

Midland Adams and Aquifer Group spin-out three important commercial opportunities

Aquifer Group is part of Texas' first comprehensive public-private water infrastructure partnership

November 2007 – Brownwood, Texas – Closely held **Midland Adams Group** has teamed with leading water scientists, engineers and legal experts to form **Aquifer Group, LLC**. This Company (AG) is structured to locate, design, finance, develop, construct, operate and maintain prolific aquifer recharge and surface water restoration projects worldwide.

As each sustainable groundwater reserve is developed, recovery wellfields, treatment and supporting delivery canals and other infrastructure enhance environmental flows, improve drought preparedness and provide dependable sustainable water “banks” for the State’s growing water demand.

“Aquifer Group harvests safe, sustainable, natural water supplies through the responsible restoration and conservation of global ground and surface water resources...”

Aquifer Group was founded in response to the growing global gap between additional water resources and the government’s ability to fund them. Aquifer Group is the first U.S. owned company with the capabilities to locate lost aquifer recharge and surface water restoration opportunities prolific enough to support the Company’s private-sector solutions of development and investment to complete public water recovery and delivery infrastructure.

In keeping with Aquifer Group’s predetermined exit strategies and to clarify Aquifer Group’s business model and market message as the leading restorer, conservator and marketer of water and water related technologies and services, Aquifer Group, LLC is evaluating the transfer or spin-out of three financially viable business groups.

MAG Real Estate Fund –Aquifer Group, LLC is evaluating the transference of certain real estate opportunities to a selected group of leading real estate investors.

AG will retain an equity interest in MAG Real Estate Fund and formalize certain exclusive alliances related to water, alternative energy or environmental markets.

Alliance 1 - Acquisition and resale of fee simple surface rights overlaying water related ranches which are dedicated to restoration and production of aquifer recharge, surface water, alternative energy, environmental credits or related habitats. AG will retain all surface rights and ownership of ranches involved in well field and water recovery operations.

Broad Based Ranch Real Estate Markets:

- Local, state, federal or international government agencies charged with protecting critical natural resources.

- Conservation groups and private individuals or families focusing on owning and preserving critical resources and habitat.
- Real estate investment trusts operating within defined “Green” markets.

Alliance 2 - Management, ownership and development of office, industrial and research properties designated for use by Aquifer Group and other Midland Adams Group portfolio companies. Additionally, MAG Real Estate Fund may own or manage satellite facilities for portfolio companies in specific market areas - globally.

Alliance 3 - Marketing or license opportunities to provide “Green” market water conservation, alternative energy or environmental credits in association with commercial, office, industrial and public building development.

MAG Real Estate Fund will retain certain exclusive contracts and/or rights with Aquifer Group, LLC and others including:

- A long-term contract for Aquifer Group to provide IR5 Modeling services as the basis for real estate selection and validation.
- A long-term contract with Aquifer Group to provide locations and easements for real estate purposes.
- A long-term preferred vendor contract with Aquifer Group and associated Brocksch or MAG companies for ranch improvements, management and etc including at least:
 - Co-Marketing and sales commissions
 - Project development, construction and construction management
 - Rangeland and habitat management and monitoring
- A contract between Aquifer Group Enhanced Aquifer Recharge Laboratories and research management to support of research and demonstration initiatives.

GRFNet, LLC - Aquifer Group may transfer control of GRFNet and DANOC sciences in return for additional funding and to assist in the creation of at least the following commercial alliances:

- Data analysis and decision-making software and hardware
- Wi Max and related global communications
- Data and resource visualization software and hardware
- Information assessment, global information linkages and information dissemination
- Operations center design, management and product/services marketing

Aquifer Group, LLC will also retain an equity interest in GRFNet, LLC and formalize certain exclusive contracts and/or rights. Management anticipates that eventually both GRFNet and DANOC will be sold to industry leaders. Aquifer Group will strongly influence the downstream entities and transactions.

GRFNet, LLC products provide the first marketable consolidation of existing, fragmented monitoring systems with new technologies to create comprehensive global networks that collect, assess and disseminate all aspects of water resource, environmental flow, flood control, and water related disaster management information in real-time.

Broad Based GRFNet Markets:

- Local, state, federal or international governments
- Military and disaster response agencies

- Environmental agencies and NGO's
- Agricultural and commodity industries
- Investment, financial and insurance providers
- Transportation and media providers

GRFNet, LLC will retain certain exclusive contracts and/or rights with Aquifer Group, LLC including:

- A long-term contract to provide IR5 Modeling services as the basis for GRFNet deployment and site selection.
- A long-term contract to provide locations and easements for GRFNet equipment, towers and etc.
- A long-term preferred vendor contract wherein AG would supply and access certain data including:
 - Co-Marketing and sales commissions
 - Product development and upgrades
 - AG receives "preferred status pricing" and rights to applicable GRF Net or DANOC information.

Also, a contract between GRFNet and Aquifer Group's *Enhanced Aquifer Recharge Laboratories* and research management to support GRFNet research and demonstration initiatives

FFrE Energy, LLC – Also, in keeping with Aquifer Group's predetermined exit strategies and to clarify Aquifer Group's business model and market message, Aquifer Group, LLC determined to evaluate the transfer of certain alternative energy opportunities to FFrE Energy, LLC. FFrE Energy is being organized as a Texas based company owned primarily by Midland Adams Group, LLC and J.P. Brocksch.

Aquifer Group, LLC will receive an equity interest in FFrE Energy and formalize certain exclusive contracts and/or rights as outlined later in this proposal in return for additional funding and to assist in the creation of commercial alliances as needed to fully capitalize on alternative energy opportunities.

Management anticipates that FFrE Energy may be sold to industry leaders within five years. Aquifer Group will strongly influence the structure of future alliances and transactions.

FFrE Energy, LLC is the result of decades of research, experience and development. Its market entry product is the *Flash Freeze Enhancement (FFrE) Process*. This core technology and synergies with Aquifer Group's geographic rangeland footprint, pipeline and distribution right-of-way and alternative energy opportunities provide exceptional cross-marketing and joint funding opportunities necessary for success in the growing global waste remediation and alternative energy markets.

Only recently has world leadership, the investment community, the media and environmental groups recognized the importance of new financial incentives supportive of alternative energy. FFrE Energy will build on this emerging market.

In the early 1980's MAG's founders completed a complex site and landfill remediation projects inside Arctic regions of Alaska and the Northwest and Yukon Territories of Canada. As a result of findings and observations through these projects our engineers and scientists successfully developed and tested prototypes and methodologies to remediate municipal, agricultural and industrial waste into recycled organic and non-organic materials.

The FFrE Process is proven as a tool for municipal waste separation and recycling, for landfill remediation and to produce a viable organic feedstock for biomass/municipal solid waste fueled electrical generation through traditional boiler fired co-generation.

As an unexpected benefit of early research, Flash Freeze Enhancement (FFrE) Process pretreatment was found to speed the decomposition of organic feedstock such as Saw or Switch Grasses and/or the leaves, stalks and agri-waste from traditional ethanol producing grains into alternative energy resources such as methane gas and cellulosic ethanol or bio-crude. If proven in additional tests and demonstration, the FFrE Process pretreatment may create a global market for Aquifer Group rangeland restoration vegetation and aquifer recharge filter grasses.

Management has identified four important Aquifer Group synergistic contributions to this alliance. As described below: 1) rangeland easements in prime alternative energy producing geographical regions; 2) unique alternative energy co-production opportunities associated with Aquifer Group water projects; 3) extensive pipeline right-of-ways from rural production areas to key markets; and, 4) markets.

Aquifer Group and FFrE Energy have Broad Based Market Synergies:

- Local, state, federal or international governments
- Oil, gas and electricity markets
- Environmental agencies and NGO's
- Agricultural and commodity industries
- Investment, financial and insurance providers
- Transportation and distribution markets
- Major energy, agribusiness, pipeline, fuel refiners, waste management firms

FFrE Energy, LLC will retain certain exclusive contracts and/or rights with Aquifer Group, LLC including:

- A long-term contract to provide IR5 Modeling services to identify alternative energy projects and site selection.
- A long-term contract to provide locations and easements for alternative energy projects and distribution.
- A long-term contract to provide sustainable agri-feedstocks for production of bio-crude, methane or cellulosic ethanol products.
- A long-term preferred vendor contract wherein AG would supply and access certain data including:
 - Co-Marketing and sales commissions
 - Product development and upgrades
 - AG receives "preferred status pricing" and rights to applicable information.
- A contract between FFrE Energy and Aquifer Group's *Enhanced Aquifer Recharge Laboratories* and research management to support alternative energy research and demonstration initiatives.

Midland Adams, Aquifer Group and our investors are excited about increasing the financial opportunities for real estate funds, GRFNet and FFrE Energy products and services, said **Aquifer Group Chief Executive Officer, John Brocksch**.