

NTRD Program Disclaimers

1. Disclaimer of Endorsement:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not necessarily constitute or imply an endorsement, recommendation, or favoring by TCEQ or the State of Texas. The views and opinions expressed in said reports do not necessarily state or reflect those of TCEQ or the State of Texas, and shall not be used for advertising or product endorsement purposes.

2. Disclaimer of Liability:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not constitute by TCEQ or the State of Texas the making of any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, and such entities do not assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represent that its use would not infringe privately owned rights.

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

Contract Number: 582-5-70807-0008

Grantee: Clean Air Worldwide GP, Inc.

Date Submitted: January 6, 2006

Report for the **Monthly** period:

Starting Date December 1, 2005

Ending Date December 31, 2005

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

Article 1. Objectives: To obtain verification from the California Air Resources Board for the Dragon Fire 2010 Fuel System, a computer-controlled diesel fuel injection system.

During December we continued to work on the tasks necessary to prepare the DT466 engine and the Dragon Fire 2010 Fuel System for transport to California Environmental Engineering for Verification Testing.

Article 2. Scope of Work

Task 1, Task Statement 2.1: Initiate CARB Verification Application Process

Work continued on preparing the emission testing protocol for verification for submission to CARB. We currently await third party information prior to submission to CARB.

As of the end of December, this status had not changed.

Task 4, Task Statement 2.4: Install and fine tune the DF2010 on the DT466 Engine

December was spent fine tuning the Dragon Fire 2010 Fuel System for the DT466 engine and conducting emission testing. These results are being prepared for submission.

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

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>	<p>No additional problems have been identified.</p>
<p>Proposed Solution(s)</p> <p><i>(Please report any possible solution(s) to the problem(s) that were considered/encountered)</i></p>	
<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>	

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)*

During January we plan to complete the following:

Task 1: Deliver a written report (2.1.4) including a copy of the proposed verification testing protocol (2.1.1) and a copy of the written notice from CARB (2.1.2) accepting the proposed testing protocol and authorizing the submission of an application for Verification.

Task 1: Upon completion of Task 1 (2.1.4), receive permission from TCEQ to proceed to CEE for Testing.

Task 5: (2.5.1) Upon completion of Task 1, confirm with CEE that dynamometer time is reserved for testing and Proceed under Task Statement 2.5. Proceed with Verification Testing at CEE.

Tom C. Bana Date: 1/6/06
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.*