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February 17, 2015

To: Josh Alcorn @ Biden.com

From: A. Michael Ruggiero  
Director of Manufacturing, Oil Free LLC  
118 Boyce Ave. Laurel, DE 19956-1212

Subject: Cover Letter for Josh Alcorn

Josh:

Please find included in this document package a; Talking Points Document that Leonard Wallace, yourself and I discussed briefly in a conference call the Friday before last on January 30. Included are an index page and several pages of documentation. The origin of that documentation and the highlighted reference material as it pertains to Delaware are included. My apologies if you had expected this package of documents earlier. But here at Oil Free we have been experiencing many letters of interest from qualified entities and it has taken Lenny and me a considerable amount of time to give each one the consideration they deserve.

Please review the documents at your earliest convenience. Please feel free to call Lenny or myself as questions arise. Lenny and I may be reached at these numbers.

For Lenny, his number is 954-420-2999. That will reach Lenny directly and it has a cell phone patch-in if needed. Or if you call me at 302-245-5087, I can conference with Lenny at any time. Thank you.

Regards,

A. Michael Ruggiero / Oil Free LLC.

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February 17, 2015

A. Michael Ruggiero  
118 Boyce Ave.  
Laurel, DE 19956-1212

Subject: Authorization Letter

Michael:

Your role in heading up our operations in Delaware will include you working with Oil Free LLC. to identify the location of , establish , staff and manage the Oil Free presence and Facilities in Delaware . As Director of Manufacturing, you will be interfacing with Oil Free LLC and the State of Delaware and their various agencies and organizations.

Regarding the February 9, 2015 Oil Free Presentation , this is to authorize you to represent Oil Free as appropriate and to show the Wallace HOD System Video in your possession and distribute its transcript to selected individuals at your discretion as it regards to assisting Oil Free in its activities to commercialize its technology . That involvement may include, as you see, your enlistment of other qualified individuals to represent Oil Free LLC.

I look forward to working with you regarding these activities.

Best Regards,

Leonard D. Wallace



Chairman and Sole Stockholder

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February 17, 2015

Talking Points – Page 1.

1. Leonard D. Wallace Chairman and sole stockholder of Oil Free LLC states that the United States of America can become totally self-sufficient, produce sufficient electrical energy via power generation to replace the entire electrical grid over five (5) years, and eliminate all fossil fuel and natural gas emissions at NO TAXPAYER COST....at all. It is public knowledge that the Executive Branch in Washington D.C. would like to eliminate the use of fossil fuels, which release the poison carbon emissions to the atmosphere.
2. Exclusive of any reaction by the Executive Branch in Washington D.C. Oil Free LLC is willing to grant the United States of America and the State of Israel the use of the Wallace HOD technology free of charge for perpetuity, as long as there is no resale to any civilian and military entities. A great example of the use of the Wallace HOD system is the U.S. Navy Hydrogen Project at the Washington D.C. Navy Yard. They expect to have a hydrolyzer available so they can use sea water to fuel the Navy of the future. Expectations are that this could be realized in about ten (10) years....the Wallace HOD system is seven (7) to ten (10) years ahead of the U.S. Navy technology.
3. The Wallace HOD system, used on large power generation units, have the capacity to effectively replace the existing antiquated electrical grid in all 50 states of the United States of America over a five year period. A cost reduction of a minimum of 50% will be realized by the retail and commercial customers.
4. Attached is a 3 page letter to Caterpillar with a reference to a power generation plant in Ulysses, Kansas that is presently running and generating a minimum of 100 MW daily. Also attached are 5 other pages of Caterpillar Power Generation Stations in other parts of the world that are generating power. When a Wallace HOD system is added to a Caterpillar unit, the Wallace HOD Hydrolyzer becomes the fuel supply extracting hydrogen from water via electrolysis. The fuel cost of natural gas is eliminated, and carbon emissions are reduced to zero. It should be noticed that the gaseous state of natural gas is almost identical to the gaseous state of hydrogen produced by electrolysis.
5. The Exhibit structure for the State of Delaware  
NO TAXPAYER DOLLARS NEEDED

Talking Points – Page 2.

5A. The current electricity cost for the State of Delaware in all sectors, residential, commercial, and industrial is approximately \$4,380,000,000 yearly according to the U.S. Energy Administration.

5B. Using the Wallace HOD System with a Caterpillar Generation system, the \$4,380,000,000 spent yearly for electricity in the State of Delaware would be reduced to \$2,190,000,000 yearly.

5C. The total income would be \$2,190,000,000 yearly for the entire State of Delaware.

5D. The Newco may decide to distribute its total income as follows:

- Management and employment - \$1,095,000,000 yearly
- Finance Reserve - \$259,200,000 yearly

5E. The estimated purchase cost, excluding installation and fees, to buy 360 Caterpillar G20CM34 10MW power generation gensets is figured at \$12,000,000 each. The total is \$4,320,000,000.

5F. The six (6%) percent annualized rate for tax free financing for the \$4,320,000,000 would be \$259,200,000 yearly. This would leave a surplus of \$835,000,000 yearly for the Newco.

6. With the use of these new technology Caterpillar Gensets, fitted with the Wallace HOD system, the cost savings will be 50%, as compared to generating costs using diesel fuel, natural gas, or coal. This cost savings should reflect directly to the consumer who will now have more cash to expand the local economy in Delaware.

7. Combined statistics from the State of Delaware and the United States show that the State of Delaware uses 3,000 Megawatts per day; this number encompasses all users of electricity. The required purchase for equipment to produce the required capacity is 360 Caterpillar G20CM34 10MW gensets. The gensets are coupled to reach the requirement for each location such as that for the Rubart Station facility near Ulysses, Kansas, which couples 12 gensets and includes a 20% safety margin. This is the largest natural gas power generation system in the world. Reference the Caterpillar Website [www.catpower.com](http://www.catpower.com)

8. HEALTH and WELFARE Benefits to save Lives: The mortality rate due to the rate of cancer deaths in the 12 mile radius area of the various Power Plants, especially the Pepco owned Delmarva Power Plant in Millsboro, has been calculated to be \$980,000,000 to \$2,000,000,000 for years 2013 to 2020 in Delaware. For the Mid-Atlantic Region, for the same time period, those numbers go from \$13 Billion to \$29 Billion! These statistics are from The Delmarva Power Integrated Resource Plan. The use of the Wallace HOD system offers a solution to those pollution-related costs.

Talking Points – Page 3.

9. References for the Index Page:

- Catalysis Center for Energy Innovation (University of Delaware)
- State of Delaware Energy Profile
- EIA US Energy Information Administration
- Delmarva Power Integrated Resource Plan

Leonard D. Wallace

A handwritten signature in blue ink, appearing to read "Leonard D. Wallace".

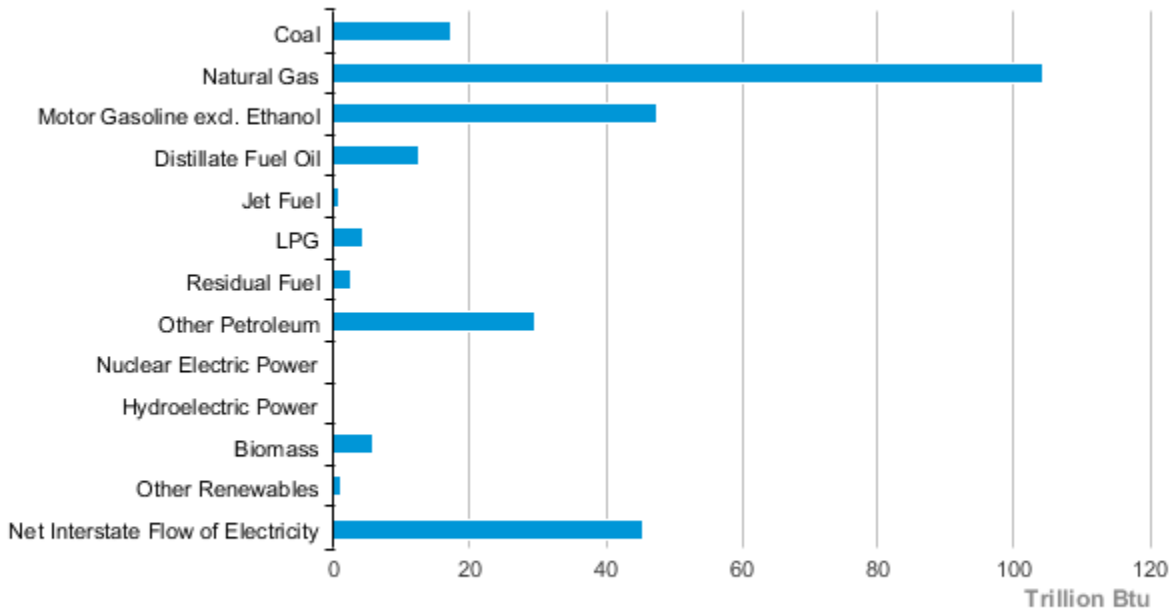
Chairman and Sole Stockholder

## Quick Facts

- A refinery with a capacity of 182,200 barrels per day in Delaware City was reactivated in 2011.
- Delaware produces no natural gas; its supply comes from an interstate natural gas pipeline system.
- In 2013, Delaware generated 75% of its electricity from natural gas and 21% from coal.
- The U.S. Department of the Interior has issued a lease for a wind farm off the Delaware coast; the state's government and legislators have supported offshore wind but lease development has not begun.
- Delaware's Renewables Portfolio Standard requires retail electricity suppliers to obtain 25% of the electricity sold in the state from renewable energy resources, with at least 3.5% from photovoltaics, by the compliance year June 2025--May 2026.

Last Updated: March 27, 2014

## Delaware Energy Consumption Estimates, 2012



 Source: Energy Information Administration, State Energy Data System



## Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State, November 2014 and 2013 (Cents per Kilowatthour)

Source: [http://www.eia.gov/electricity/monthly/current\\_year/january2015.pdf](http://www.eia.gov/electricity/monthly/current_year/january2015.pdf) - (Page 123)

Census Division and StateGraph	Residential		Commercial		Industrial		Transportation		All Sectors	
	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013
New EnglandGraph	17.98	16.54	14.04	14.02	10.97	11.64	8.98	12.97	14.99	14.44
ConnecticutGraph	19.87	18.21	15.18	14.74	12.45	12.90	11.62	11.17	16.79	15.98
MaineGraph	15.82	14.39	12.70	11.70	8.14	7.88	--	--	12.49	11.70
MassachusettsGraph	17.57	16.05	13.70	14.23	11.63	12.36	7.47	13.77	14.70	14.31
New HampshireGraph	18.22	16.43	14.37	13.45	11.40	11.21	--	--	15.34	14.21
Rhode IslandGraph	16.69	15.97	13.26	13.48	11.96	11.80	15.30	13.67	14.36	14.25
VermontGraph	17.11	17.54	14.74	14.82	9.95	10.26	--	--	14.42	14.65
Middle AtlanticGraph	16.05	15.50	12.95	12.09	7.07	6.73	11.55	11.92	12.77	12.16
New JerseyGraph	15.60	15.33	12.20	12.29	10.24	10.13	10.44	11.56	13.25	13.13
New YorkGraph	19.46	18.48	15.28	13.65	6.21	4.55	12.56	13.10	15.36	14.27
PennsylvaniaGraph	13.18	12.97	9.53	9.17	6.97	6.81	7.82	7.39	9.93	9.69
East North CentralGraph	12.77	12.04	9.91	9.43	6.82	6.47	7.13	5.37	9.75	9.23
IllinoisGraph	12.04	10.21	8.56	7.73	6.13	5.60	6.88	4.93	8.90	7.83
IndianaGraph	11.46	11.04	10.12	9.60	6.90	6.65	11.65	11.38	9.06	8.67
MichiganGraph	14.40	14.59	10.89	10.89	7.45	7.33	11.70	9.89	10.90	10.94
OhioGraph	12.79	11.88	10.05	9.35	6.62	6.05	8.11	6.84	9.85	9.14
WisconsinGraph	13.79	13.61	10.73	10.72	7.55	7.36	--	--	10.63	10.50
West North CentralGraph	10.70	10.53	8.67	8.46	6.23	6.22	8.27	8.40	8.59	8.43
IowaGraph	10.52	10.88	7.88	8.05	4.77	5.34	--	--	7.12	7.64
KansasGraph	12.21	11.40	10.02	9.21	7.35	6.80	--	--	9.90	9.14

Census Division and StateGraph	Residential		Commercial		Industrial		Transportation		All Sectors	
	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013
MinnesotaGraph	11.83	11.64	9.23	9.21	6.75	6.93	9.25	10.19	9.26	9.24
MissouriGraph	10.03	9.80	8.14	7.84	5.54	5.43	6.87	6.80	8.39	8.09
NebraskaGraph	10.12	9.93	8.23	8.29	6.88	6.49	--	--	8.33	8.08
North DakotaGraph	8.74	8.85	8.16	8.08	7.98	7.13	--	--	8.28	8.02
South DakotaGraph	10.46	10.06	8.66	8.37	6.87	6.77	--	--	8.94	8.67
South AtlanticGraph	11.61	11.30	9.78	9.46	6.48	6.33	9.20	8.75	9.88	9.61
DelawareGraph	14.05	13.41	10.24	10.36	8.86	8.37	--	--	11.73	11.09
District of ColumbiaGraph	12.75	12.88	12.06	12.16	6.77	4.63	NM	9.68	11.96	12.04
FloridaGraph	12.20	11.51	10.28	9.67	7.93	7.63	9.67	8.96	11.00	10.40
GeorgiaGraph	10.65	10.48	10.37	9.87	6.15	5.77	5.73	7.41	9.42	9.04
MarylandGraph	13.18	13.15	10.87	10.76	8.47	8.05	9.75	8.57	11.71	11.62
North CarolinaGraph	10.65	10.93	8.43	8.60	5.94	6.05	7.80	8.28	8.71	8.92
South CarolinaGraph	12.35	11.85	10.42	10.02	6.10	5.95	--	--	9.33	8.97
VirginiaGraph	11.54	10.99	8.49	8.20	7.13	6.74	8.55	8.66	9.46	9.07
West VirginiaGraph	9.32	9.36	8.16	8.21	5.88	6.09	9.11	8.37	7.67	7.81
East South CentralGraph	10.64	10.31	10.28	9.81	5.70	5.52	8.04	11.73	8.76	8.42
AlabamaGraph	11.12	10.75	11.01	10.49	5.99	5.38	--	--	9.04	8.42
KentuckyGraph	10.08	9.60	9.30	8.77	5.32	5.42	--	--	7.85	7.61
MississippiGraph	11.71	11.32	11.07	10.34	6.29	6.11	--	--	9.46	9.07
TennesseeGraph	10.19	10.01	10.02	9.74	5.35	5.42	8.04	11.73	8.91	8.78
West South CentralGraph	11.01	10.90	8.17	7.91	5.75	5.67	5.53	8.08	8.31	8.16
ArkansasGraph	9.69	9.67	8.02	7.78	5.76	5.58	12.22	NM	7.67	7.52
LouisianaGraph	8.83	9.15	8.48	8.76	5.07	5.74	8.60	8.50	7.22	7.68

Census Division and StateGraph	Residential		Commercial		Industrial		Transportation		All Sectors	
	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013	Novem ber 2014	Novem ber 2013
OklahomaGraph	9.63	9.61	7.35	7.04	5.21	5.02	--	--	7.47	7.27
TexasGraph	11.94	11.68	8.25	7.90	6.07	5.77	5.32	7.66	8.81	8.51
MountainGraph	11.24	11.02	9.40	9.23	5.91	5.98	10.55	10.67	8.84	8.71
ArizonaGraph	11.17	11.06	9.49	9.29	5.97	6.11	--	--	9.31	9.27
ColoradoGraph	11.61	11.65	9.84	9.96	6.78	7.49	10.86	10.48	9.53	9.78
IdahoGraph	9.82	9.54	7.80	7.54	5.66	5.33	--	--	8.03	7.73
MontanaGraph	10.32	10.27	9.81	9.61	5.46	5.27	--	--	8.72	8.57
NevadaGraph	13.62	13.07	9.83	9.71	4.62	4.78	8.95	8.21	8.27	8.17
New MexicoGraph	11.60	11.09	9.86	9.48	6.07	6.06	--	--	9.01	8.73
UtahGraph	10.72	10.10	8.50	8.10	5.73	5.36	10.40	11.27	8.22	7.64
WyomingGraph	10.66	10.24	9.03	8.76	6.56	6.41	--	--	7.78	7.54
Pacific ContiguousGraph	13.81	13.50	13.46	12.80	8.51	8.45	8.22	7.37	12.47	12.02
CaliforniaGraph	17.05	16.80	15.45	14.67	11.93	11.40	8.18	7.31	15.30	14.66
OregonGraph	10.56	10.00	8.88	8.52	6.15	6.28	9.31	9.05	8.89	8.58
WashingtonGraph	8.66	8.70	8.12	7.95	4.40	4.49	8.89	8.52	7.16	7.18
Pacific Noncontiguous Graph	27.81	28.57	25.43	26.22	25.09	26.59	--	--	26.04	27.04
AlaskaGraph	19.47	18.33	17.53	16.49	15.72	15.98	--	--	17.82	17.02
HawaiiGraph	35.06	37.24	32.59	34.61	28.51	30.52	--	--	31.67	33.77
U.S. TotalGraph	12.46	12.09	10.55	10.12	6.67	6.59	10.11	10.40	10.15	9.83

- See Technical notes for additional information on the Commercial, Industrial, and Transportation sectors.
- Notes: - See Glossary for definitions. - Values are preliminary estimates based on a cutoff model sample.

- See Technical Notes for a discussion of the sample design for the Form EIA-826.
- Utilities and energy service providers may classify commercial and industrial customers based on either NAICS codes or demands or usage falling within specified limits by rate schedule.
- Changes from year to year in consumer counts, sales and revenues, particularly involving the commercial and industrial consumer sectors, may result from respondent implementation of changes in the definitions of consumers, and reclassifications.
- Totals may not equal sum of components because of independent rounding.

Source: U.S. Energy Information Administration, Form EIA-826, Monthly Electric Sales and Revenue Report with State Distributions Report.

Link: [http://www.eia.gov/electricity/monthly/current\\_year/january2015.pdf](http://www.eia.gov/electricity/monthly/current_year/january2015.pdf)

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February 17, 2015

The following 4 documents are attached:

1. January 16 letter and attachment from Oil Free to Caterpillar Energy Solutions (7 pages)
2. U.S. Power Grid Opportunity (1 page)
3. Cummins Power Generation Information (1 page)
4. Cover letter regarding the December 10 Oil Free Presentation (2 pages)

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*sent via FedEx Waybill 8030 0014 7080*

January 16, 2015

Dean Powell  
General Manager  
Cat Power Plants & Key Accounts  
Caterpillar Energy Solutions  
13105 Northwest Freeway, Suite 910  
Houston, TX 77040  
713.329.2298

Dean:

We have been following with great interest your project with Mid-Kansas Electric that was announced this past September. We understand that the Rubart Station facility located near Ulysses, Kansas is powered by 12 CAT® G20CM34 natural gas-fired, reciprocating generator sets that produce 110 MW of power and make Caterpillar's largest natural gas power plant worldwide.

I am now writing to introduce Oil Free to you. After 7 years of development, Oil Free is now ready to launch its products and technology. The Wallace HOD System produces hydrogen by subjecting water to a very efficient form of electrolysis. The acronym HOD refers to "hydrogen on demand" because hydrogen is only produced according to the rate that is required by an application by an internal combustion engine, whether it would have been previously powered by gasoline or diesel.

The introduction of the Wallace HOD System will cure the fossil fuel cancer that has been afflicting the entire world for decades. Oil Free will produce many game-changing effects on a global basis. Clearly, a product like this can have a tremendous impact in many large markets throughout the world.

Oil Free is not in the engine business. We simply will be providing our hydrolyzer units so they can be used as fuel suppliers that can be bolted on to engines, such as CAT's. Our unit's volume is only a 9-inch cube, and it can meet the fuel needs of an engine developing up to 500 horsepower. Larger sized Wallace HOD Systems can equip larger engines as required. By eliminating the need for fossil fuels, the introduction of the Wallace HOD System will create the dawn of a new age as the world can literally now become repowered.

Besides being immensely economical, the Wallace HOD System permits all types of internal combustion engines to provide power that is both sustainable and environmentally-friendly.

My purpose in providing you and your organization with this information is because we are interested in exploring with you possible ways that CAT could team with Oil Free in the power generation area. For example, since each CAT G20CM34 natural gas-fired reciprocating generator set is rated at 10 megawatts, 15 of these gensets units can replace the power of a medium-size power plant that typically develops 150 megawatts.

Looking at the larger picture, assuming that each new power generation facility is comprised of 12 of these gensets just like the operation used by Mid-Kansas Electric, gradually upgrading and strengthening the U.S. power grid (1,025 gigawatts) over a 5-year program, along with a 40% reserve capacity for expansion and safety margin, would require the annual equivalent of some 2,400 of these facilities during each of 5 years! We could even consider partnering with CAT on a global exclusive basis in the area of power generation.

We have had ongoing discussions with Turner Construction Company out of their Florida headquarters in Miami, and they are well qualified to be awarded the contracts to construct all facilities related to Oil Free electric power grid projects both in the U.S. and around the world. These projects would be done in concert with architecture firms like BRPH Architects, which is an international architecture and engineering design and construction services firm that has offices in Florida and throughout the U.S. All installation of equipment and related logistics is planned to be done by companies such as Bechtel Group and Halliburton. These power generation facilities would all be equipped with hydrogen-burning engines and bolted-on Wallace HOD Systems.

I invite you to view our [oilfreellc.com](http://oilfreellc.com) website where you can see description of many of our plans. From that website, a video is available that shows the Wallace HOD producing hydrogen on an "on-demand" basis. This video clearly demonstrates how Oil Free LLC has created what no one else in the world has been able to accomplish. Attached are a script and comments page for this video. Once I speak with you, I will provide you with that password.

All of the technology associated with the Wallace HOD System is controlled by Oil Free. The inventor of this technology has entered into a 99-year Rights Agreement that gives Oil Free the exclusive right to market and commercialize this technology. A copy of that agreement can be found on our website.

I, Leonard D. Wallace, am the founder, sole stockholder, chairman and CEO of Oil Free LLC, a Florida corporation. I and Oil Free LLC are both debt-free, and neither entity is engaged in any litigation, nor are we aware of any pending litigation.

Lastly, I want to mention to you that I definitely have prior experience working with CAT since back when, I exported D8 tractors and 619 earth movers from a company outside of Philadelphia called Giles and Ransome to Rio de Janeiro where that equipment was used to complete the Brazilian link of the Pan American Highway. That was so long ago that the controls were actually cables instead of hydraulics.

I look forward to soon speaking with you once you have had an opportunity to review this information. The best number to reach me at is 954 420 2999.

Best regards,

A handwritten signature in blue ink, appearing to read "Leonard D. Wallace".

Leonard D. Wallace  
Chairman and Sole Stockholder

Attached: Video script and comments page (4 pages)



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August 27, 2014

## Oil Free Video Transcript

*(Start of video)*

Narration: This presentation shows a demonstration of the Wallace HOD system. (logo above text)

<New still image>

Narration: This presentation is a production of Oil Free LLC. Our address is 4077 Harwood – F, Deerfield Beach, Florida, zip code 33442, USA. Our telephone number is area code 954-420-2999. Our email address is [oilfree@live.com](mailto:oilfree@live.com), and our website is [www.oilfreellc.com](http://www.oilfreellc.com).

<New still image>

Narration: The following is an affidavit:

<New still image>

Narration: I, Leonard D. Wallace, hereby attest that this video is an accurate and genuine portrayal of the Wallace HOD System, and specifically, that only a single power source was used. I swear, under pain of penalty for perjury, that this is a true and correct document.

Signed: Leonard D. Wallace  
Chairman and Sole Stockholder

Date: January 20, 2014

<New still image>

Company logo only then fade

<New still image>

Narration: This video shows a demonstration of the Oil Free hydrolyzer test unit. Thanks to many technical breakthroughs, we have a patented system that includes a hydrolyzer that we refer to as the Wallace HOD System. The acronym HOD, refers to “hydrogen on demand” because hydrogen is only produced according to the rate that is required by an application to any internal combustion engine, whether it would have been previously powered by gasoline or diesel.

We are able to produce hydrogen from water by means of electrolysis, which means we are subjecting water to electrical and other stimuli so that it breaks down into its two components of hydrogen and oxygen.

*<New still image> The following text comes up, with the three pictures cycling while it is being narrated:*

Narration: For identification purposes, you are seeing three photos, in order, that identify the top chamber, the electron gun at the bottom, and the power supply.

*<New slide> Video starts and continues for 2 minutes, 20 seconds. While it is playing, the following narration is appearing above the video*

Narration: As the video begins, you see that at the bottom of the cavity is an electron gun that generates electrons that are ionized in the top chamber. Through resonance and some additional techniques, we again amplify the electrons that are available.

Here is the power supply. The system is operated at 12 volts. You can see that the ammeter reading is almost zero.

As the unit is turned on, you can see how quickly the hydrogen is produced. You are seeing a large amount of hydrogen bubbles as they are being channeled into their own vortex into the top chamber. There is a pulsing action in the top chamber which filters the hydrogen back and that creates a negative pressure condition.

On startup, the amperage will spike to 2 to 3 amps, but the actual steady state power usage is now at about 1 amp at 12 volts, so that only 12 watts of power is required. This is a very important achievement.

This unit is designed to produce 200 liters of hydrogen per minute, and is so efficient that it can continue to produce hydrogen for a period after the power has been turned off.

*<New slide>*

Narration: Let me talk about how the fuel, which is hydrogen, will be input into an automotive or truck engine. Since all 12 of the U.S.-based automotive manufacturers, as well as others around the world, now use a fuel pumping system to move fuel from the fuel tank to the engine, this same system will support sending water to the Wallace HOD System.

*<New slide>*

Narration: Then, the hydrogen that is produced will be outputted to these internal combustion engines via a carburetor or fuel injectors, depending on the engine design. For any situation, the factory-installed key start ignition systems now being used will not be changed.

Page 3 of 3

*<New slide>*

Narration: Very importantly, the electrical power required by the hydrolyzer is minimal compared to the energy from the hydrogen that is output.

This means that no changes are needed to the vehicle's charging system or battery capacity to operate the hydrolyzer.

*<New slide>*

Narration: The Wallace HOD System is now extremely well-positioned to have a profound impact on many large industries throughout the world.

*<New slide>*

Narration: In-person demonstrations are available upon request once a non-disclosure agreement is executed.

Once again, our telephone number is 954-420-2999 and our email address is [oilfree@live.com](mailto:oilfree@live.com)

*<New slide> (logo above text)*

Narration: This presentation is Copyright 2014, Oil Free LLC. All rights reserved.

*<End of script>*

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August 27, 2014

Commentary on the Oil Free Wallace HOD System Video:

*Note: The email address given in the video, [oilfree@live.com](mailto:oilfree@live.com), has been changed. The new address is [leonarddwallace@aol.com](mailto:leonarddwallace@aol.com).*

The 3-page transcript of the Oil Free Wallace HOD System explains and demonstrates its operation.

The rate of the creation of hydrogen bubbles is very clearly evidenced. For automotive applications, this process would be initially powered by a standard 12-volt car battery. In the case of Oil Free's 2009 Toyota Camry Project, the key-start mechanism associated with the Wallace HOD System worked very satisfactorily when powered by the OEM battery rated at about 90 amp hours, which is typical for most U.S. automobiles.

While the initial startup power required from a 12-volt system is 2 to 3 amps, once the hydrolyzer begins operating, the current draw is approximately 1 amp, with the required power therefore being about 12 watts. That is a very small amount of electrical power, considering that the 200 liters per minute of hydrogen produced can power a car engine.

Water is subjected to electrical and other stimuli as part of this process by an electron gun and other pieces of apparatus. The operation of the electron gun is a key part of the technology that cannot be disclosed.

The hydrogen created by Wallace HOD Systems is 100% pure. That is what is input into an internal combustion engine.

Any more detailed disclosure of this process would reveal certain proprietary know-how that could permit others to copy and/or adapt a similar process, resulting in material damage to Oil Free LLC.

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January 16, 2015

## **U.S. Power Grid Opportunity**

By utilizing industry-standard natural gas-powered gensets with bolted-on Wallace HOD Systems, the U.S. power grid can be upgraded and strengthened over a 5-year period, while eliminating the need for all fossil fuel and nuclear power.

For example, by using existing configurations of 12 – 10 megawatt generators, the U.S. power grid, which is comprised of approximately 1,025 gigawatts, could be replaced, along with a 40% reserve capacity for expansion and safety margin. It would require a very large financial commitment to construct approximately 2,400 of these 12 generator facilities during 5 consecutive years.

Oil Free's projected revenues from this project would be \$2 million in royalties for each of these 10 MW generators, resulting in \$24 million per facility and \$57.6 billion per year. The total 5-year project would represent \$288 billion to Oil Free.

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## **Cummins Power Generation Information**

For virtually all prime power applications throughout the world, a bank of Cummins generators equipped with bolt-on Wallace HOD Systems will work very well. This is especially true in the Superyacht Market for gensets powered by 4,000 horsepower Cummins QSV91G engines cited below.

Cummins offers a range of natural gas-powered commercial generator sets for prime power applications starting at 880 kW and continuing to 1.5 MW, 1.8 MW and 2.0 MW. The operations of Cummins Westport, the joint venture between Cummins and Westport Innovations, permits “engines to operate on clean-burning fuels such as compressed natural gas (CNG), liquefied natural gas (LNG), [and] hydrogen.” For details see this link:

<http://www.ngvaeurope.eu/cummins-westport-announces-new-mid-range-natural-gas-engine>

They have been successful because in a gaseous state, natural gas and hydrogen share many of the same chemical characteristics. Technicians proficient with igniting natural gas in internal combustion engines can readily control and manage hydrogen with small modifications in procedure. Each of these 4 Cummins generators can readily receive and operate on hydrogen produced by Wallace HOD Systems.

Not only could these generator configurations be used in countries such as China to dramatically improve their electric grid, they could also be used just as readily here in the U.S. to replace and augment much of our nation’s power grid.

The 880kW unit is the Cummins NPower GF-series, powered by a GTA50G3 engine. For details see this link:

<http://dp-content.cummins.com/DWS/html/npower/General/en/public/attachments/GTA50G3GFLC.pdf>

The other 3 above-referenced generators are part of the Cummins QSV91 Series of Natural Gas Generators. For details see this link:

<http://www.cumminspower.com.br/pdf/gas/leanburn/s-1463.pdf>

These generators are powered by V-18 (18 cylinder) engines and have ratings of 1.5, 1.8 and 2.0 megawatts. The genset for 2.0 megawatts is C2000 N5C or C2000 N6C, depending on the power frequency, and its engine is a 4,000 horsepower Cummins model QSV91G.

The Cummins contact information for the QSV91 Series is:

Cummins Power Generation, 1400 73rd Ave. NE, Minneapolis, MN 55432  
Phone: (763) 574-5000

All Cummins generators typically go at least 25,000 hours before major overhauls, which can then be performed at Cummins facilities.

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January 16, 2015

## **Presentation Cover Letter**

Beginning in 2011, Oil Free LLC established a relationship with Turner Construction Company out of their Miami office which is their Florida headquarters. In addition to being Oil Free's contractor to oversee and construct all Oil Free research and production facilities, Turner would be awarded the contracts to construct all facilities related to Oil Free electric power grid projects in the U.S. and around the world. These projects would be done in concert with architecture firms like BRPH Architects, which is an international architecture and engineering design and construction services firm that has offices in Florida and throughout the U.S.

All installation of equipment and related logistics is planned to be done by companies such as Bechtel Group and Halliburton. These power generation facilities would be equipped with generation such as those natural gas generators manufactured by companies such as Cummins in White Bear Lake, Minnesota and other U.S. locations. Cummins and their Cummins Westport joint venture are now slated to possibly team with Oil Free to provide certain additional engineering as required.

As described in the 76-page Oil Free Presentation dated December 10, 2014, Sections 1, 2, 3 and 9 relate to the most immediate sources of financial return. Section 2 summarizes Oil Free's 2 projects in the Class 8 trucking industry and details how some 500,000 Wallace HOD Systems can be sold annually into this market, with corresponding revenues to Oil Free of approximately \$5 billion.

Section 3 explains how Oil Free can provide a very clear alternative to the China-Russia Natural Gas Transaction that was announced earlier this year that provides for China to purchase up to 38 billion cubic meters of natural gas per year via a 30-year \$425 billion project. That section provides 25 pages of correspondence that was sent to China's ambassador in Washington D.C. on June 5 and June 23, which showed how an Oil Free solution could offer savings of approximately 75% of that \$425 billion, along with other important benefits. By entering into an agreement with China, Oil Free would be receiving a contract in the amount of \$106 billion.

As stated in Section 14, the analyses done by Oil Free and others include projections for global markets, not including Russia. In virtually all markets, with the North American market being approximately one third of the available global market. Very significantly, opportunities with the U.S. Department of Defense and power generation business with

China were not included. Also, power generation projections were done prior to any discussions with Caterpillar, and accordingly, those numbers in the future will require significant reworking because of the magnitude of the opportunity to work with companies like CAT regarding the U.S. power grid.

January 16, 2015

Projected annual global revenues for the following Oil Free projects are:

Class 8 and Diesel Exchange	\$15 billion
Marine Pleasure Craft	1 billion
Power Generation	20 billion
Automotive	<u>150 billion</u>
Total	\$186 billion

Planned profit margins will exceed 90% of revenues, so that ongoing annual pre-tax profits can readily be projected to be approximately \$167 billion. Fully taxing these profits at a 40% rate results in an annual net income of some \$100 billion. Discussions we have had with prominent financial advisors have resulted in our being informed that Oil Free's market capitalization could easily be in the \$1.2 trillion range. Therefore, in the event that Oil Free ever wanted to consider an Initial Public Offering of its shares, a sale of 25% could equate to a \$300 billion transaction.

Leonard D. Wallace



Chairman and Sole Stockholder