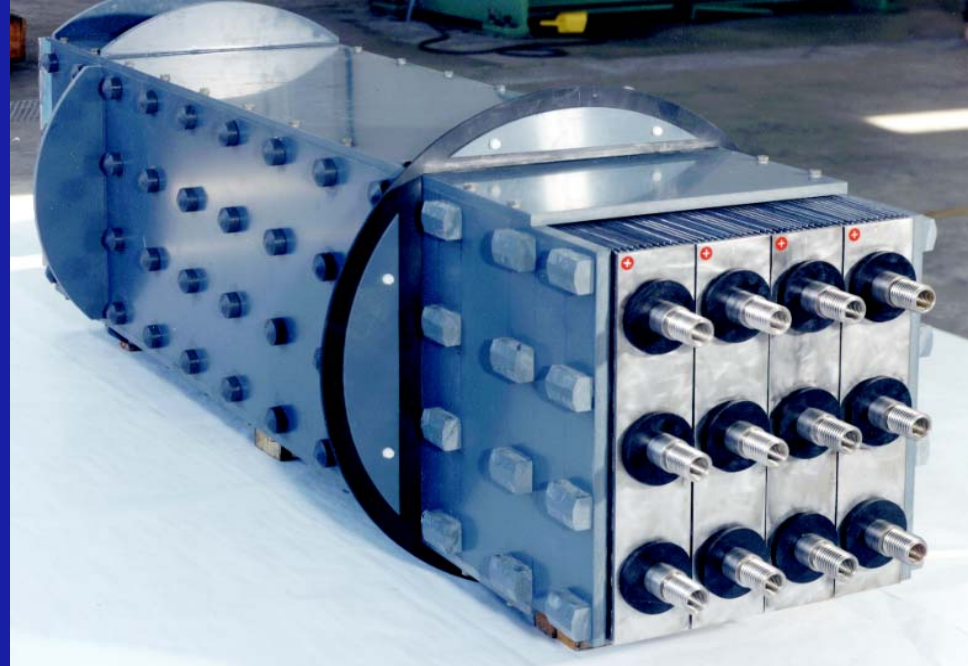


BalPure™

Electrolytic Ballast Water Treatment System

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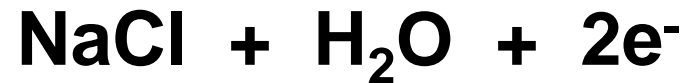


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Experience

- Installed Base of SANILEC systems producing over **1 million pounds per day** of chlorine equivalent worldwide
- Severn Trent DeNora accounts for 65% of the worldwide operating on-site hypochlorite capacity
- Over 400 systems operating in 59 countries
- Offshore applications 21 different size systems capable of producing from 3 to 2400 pounds per day of hypochlorite
- Installations since 1974

Chemistry of electrolyzing
sodium chloride

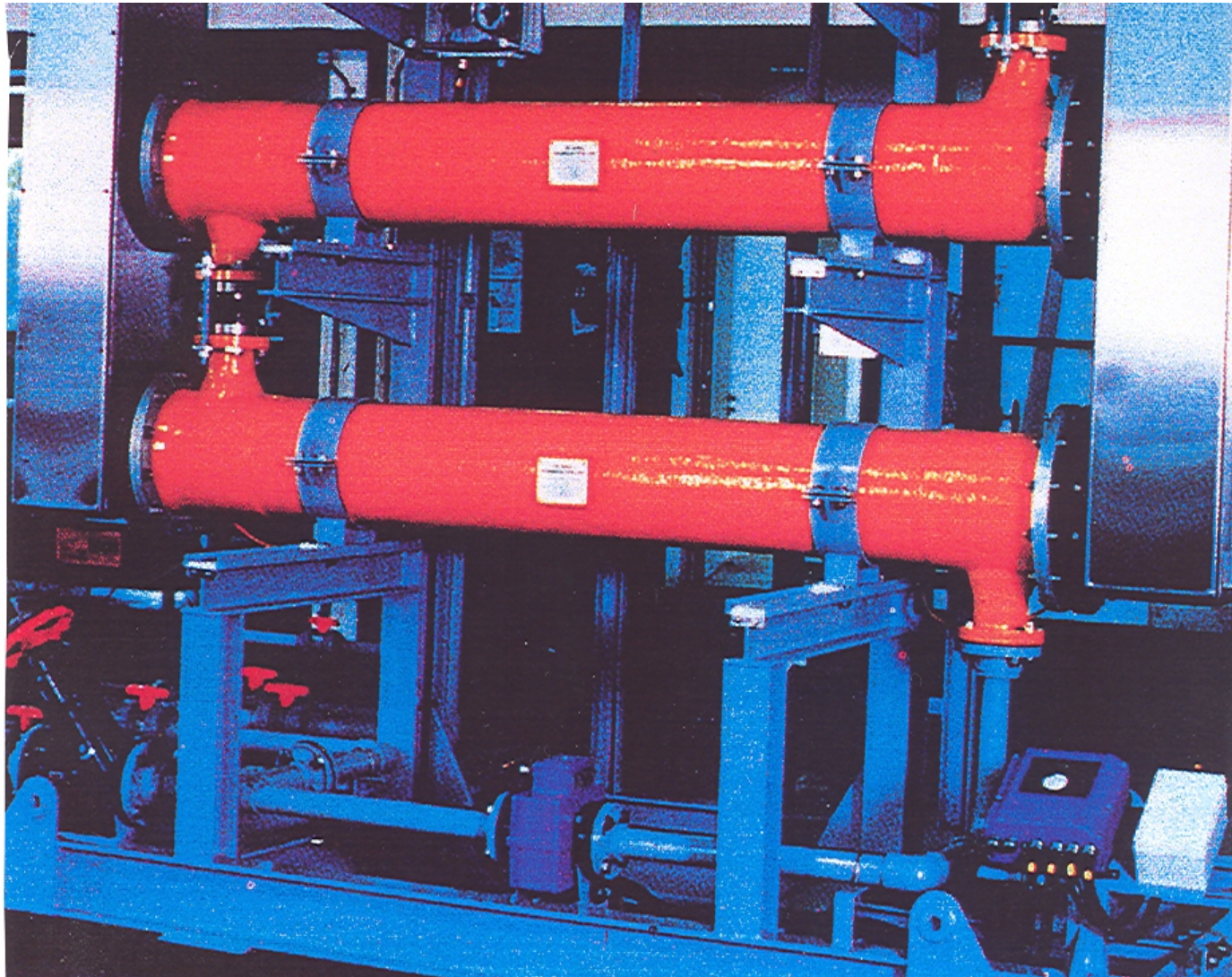


Salt+Water+Energy = Hypochlorite+Hydrogen

How Does It Work ?

- Seawater slip stream enters one end of the electrolytic generator
- DC electric current is passed between electrodes through the Seawater to generate products
- Hydrogen removed while hypochlorite and seawater injected into main ballast line
- Br (Bromine) in Seawater reacts to form OBr^- (Hypobromite) and $HOBr$ (hypobromous acid)
- $HOBr$ acts as an aggressive disinfectant when injected back into the main ballast line

Electrolytic Ballast Water Treatment



Typical Severn Trent DeNora Double Cell Generating Skid

Competitive Advantages

- Efficacy of Halogens for disinfection is well established
- Electrochemical oxidation is a well proven technology with 30 years experience in the offshore industry, marine, and coastal power plants
- STDN BalPure™ units are modular in construction and can be backfitted into existing vessels without major modifications
- Biocide has significant half life, solution mixes extremely well with ballast water, efficacy is not dependent on seawater turbidity
- Electrochemical oxidation systems are low cost vs. the alternate proposed technologies
- The cost of EC is appx. \$0.02 per M3 of ballast water treated (\$0.15/KWH generation cost)

Key System Components

- Hypochlorite Generation
 - + *Controlled Addition*
- Oxidant Monitoring
 - + *Residual Maintained*
- Oxidant Neutralization
 - + *Controlled Addition*
 - + *Excess Sulfite Monitoring*
- Data Logger

Oxidant Neutralization

- Use sodium sulfite
 - Also use as food, wine preservative
- $\text{Na}_2\text{SO}_3 + \text{Br}_2 + \text{H}_2\text{O} \rightarrow \text{Na}_2\text{SO}_4 + 2\text{HBr}$
- 4 gpl Na_2SO_4 already exists in seawater
- HBr will not decrease pH in highly buffered seawater

Marrowstone Marine Field Station

- Located on Marrowstone Island at the northwest entrance to Puget Sound
- Typically used for marine fish diseases and aquatic toxicology research
- Previously conducted ballast water bench scale testing at this US Geological Survey Facility
 - Previously tested UV, Ozone, Chemicals
- Seawater can be pumped from the Sound at a rate of 1500 liters per min (90 M³/hour)

Electrolytic Ballast Water Treatment

Marrowstone Marine Field Station



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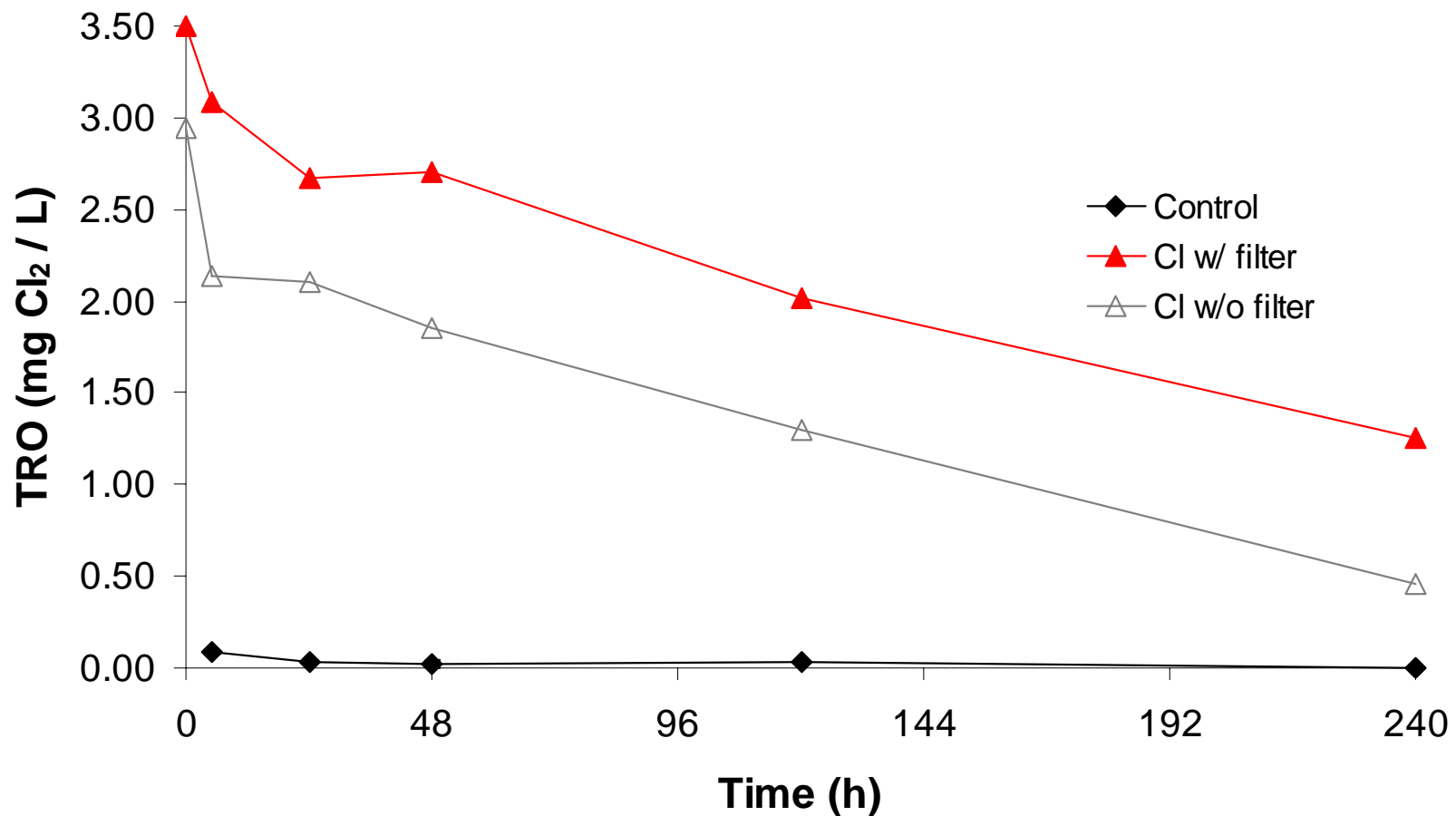
Parameters Measured

- Total Residual Oxidant (TRO)
- Live organisms as Zooplankton
- Chlorophyll as a measure of Phytoplankton
- Bacteria
- Toxicity of the water
- Disinfection By-Products (DBP)

- With or without Filtration: When initial hypo concentration is at least 3.0 ppm
 - *Culturable Bacteria reduced > 99.99%*
 - *Phytoplankton reduced > 99%*
 - *Mesozooplankton reduced > 99%*
- Filtration only impacts efficacy when hypo concentration is less than 1.5 ppm
- Bacteria grow back within 24 hours once residual oxidant is consumed

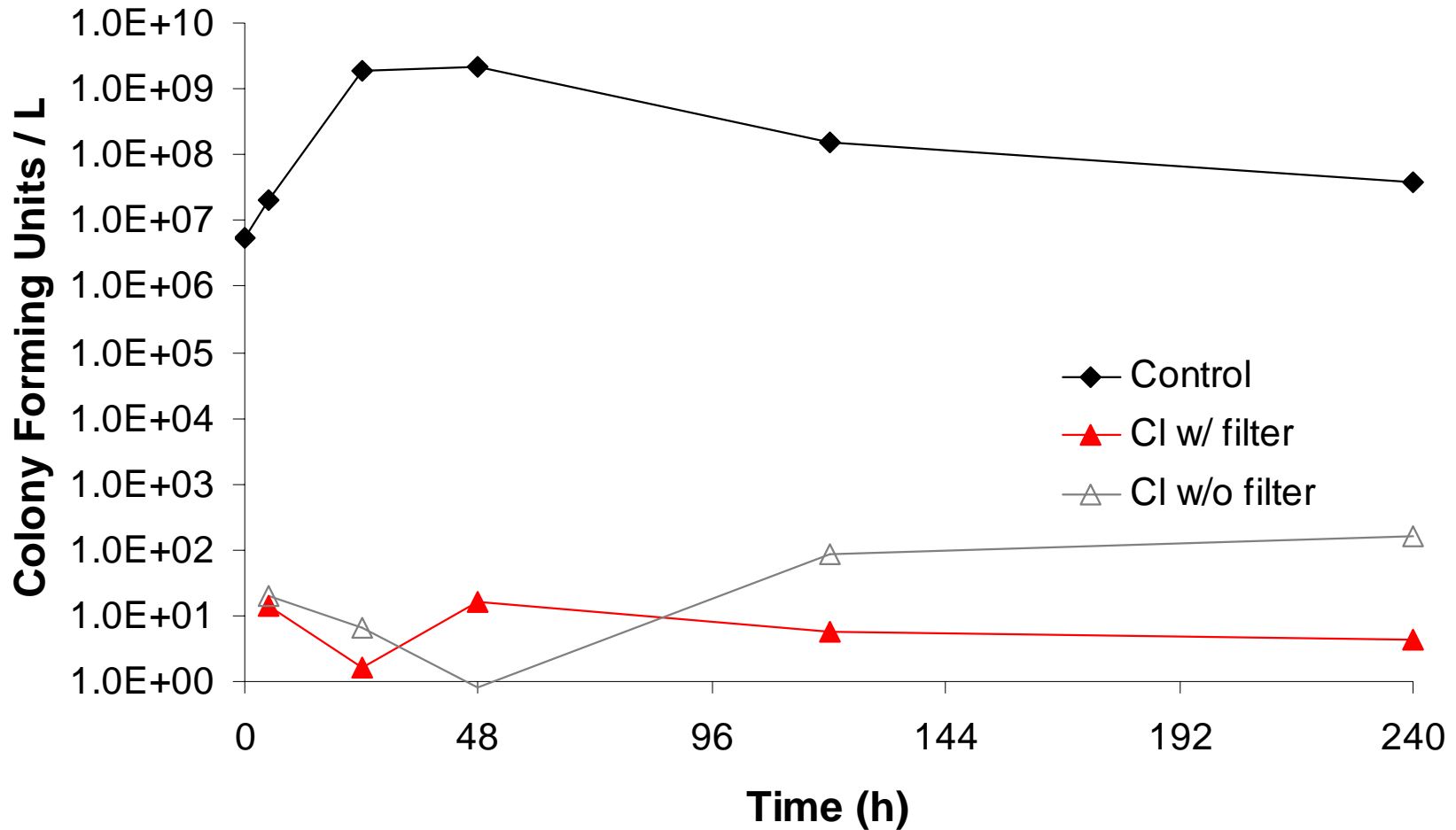
Test Results

Sodium Hypochlorite Generator / Filtration Experiment September 2004 Total Residual Oxidant (mg Cl₂ / L)



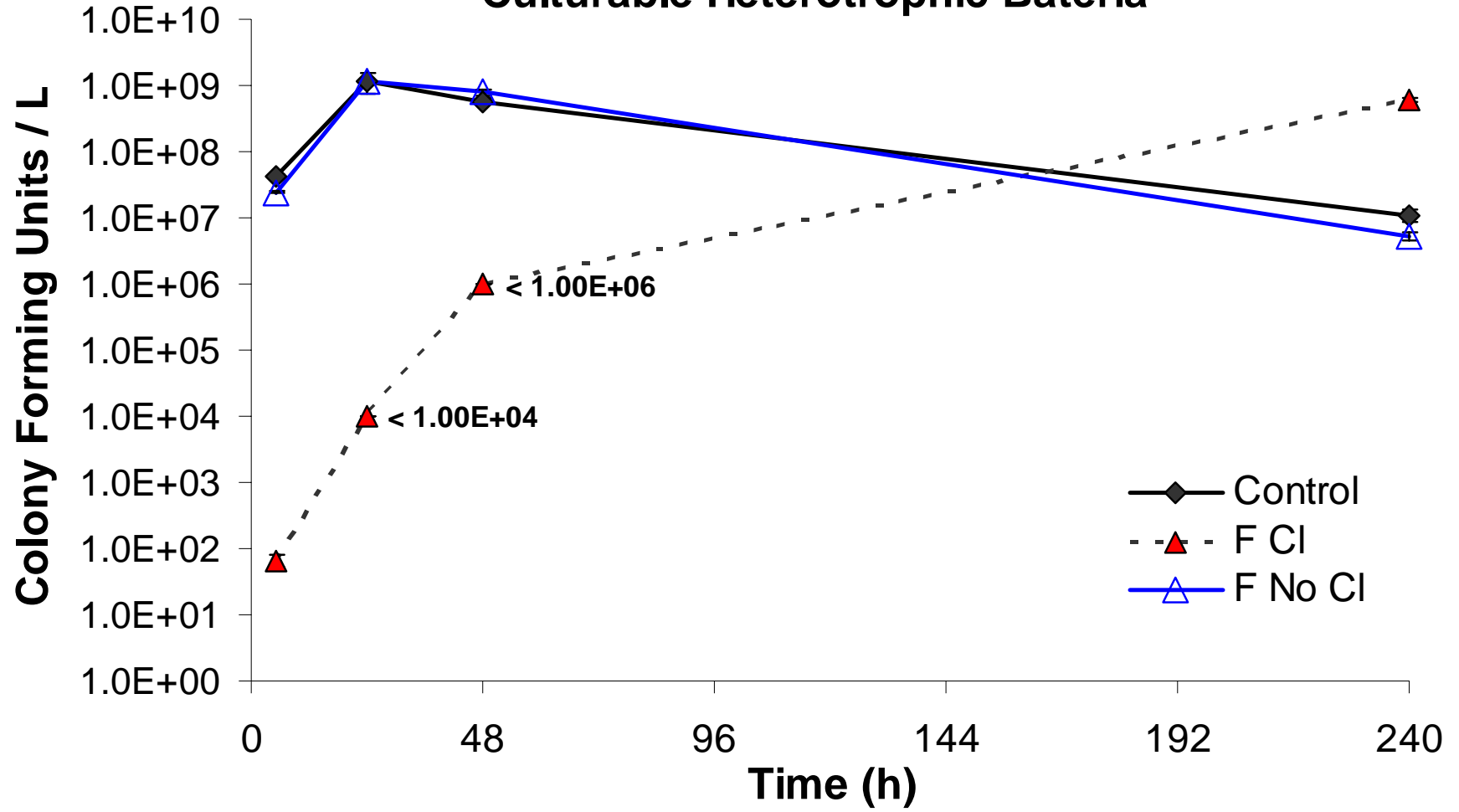
Test Results

Sodium Hypochlorite Generator / Filtration Experiment September 2004 Culturable Heterotrophic Bacteria



Test Results

Sodium Hypochlorite Generator / Filtration October 2004 Experiment 1 Culturable Heterotrophic Bacteria



- Ballast water has no toxicity once neutralized with sodium sulfite up to 22 ppm or ten times required
 - + Discharge Toxicology Studies Show No Effect On
 - *Herring Embryo*
 - *Mysid Shrimp*
 - *Bivalve Larval*
 - *Kelp*
 - *Diatoms*
- Disinfection By Products in effluent meet U.S. drinking water standards
 - + THM 68 ppb (80 ppb)
 - + HAA5 9 ppb (60 ppb)
 - + Bromate < 1 ppb (10 ppb)

Commercial Testing

- 1,000 M³ per hour system being tested by United States Coast Guard at the Naval Research Labs in Key West Florida
 - Test protocol is based on IMO G-8 standards for Ballast Water Treatment testing.
- STDN has received a grant from the National Oceanic and Atmospheric Administration (NOAA)
 - Conduct a shipboard demonstration test of the STDN Ballast Water Treatment System

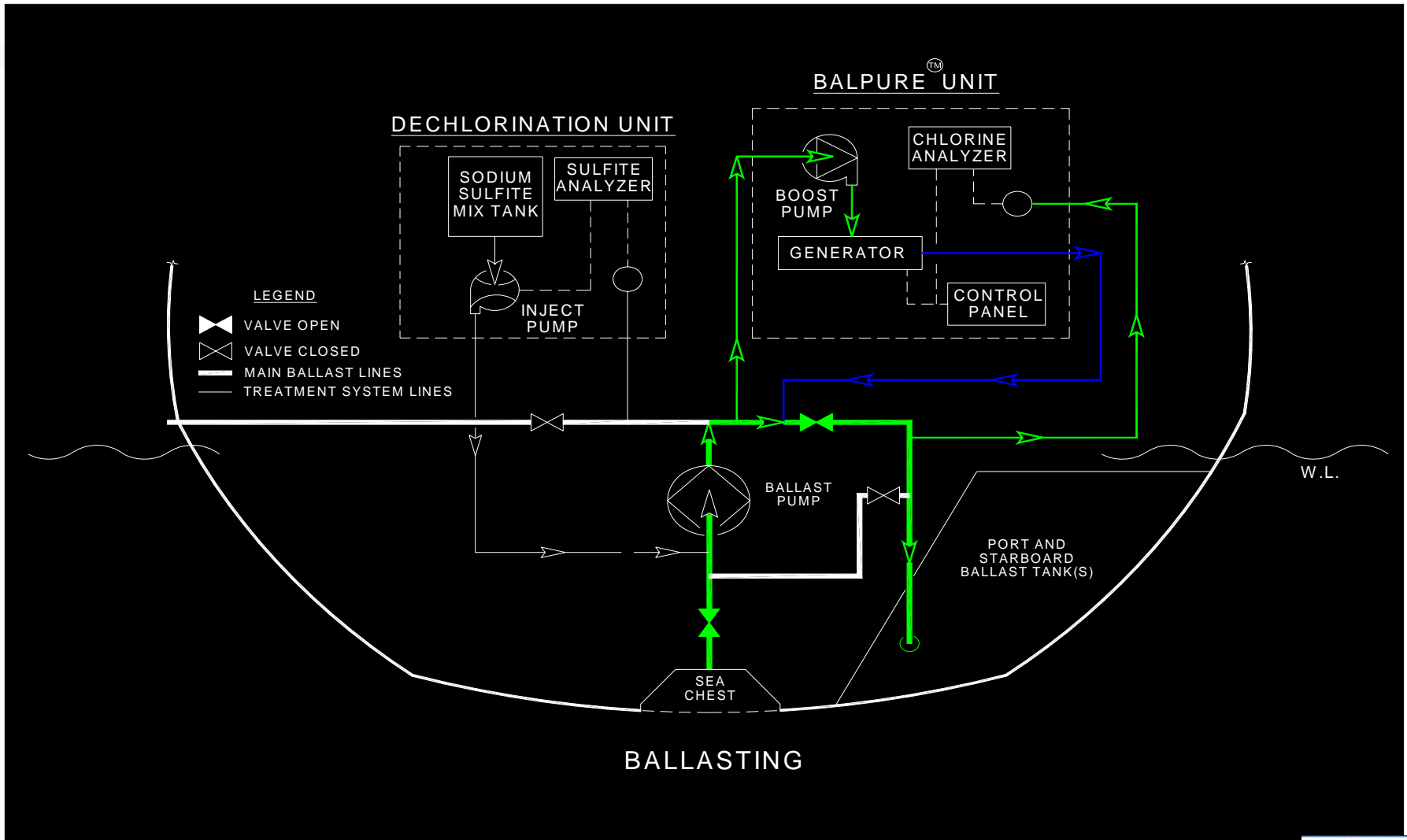
Commercial Testing

- Partnership formed with a major US vessel owner to install a BalPure unit on one of their vessels
 - Vessel route is between US cities on the Gulf Coast
 - System sized for 2,000 M³ per hour ballast flow
 - Treatment System will be installed in six major components
 - Electrolyzers
 - Control Panel and transformer / rectifier
 - Hydrogen separation
 - Booster pumps
 - In line analyzers
 - sulfite addition
- Installation to occur at end of second quarter 2007

Commercial Certification

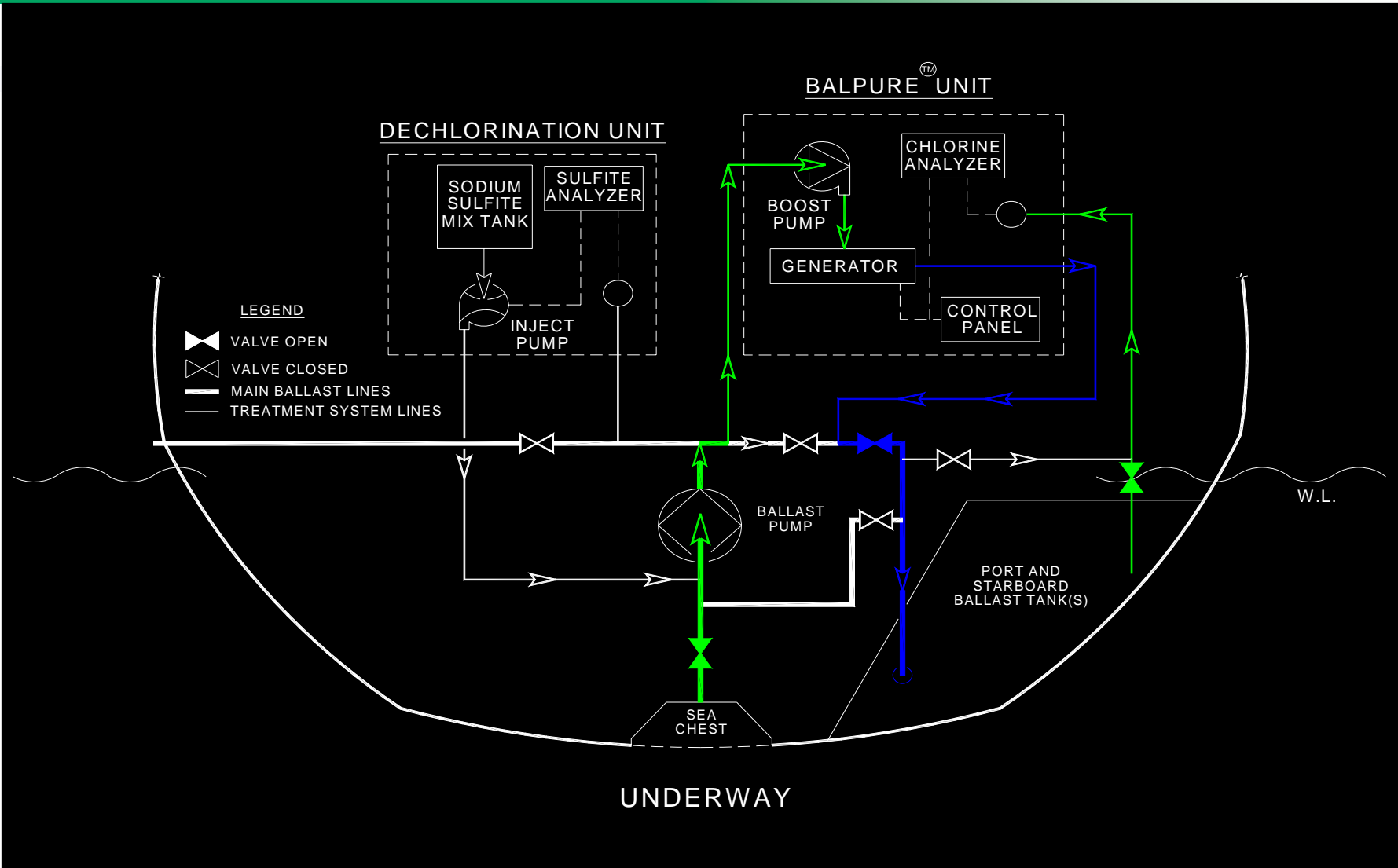
- Vessel owner and STDN will apply to the United States Coast Guard (USCG) Shipboard Technology Evaluation Program (STEP)
 - Pilot testing data completed
 - Environmental impact data developed
- BalPure™ Ballast Water Treatment System is patent pending

Electrolytic Ballast Water Treatment



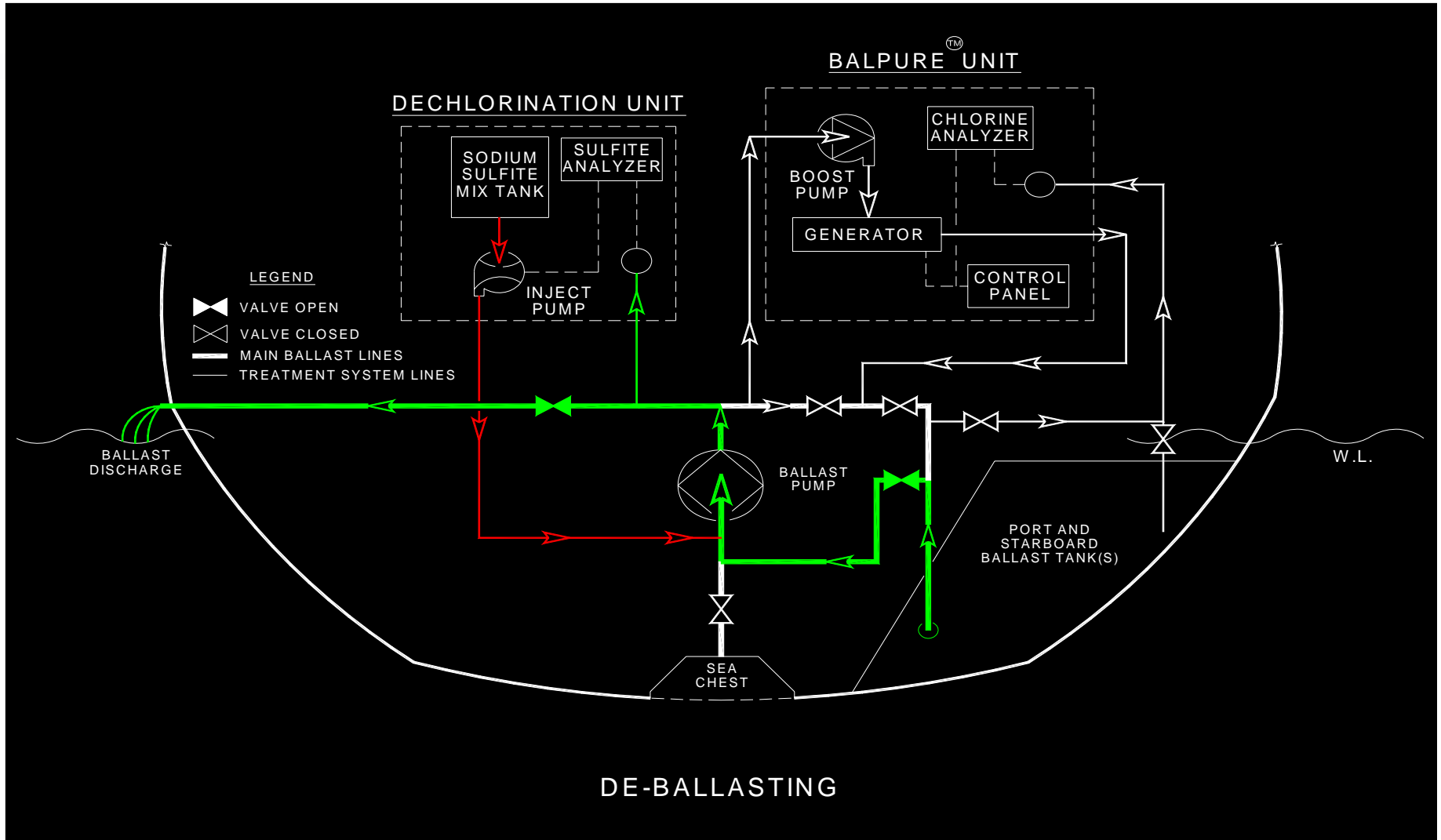
Metered Disinfection While Ballasting

Electrolytic Ballast Water Treatment



Sampling while Underway

Electrolytic Ballast Water Treatment



Metered Dechlorination while Deballasting

NRL Unit 1000 M3/Hr @ 5 ppm



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Electrolytic Ballast Water Treatment

Estimates for 1000 M³ / Hr BWT Unit

- Power
 - 52 AC KVA
- Process Water
 - None required
- Instrument Air
 - None required
- Sulfite for dechlorination
 - 2 Kg (7.7L) per 1,000M³ ballast
- Maintenance
 - 4 hours per month
- Base Unit Cost
 - \$440K

2000 M³ / Hr System Dimensions

ITEM	DIMENSIONS (M) Length X Width X Height	WEIGHT (Kg)
Generator	2.3 X 0.6 X 2.2	260
Transformer/Rectifier & Control Panel	2.4 X 0.6 X 2.0 (1.1 X 1.3 X 2.0)	820 (400)
Degas	1.6 X 0.6 X 1.7	91
Booster Pumps	1.2 X 1.2 X 1.6	136
Analyzers	1.4 X 0.4 X 1.5	105
Sulfite Addition	0.4 X 0.3 X 1.1	68
Overall	3.7 X 1.8 X 3.1	3,325

Conclusions

- Meets IMO standards for Ballast Water Management
 - Destruction of living organisms
 - Bacteria inactivated
- De-chlorinated Effluent is not Toxic
- DBPs can be below drinking water standards
- Filtration is not required to meet IMO standards
- Operating cost is less than \$0.02 / M3 of ballast water