



June 25, 2008

386 Nanotech, Inc.

Re: 386-IFE; Proof-Of-Concept (POC) Gasoline Testing

Executive Summary

A "Proof-Of-Concept" test series for **gasoline** engines was accomplished during June 2008 using the **386 Nanotech IFE** (increase fuel efficiency) product. The tests were performed at an EPA recognized and CARB certified test facility in Ann Arbor, Michigan under direction of California Environmental Engineering (CEE) located in Southern California. The test protocol used was in accordance with the Federal Test Procedures (FTP) defined in CFR-40, Part 86, and Appendix 1. A representative light-duty gasoline vehicle (2008 MY Ford Taurus) with 15,000 (+) miles was selected and used for the chassis dynamometer tests.

A set of FTP- tests were initially performed using the EPA urban driving schedule and without the 386-IFE Nanotech product. These tests were used to establish a "baseline" average for tailpipe emissions and fuel economy. After introduction of the 386 IFE product and a predetermined mileage accumulation another set of tests were accomplished to establish a post test data average for tailpipe emissions/fuel economy to compare to the baseline average.

The comparative data base average's indicate a significant reduction for all regulated tailpipe emissions and an improvement in fuel economy. These note worthy percent differences include: 25.5% reduction in Hydrocarbons; 20.5% reduction in Carbon Monoxide (CO); 58.3% reduction in Nitrogen Oxides (NOx); 5.9% reduction in Carbon Dioxide (CO2); and a fuel economy improvement in excess of 6-percent. Comparative figures using the cold transient portion of the Federal Test Procedure variables indicate an overall fuel economy improvement in excess of 12%.

The test data derived using the Federal test series verify the viability of the technology and indicates a high probability that even more dramatic improvement can be expected and achieved using the 386 Nanotech IFE product. To obtain additional information on the 386 Nanotech IFE product or the test results please feel free to call (888) 386-6832.

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