: Bakersfield and Santa Clarita, CA



Company Background

Equity and Strategic Partners

Equity Partners



Paxton Corporation is an energy-focused company based in Calgary, Alberta; aggregator of technologies including CES' oxy-fuel combustor for use in the extraction of hydrocarbons; significant equity position currently held by the largest shareholder of Paramount Resources Ltd.

A Sempra Energy utility"

Southern California Gas Company (a subsidiary of Sempra Energy; \$16.0 B+ market capitalization) sells, distributes, and transports natural gas in the United States.

The AES Corporation (\$8.5 B+ market capitalization) is a global power company with generation and distribution businesses.

Strategic Partners

provides solutions to the energy and other sectors. A development partner with CES.



Maersk Oil (subsidiary of A.P, Møller – Maersk A/S. with a \$29 B+ market capitalization) is an international oil and gas company with operated production of about 625,000 barrels of oil (equivalent) per day. A licensee of CES technology.

Siemens Aktiengesellschaft (\$80 B+ market capitalization) is a diversified international electrical and engineering company that



Paramount



Paramount Resources Ltd. (\$2 B+ market capitalization) is an independent energy company that engages in the exploration, development, and production of natural gas, crude oil, and natural gas liquids in North America. A licensee of CES technology

US Department of Energy works together with the country's private sector to develop and foster new technologies to ensure America's long-term energy security.

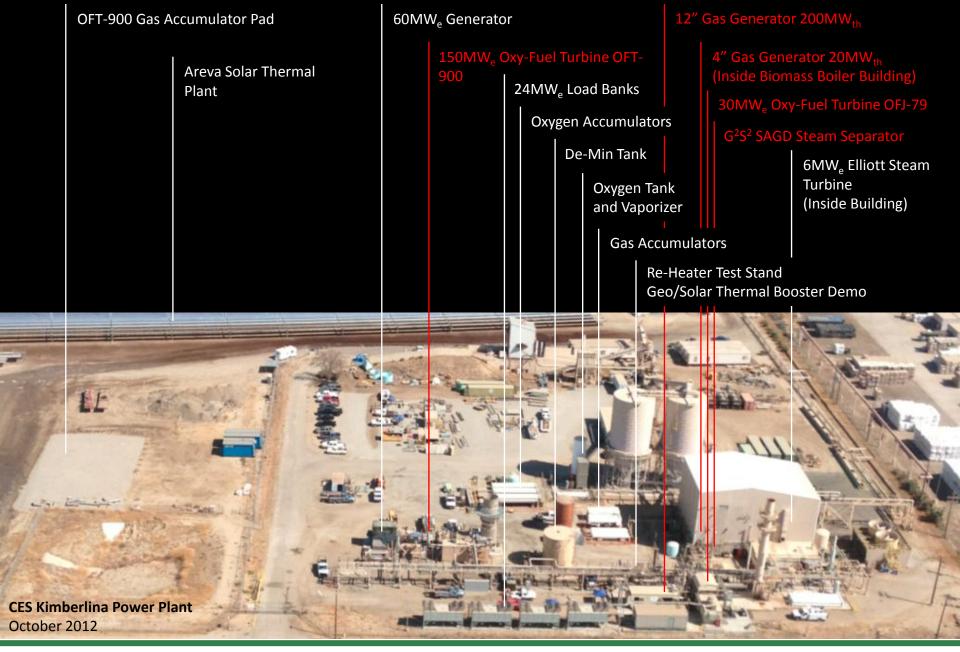
LM Alternatives Inc. and its sister companies have been providing quality parts and related services to turbo machinery users in industrial, utility and aviation applications for more than four decades.







Company Background CES Facilities

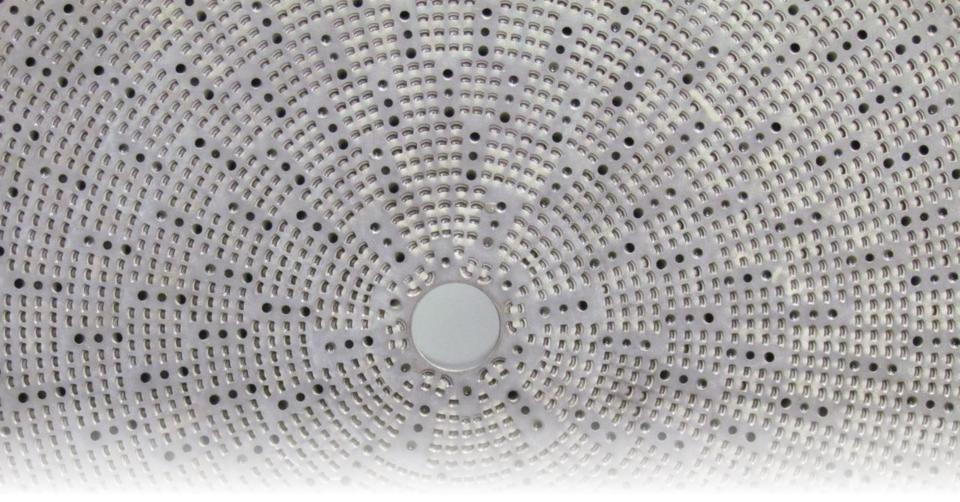




Clean Energy Systems, Inc. Power Without Pollution[™]

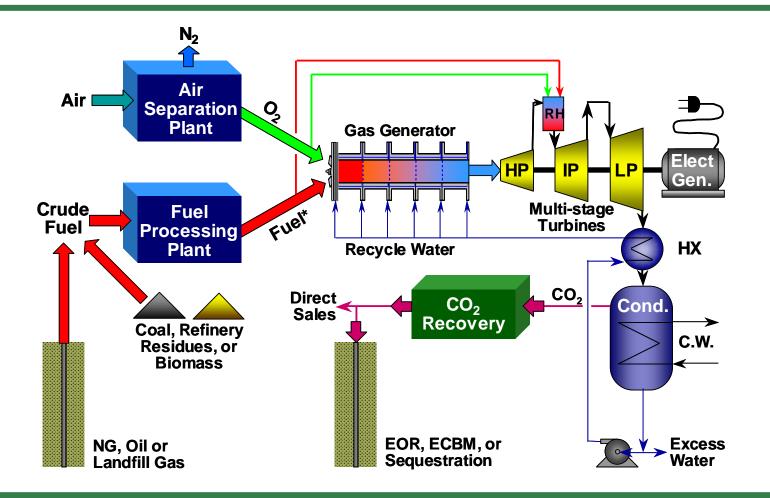
Company Background

The World's Largest Oxy-Fuel Facility



The TriGen[™] Oxy-Fuel Cycle

209 MW CO₂: 2,300 TPD Water: 508,000 GPD





• CES Combustor Technology:

- ⇒ Hundreds of individual platelets are photo-etched to form 3-D channels
- Precisely stacked platelets are pressure bonded into a monolithic structures
- ⇒ Intricate pathways channel fuel, oxygen, and water into hundreds of combustors
- ⇒ Intimate, stoichiometric mixing for complete combustion

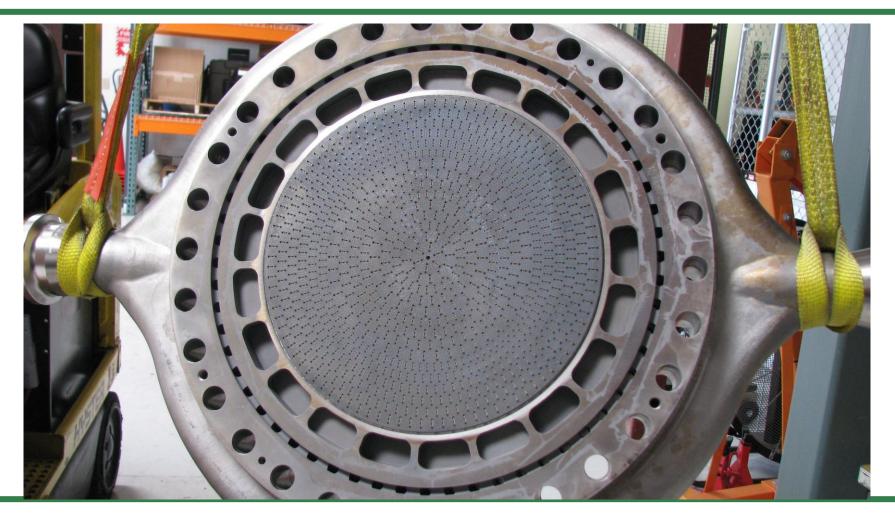






CES Technology Overview

12" Gas Generator Combustor Face

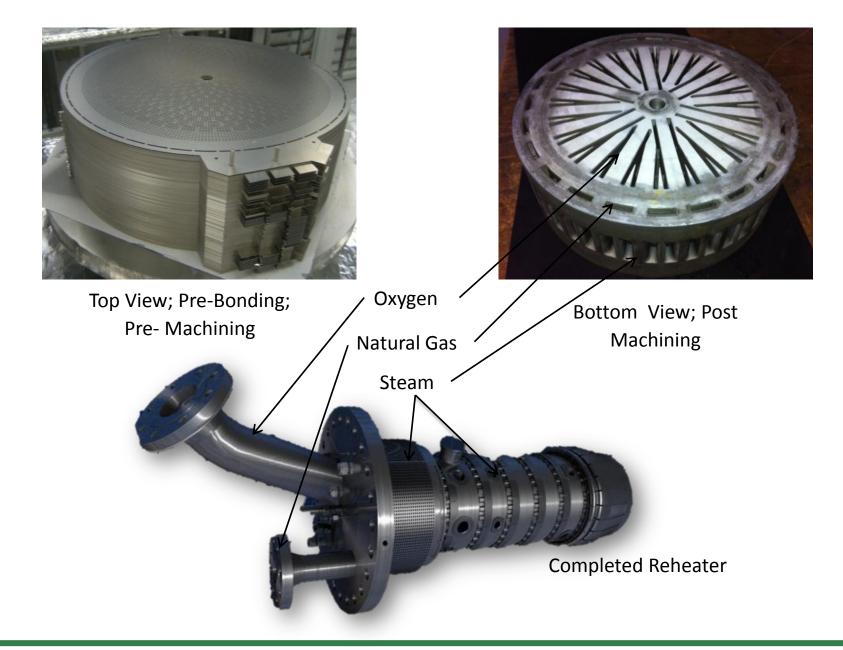




12" Gas Generator



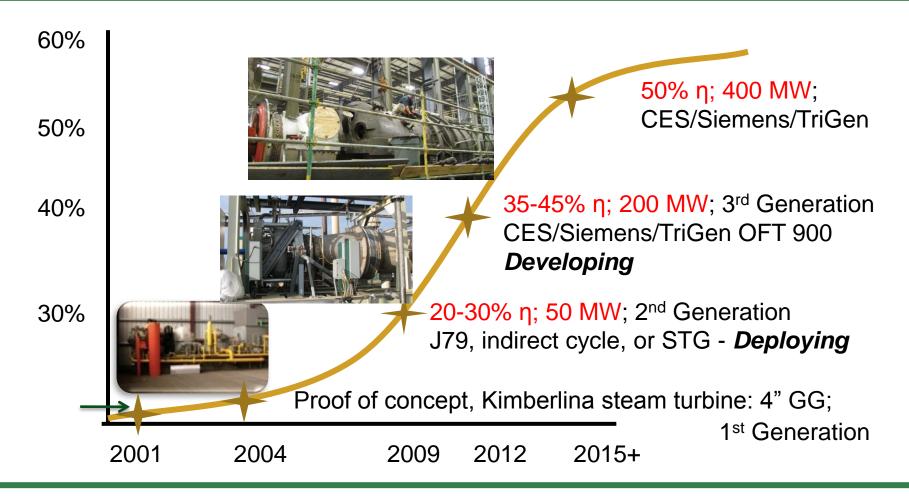






Oxy-Fuel Re-Heater Assembly for the OFT-900

Technology Development Plan







Ongoing Market Applications

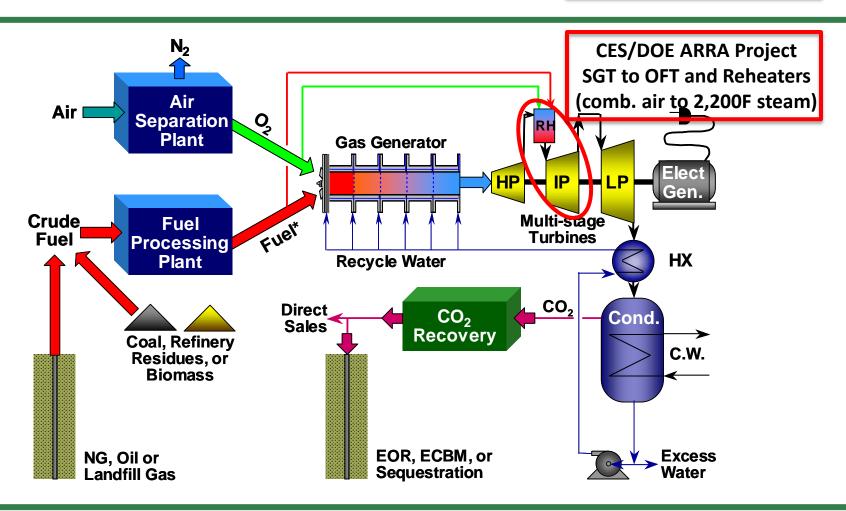
- Zero Emission Power Plants
 - Power or CO2 as the Primary Product
- Monetizing Opportunistic Fuels
 Low BTU Gas, Syngas, Bitumen, Biofuels, etc.
- Maersk Trigeneration: Power, CO2 for EOR and Water O See: http://www.maerskoiltrigen.com/
- SAGD and Heavy Oil Recovery
- Peaking Power Plant
- Zero Emission Load Balancing
- Energy Storage To Optimize Renewable Energy

Ongoing project development



The TriGen[™] Oxy-Fuel Cycle

CO₂: 2,300 TPD Water: 508,000 GPD



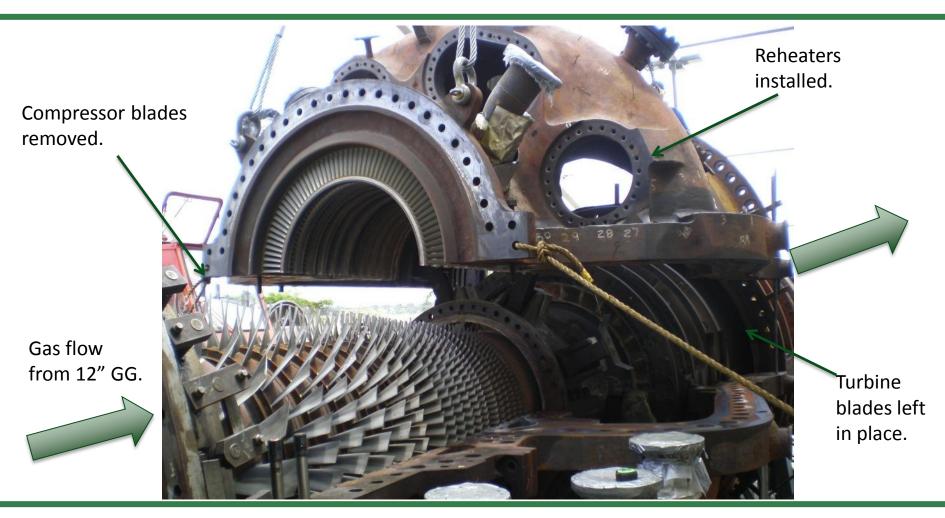


Turbine Removal from Abitibi Bowater Facility: March 2011





SGT-900 Disassembly and Inspection: June 2011





Turbine Shaft With Power Turbine Blades Re-Installed: May 2012



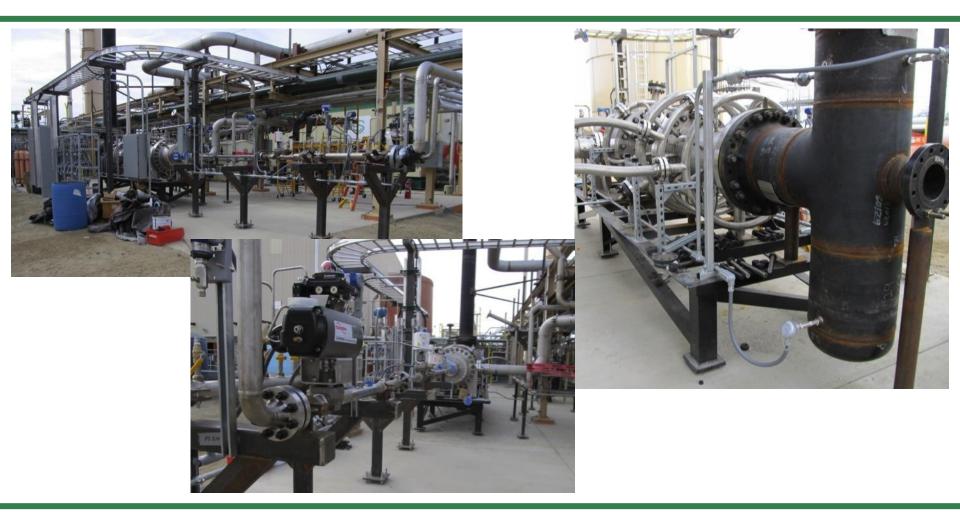


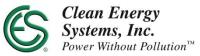
Completed OFT-900





OFT-900 Re-Heater Test Stand





OFT J79 Peaking Power Turbine, 42 MW

Applicable Markets

- Peaking power facilities (<10% CF)
- Enhanced gas and oil recovery
- Off-spec gas utilization (approximately one-third of future gas production)

Product Advantages

- Low capital cost
- Small footprint and modular
- Effectively zero NOx and PM
- Fast power ramp up to full load <2 min.
- 4.4 hours @ max power with 50,000 gallon O₂ storage









The End