

# Faradyne Motors Announcement

*Monday, July 31, 2006*

To the Water Well Industry:

Faradyne Motors is dedicated to producing the next generation of 4-inch submersible motors and providing the most reliable and durable motor in the industry. The product proving phase of our extensive field and lab test program is complete and we are ramping up production. Here is an update on the results of our product testing and our current production schedule.

## Product Quality

Our mission is to bring the highest quality next generation of 4" motor product to market. In doing this we developed a scientifically designed lab testing program and rigorous field testing program.

In order for our lab testing to be of the highest caliber, we have developed an extremely stringent lab life cycle testing program. These tests have been successfully performed on hundreds of Faradyne motors to test dozens of possible failure modes. Our motors were tested along side other industry motors and the results were outstanding. We have already received both UL and CSA listing for our products and we expect NSF approval shortly.

The actual field trials were conducted with independent contractors. All motors were manufactured on our standard production line in Newark, New York. We have conducted and continue to conduct hundreds of field tests in a variety of tough conditions and challenging applications. From all of these units, only one minor design flaw arose, in only three units early in the test. Design modifications were made immediately and included on all subsequent field test units which have shown the issue to be totally resolved. While this delayed our launch schedule, the end result is a motor that is of the highest quality and performance.

As part of our field test program, we recently pulled out of service a significant percentage of the field test motors that were successfully running in wells in a variety of tough conditions. We have conducted a 100% tear down inspection and completed performance and destructive testing to ensure that the motors meet the highest of standards. The motors inspected exceeded all of our expectations validating our design, materials, and manufacturing process.

Our production process has numerous built in quality steps including 100% performance and thrust testing. This ensures we ship a great product every time!

## Product Availability

We prioritized our product launch based upon the highest use volumes in the North American market. We have planned a phased product launch with the plans in motion to provide the industry with a complete product line.

Group 1: ½ to 1½ HP Single Phase Product will be available beginning in September, 2006.

Group 2: 1 to 7 ½ HP 3 Phase, 2 to 5 HP Single Phase models will be available mid 2007. Group 2 product and manufacturing process development is already well under way.

Group 3: Specialty applications and additional voltages will be available in late 2007.

## Production Capacity

Before the end of the year we will have a second manufacturing line in full production, mirroring the first line in every aspect. Each line will be operating multiple shifts. In 2007, a third line will start producing the larger horsepower products.

We are entering into a new era in our industry! You will be able to take advantage of the new superior choice in 4-inch submersible motors. We thank you for your support!

Sincerely,

Chris Jamieson  
President