

NTRD Program Disclaimers

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**Texas Commission on Environmental Quality
New Technology Research & Development (NTRD) Program
Monthly Project Status Report**

Contract Number: 582 – 5 – 65591 – 0008

Grantee: Rotec Design, Ltd

Date Submitted: June 10, 2006

Report for the Monthly period: Ending April 30, 2006

Starting Date: Jun. 22, 2005

(Notice to Proceed date)

Ending Date: Aug. 31, 2006

(Per Amendment #1)

Section I. Accomplishments *(Please provide a bulleted list of project accomplishments as well as a description of their importance to the project.)*

1. Finalized design analysis and CFD modeling to optimize final design parameters, general configuration, and unit specification estimates for the FreedomAir system
2. "Testing Protocol – Scope of Work (SOW)" -- US EPA (Steve Albrink) has advised SOW can not be finalized until project system(s) are manufactured.
3. Texas ETF Award documents received from Governor Perry's office and are under review by Rotec's legal counsel.
4. Continued discussion with Orbital re: Design Review proposal. Tentative agreement reached and finalization of contract meetings scheduled for week of June 12.
5. Finalize revised "timetable" incorporating Orbital and ETF anticipated delays and submitted to TCEQ for Contract (extension) Amendment.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:

- Task 3: Construction of FreedomAir system. Initial design of components prior to prototype manufacturing.
- Meet TCEQ / NTRD general guidelines vis-à-vis the commercialization of the emission reduction system as soon as possible and pursue additional economic benefits to the State of Texas.

Section II: Problems/Solutions

<p>Problem(s) Identified</p> <p><i>(Please report anticipated or unanticipated problem(s) encountered and its effect on the progress of the project)</i></p>	<ul style="list-style-type: none">• No new issues from prior reports, i.e, Orbital and Texas ETF program delays
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	<ul style="list-style-type: none">• Orbital back on track final agreement and start of engineering review to be completed ASAP• Texas ETF grant documents received. Terms and conditions related to Rotec's relocation and component manufacturing in Texas under review.
<p>Action(s) Conducted and Results</p> <p><i>(Please describe the action(s) taken to resolve the problem(s) and its effect)</i></p>	<ul style="list-style-type: none">• Revised timetable and Amendment (extension) request forwarded to TCEQ.

Section III. Goals and Issues for Succeeding Period: *(Please provide a brief description of the goal(s) you hope to realize in the coming period and identify any notable challenges that can be foreseen)*

1. Schedule / conduct meetings with ETF stakeholders to finalize relocation and resourcing requirements.
2. Meet with Orbital re:engineering support. Finalize quotation / timing for project support to review final design.
3. Continue discussions with potential Texas component / prototype suppliers to confirm continued interest in the project and obtain detailed requirements to develop "RFQ" packages.
4. Schedule meetings with TCEQ for last week of June to review / discuss revised project timing projection, outstanding RFR's, and overall prospects for the future of the Demo Project.



Date: June 10, 2006

Authorized Project Representative's Signature

NOTE: *Please attach any additional information that you feel should be a part of your report or that may be required to meet the deliverable requirements for tasks completed during this reporting period.*