

(Interview of July 9, 2004)

Rentar Environmental Solutions, Inc.

Private

Joel Ratner

President, Chairman of the Board of Directors, and
Chief Executive Officer

Rentar Environmental Solutions, Inc., manufacturer of the patented Rentar Fuel Catalyst, is a privately held company. The first Rentar Company was incorporated in 1961. Rentar is a full service environmental solutions provider focused on the technological needs of its customers and transforming those requirements into commercially viable solutions. Its fuel catalyst is a cost effective way to reduce emissions while contemporaneously reducing fuel consumption.

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Joel Ratner, President, Chairman of the Board of Directors, and Chief Executive Officer, spoke with *Wall Street Reporter Magazine*, on July 9, 2004.

WSR: Can we begin with an overview and brief history of the company?

RATNER: The Rentar companies were first incorporated in 1961 and over the years, they have developed patented technology, which they have brought to the market. An example would be participating in the commercial development of a pharmaceutical called Warfarin, which everyone knows today as "Coumadin". We created a rat poison from that called "D-Con Rat Poison," a company that we profitably operated and eventually sold to Sterling Drugs, the manufacturer of Bayer Aspirin. We also sold to WR Grace and Company the dry freezing technology we

developed, which is used in the citrus industry and in the fruit that's in Kellogg and most cereals today. Other companies that we developed were sold to General Electric and to Westinghouse. We have also developed other technologies in the oil industry.

WSR: Is your core typical customer another major corporate entity that then becomes a reseller of your products?

RATNER: The core customer is the end user and we have identified the first target as the consumers of diesel fuel and there are about 250 million applications worldwide.

WSR: Will your efforts initially be focused in the US, North America, or is it a worldwide strategy?

RATNER: It's a worldwide strategy, first focusing on North America. We are already in motion with the European Union, which actually is a larger market for us because diesel is the predominant fuel. In the US, 90% of the fuel consumed is gasoline, 10% diesel. In the European Union, 50% to 70% of the fuel consumed in is diesel.

WSR: Talk a little bit about the product and help us understand exactly what the Rentar Fuel Catalyst does for the consumer.

RATNER: We reduce exhaust emissions in both mobile and stationary sources. Most exhaust emissions are unburned

fuel being blown out the exhaust pipe as pollution. The technology being used today is the catalytic converters and particulate traps, which are installed post-combustion on the exhaust system. They do a pretty good job of reducing emissions, but at the same time, they increase the operational costs with more fuel consumption and they also are high maintenance items. The Rentar Fuel Catalyst treats the problem before it's created. The Rentar Fuel Catalyst is a pre-combustion technology that is attached to the fuel line. It makes the fuel burn more completely. More fuel burns in combustion, and consequently less is blown out as exhaust pollution. Importantly, because the Catalyst causes more efficient combustion of the fuel, there is more horsepower created and there is cost savings through reduced fuel consumption.

WSR: What gives Rentar its competitive advantage within the space?

RATNER: Well, the competitive advantage is we cost only a small percentage of the cost for post-combustion catalytic converters and particulate traps. They charge \$8,000 to \$20,000 on a truck installation and the Rentar Fuel Catalyst costs about \$1,500. The post-combustion devices require heat and backpressure to generate their effect and that means higher fuel cost. We also use

catalyst technology, but we treat the fuel prior to combustion resulting in less cost, less fuel being burned and no ongoing maintenance or effort required. There is nothing to be added. We have a 10-year warranty. The Rentar Fuel Catalyst is being well received.

WSR: Is there continued regulatory pressure put on the petroleum and the diesel industry, and how is Rentar positioned to take advantage of some of these trends?

RATNER: The trend is the ongoing pressure of regulation and the rising cost of fuel. But, the long-term opportunity for Rental Environmental Solutions is based on emission credits. The programs that are based on the Kyoto Treaty, including the regulations that become effective next January in the European Union, or Cap and Trade programs that are already in place in the United States. An emission cap is established as a base year and only that much pollution can be generated. Anything over that, a significant penalty must be paid to governmental agencies, or they can go out into the market and buy credits from somebody who has reduced emissions. We in effect manufacture emission credits in that we reduce emissions, and we do it very cost effectively.

WSR: Are there any important partnerships or collaborations that Rentar has entered into that would help us understand the business model?

RATNER: Yes, there is. First of all, we have a contract with Cantor Fitzgerald, who will be trading or marketing the energy credits that we are able to establish. This is going to be a future growth industry. The reason for that is that the population, it expands geometrically, but governments are putting a cap on how much emissions can produce, and the only way to prevent these large penalties is to trade credits, and that's why we have our relationship. We also have done joint research activities such as one with Toyota Motor Cars and Penske Leasing, whereby we each paid equally for a California Air Resource Board recognized lab to monitor their car carriers, and as a result of very successful testing, they have equipped their entire California fleet of car carriers with our product. We also have a statewide contract with the State of Delaware, which we were awarded and are in the process of supplying its needs. We also sell to the city of New York.

WSR: Over the next couple of years, what are some of the key milestones we should be looking for in tracking the success of Rentar?

RATNER: Milestones that we have already reached were establishing the technology, international patenting and verification of our technology. We've already begun accumulating a very important client base, which will help us introduce the product effectively into the market. The verifications that we've established have been done by EPA recognized laboratories, California Air Resource Board recognized Laboratories, the Southwest Research Institute located in San Antonio, Texas, an Esso laboratory, and an American Railroad Association recognized laboratory. Virginia Tech University has verified this technology for the State of Delaware. The EPA Energy Star Program has made us a Energy Star Partner, The governments of Venezuela, England, and Italy have also verified the technology.

WSR: What would you give our audience of investors as the best reason to keep an eye on Rentar moving forward, as well as consider it down the road as a possible investment or a partnering opportunity?

RATNER: Well, as a private company, we're self-funded and we have about 100 stockholders. But, to be exposed to the world market, I believe the only way we will be able to go into countries like China, India and other large Asian countries is to be partnered with a large global company, a major oil company or a major industrial company and that is

something we're looking towards in the future. The implementation of the emission credits industry is going to create a lot of excitement. The Chicago Commodity Exchange has already established the Climate Exchange, which is a board set up to trade these emission credits. We create them and we create them cost effectively.

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