

OFFSHORE WIND & WATER SYSTEMS, LLC

ESTIMATED PAYBACK PERIOD FOR POTABLE WATER CONVERSION USING OFFSHORE WIND POWERED DESALINATION SYSTEMS

(Assumed population to be supported: 99,000)

ESTIMATED TOTAL PROJECT COST: \$59,946,000

ANNUAL COST SAVINGS: (Conventional desalination technology versus
Offshore Wind & Water Systems); **\$12,374,069**

NUMBER OF YEARS FOR PAY BACK: 4.8445

Pay back period assumptions:

1. Production capability requirements:

A population of 99,000 persons consumes 3,613,3,500,000 gallons of water per year using the world standard of 100 gallons per person per day.

2. Necessary offshore production facility costs:

	<u>Description</u>	<u>Cost</u>
a.	1 off shore control platform	\$ 9,407,200
b.	4 remote off shore platforms	34,678,800
c.	5 2MW wind turbines	14,000,000
d.	Support personnel	860,000
Total cost	\$59,946,000

Note: Platform costs include desalination units.

3. Expected life 25 years
3. Cost of equipment per year (Total cost/estimated life) \$2,397,840
4. Annual production (see above)3,613,500,000 gals.
Cost per gallon (annual cost / annual production) \$.0006638 / gal.
5. Cost using conventional design (Singapore) \$.0040882/gal.
Net cost saving per gallon \$.0034244 /gal.
Annual cost savings (annual prod X cost savings)..... \$12,374,069

Note:

Cost estimated for production facilities only, site survey and location will determine the actual cost of specifically designed facilities for location environmental conditions at the site.

No storage of process product is considered in the design, all infrastructure to connect the facilities with land based storage and distribution are outside of the described scope of supply.

Production of electric power beyond the facilities demand may be offloaded to local grid for additional savings.

Alternate use of the facilities in the production of potable water and electric power is an integral part, in the facilities design IE... 50% water production and 50% electric power production of the total capacity (100%) of the wind produced power, or mixed percentage thereof.

Alternate power sources may be back feed to the facilities when wind conditions do not allow for the production of power at the site.

A single platform will be manned at all times and serve as the control center of the overall location, all other platforms will be maintained and monitored from the control platform.

OWWST may operate the platforms on an annual bases under operations contract.

OWWST may offer to lease the equipment under a long term lease - purchase contract.