

PLASCO ENERGY GROUP QUESTIONS AND ANSWERS – MARCH 8, 2011

GENERAL QUESTIONS

1. What is this document?

This is our first set of questions and answers for the citizens of the Salinas Valley. Topics include our company, our technology, our environmental performance and the proposed facility. If you have a question that we haven't answered, please let us know.

2. Who is Plasco Energy Group?

Plasco is a Canadian technology company headquartered in Ottawa, Ontario. Our company has been developing its proprietary plasma technology for over 30 years. Today, we are 100 employees strong and have raised \$270 million in investment to develop and commercialize our patented technology. We are actively working on clean conversion technology projects worldwide.

3. What does Plasco do?

Plasco is the only company in the world that converts municipal solid waste (MSW) into a fuel that can run engine generators to produce electricity. Plasco uses a patented, non-incineration process using plasma arc technology to convert post-recycled waste into a gas and other beneficial products. The gas can be fed into engine generators to make renewable power. In the future it could be fed into fuel cells or used to make ethanol.

4. How can I get more information about Plasco?

Please visit our website at www.plascoenergygroup.com or contact the Salinas Valley Solid Waste Authority at 831-775-3000.

EMPLOYMENT OPPORTUNITIES

5. How many jobs and what types of jobs will there be at the proposed Plasco Facility?

A Plasco facility offers a wide variety of "Cleantech" jobs. Construction of the proposed facility will create more than 65 jobs for local architects, engineers and construction workers. In addition, Plasco will create approximately 37 full time jobs such as facility operators, engineers, administrators and plant workers. The average salary will be \$56,000 per year.

Individuals currently working at the local landfill have valuable waste handling experience; their knowledge would be a great asset to the proposed waste conversion facility staff, and we hope they will apply for work when the time comes.

6. Will local companies be eligible to bid on construction work and/or supply and services contracts for the facility?

Yes. Plasco expects to rely on local Salinas Valley businesses to participate in the construction project and the supply of materials and services to the plant.

Opportunities will also be available in the surrounding region for local equipment suppliers, sub-contractors and transportation/shipping requirements. Specific opportunities include; trucking, equipment rental, maintenance and construction, groundskeeping, and catering.

RECYCLING AND DIVERSION

7. How will the plant affect current recycling and composting programs?

Our solution will compliment community efforts to reduce waste and maximize recycling programs. We will process only the garbage left over after recycling and diversion programs. In other words, we won't affect recycling and diversion programs, but we could help eliminate the landfill.

8. Doesn't your system create a demand for waste and discourage efforts to conserve resources, reduce packaging and waste?

No, Plasco supports efforts to reduce garbage and increase recycling. Plasco's goal is to recover value from the waste remaining *after* these programs, and to eliminate the waste management practice of burying waste in landfills.

The Plasco solution is also modular and economical at a small size. We can build a facility that takes into account future improvements in diversion.

ENVIRONMENTAL PERFORMANCE

9. How will the plant affect local air quality?

The Plasco facility will result in a net reduction in air contaminants compared to the existing Johnson Canyon Landfill. In other words, the Plasco plant will improve air quality in the Gonzales Area.

10. What happens to toxic metals? (lead, mercury, chromium, etc)

If batteries and electronics are in the garbage going to the landfill today, the heavy metals in them can contaminate the groundwater for many years. That is partly why the Waste Authority spends \$1.8 million each year taking care of three closed landfills. If that same garbage came to a Plasco facility, the heavy metals would be captured, collected and sent for safe treatment or disposal. These materials account for less than 3lbs per ton of waste processed.

11. How does your plant affect greenhouse gases?

It will reduce greenhouse gases. Processing waste through the Plasco Conversion System reduces greenhouse gas (GHG) emissions in two ways. First, it eliminates the methane that would form if the waste were landfilled – this is significant since methane has a global warming potential 23 times that of carbon dioxide (CO₂). Second, electricity generated from our process displaces electricity from other sources such as the Moss Landing power plant that runs on natural gas.

12. Do you discharge contaminated waste water? Where will that get treated?

Plasco will recover all of the water in the waste that it processes. The water will be treated on-site so that it can be reused beneficially for things like irrigation and dust control at the landfill.

13. Doesn't your slag have toxic chemicals in it? Won't it pollute the ground?

No. Tests have been conducted on the slag from our process. It is safe and will not pollute the ground.

OUR TECHNOLOGY

14. How is Plasco's technology different than incineration?

Incinerators burn garbage to create heat, so they can make steam and then electricity. They have a tall smoke-stack. Plasco is not an incinerator. Plasco does not burn garbage. Instead, Plasco converts garbage into a fuel gas that is cleaned and fed to engine generators to create electricity. A Plasco plant does not have a tall smoke-stack. The engines have exhausts (like car engines and portable generators).

15. Will you be processing toxic/hazardous wastes? (household, medical, etc)

No. Plasco will not accept toxic, hazardous or medical waste.

16. What is your efficiency rate for generation of electricity?

In a commercial facility we will convert over 65% of the energy in the post-recycled waste to a synthetic fuel and sell 0.88 MWh of electricity per ton of waste processed. That means the electricity from 1 ton of waste can power a typical home for 45 days.

PROPOSED FACILITY

17. Where will the facility be located?

The facility will most likely be located at the Johnson Canyon Landfill, east of the City of Gonzales. The most appropriate site will be identified in the CEQA process.

18. What safety measures will be built into the plant?

Plasco is committed to safe and productive working environments. The company has a Health and Safety policy which meets California State regulations.

Plasco plants have many safety measures built into them. The Plasco system operates under “negative” pressure, meaning that if there was a leak, air goes into the system and nothing comes out. The plant uses computer controls that monitor operating conditions (like temperature or pressure) 10 times each second. If something unusual happens, adjustments can be made automatically or by trained operators. If need be, the plant can also be rapidly shutdown automatically or by the trained operators.

19. What are the benefits to us, the residents of Gonzales?

Through construction, support and ongoing operation of the facility, Plasco will:

- Create jobs with an estimated annual payroll of \$2 million per year
- Hire local companies to help with construction and to supply goods and services after the plant is operating
- Return 25% of excess revenues to the Solid Waste Authority
- Work with local educators (especially at Gonzales High School and Hartnell College) to establish new career opportunities and learning programs
- Help attract other green technologies to the area
- Improve local air quality
- Reduce the landfill’s operation, and ultimately, we hope, close it
- Produce reclaimed water for beneficial use
- Reduce Gonzales’ carbon footprint

The plant fits well within the “Gonzales Grows Green” sustainable community initiative. It will be Plasco’s first plant in United States, so it will also attract visitors from cities around the world who want to stop landfilling their waste.

20. When would construction start?

Construction can not start until the following has happened:

- The CEQA process is completed
- The Board of Directors of the Solid Waste Authority approve the start of construction
- All permits are in place

Based on the schedule for CEQA, we hope to start construction in the first half of 2013.

21. When would the plant start operating?

The plant will start operation 12 to 15 months after construction starts. If construction starts in the middle of 2013, operations will start in the middle of 2014.

22. Will there be a smoke stack?

No. The proposed Plasco facility will have only engine tailpipes for exhaust.

23. Where will the waste come from?

The waste will come from the local Salinas Valley Solid Waste Authority jurisdiction. No waste will be imported from outside the Salinas Valley

24. Won't there be more traffic?

There will be no additional garbage traffic. The waste is currently trucked to the Johnson Canyon Landfill, where the Plasco plant is most likely to be located so there will be no additional trucks delivering waste. There will be an additional 2 or 3 truck loads a day carrying aggregate from the site to local companies that will use it for construction, plus employee traffic.

25. Is the construction and operation of your facility subsidized by taxpayers' money?

No. Plasco is responsible for financing the construction, commissioning and ongoing operation of this facility.

PLASCO TRAIL ROAD (PTR) – DEMONSTRATION FACILITY

26. What is the purpose of PTR?

The purpose of this facility is to demonstrate the technology and to optimize performance. We operate our facility:

- For potential clients, investors and visitors
- To collect operational performance data and optimize performance
- To collect environmental performance data through continuous emissions monitoring and source testing

27. What has PTR demonstrated, to date? Why should we believe that the plant is reliable?

The Trail Road facility has converted over 7,000 tons of the City of Ottawa's MSW over 2.5 years. Since the facility first began processing post-recycled MSW in January 2008, Operations have successfully demonstrated:

- Electricity generation from engine generators powered by syngas
- Performance efficiencies at or above expectations
- Superior environmental performance supported by continuous emissions monitoring and source testing

- Production of aggregate
- Water recovery and treatment that meets Ottawa's standards

Investors are also confident that the technology works. The company has raised more than \$250 million since 2005. In July 2010, Ares Management of Los Angeles invested \$100 million after hiring two engineering firms to evaluate and audit our technology. The Climate Change and Emissions Management Corporation (CCEMC) of Alberta and Sustainable Development Technology Canada (SDTC) both committed \$10 million towards the commercialization of Plasco's technology after rigorous evaluation of our technology and its contribution to reducing global warming.