



Confidential
Business
Plan

The Inventors of BAFI™



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Any and all representations shall be made solely by the Company and shall be set forth in this formal offering followed with a related subscription agreement or purchase contract, which agreement or contract shall control as to the representations and warranties, if any. By requesting the Business Plan, the recipient acknowledges the responsibility to perform a due diligence review prior to any acquisition of or business combination with the business herein presented. Each recipient is responsible for the performance and expense of the due diligence review unless otherwise agreed to by the Company.

Contact:
Scott Sand, CEO
(800) 259-9622 Office or (800) 777-1186 FAX

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EXECUTIVE SUMMARY

Ingen Technologies, Inc., further referred to as the "Company", was developed by a professional and experienced team of people. The Company's first product, a medical warning system for pressurized oxygen cylinders referred to as BAFI™, was conceived in late 1996 and developed over the past three years by engineers, physicians and businessmen. The BAFI™ product meets or exceeds regulatory compliance of this type of product. The product is complete and in production.



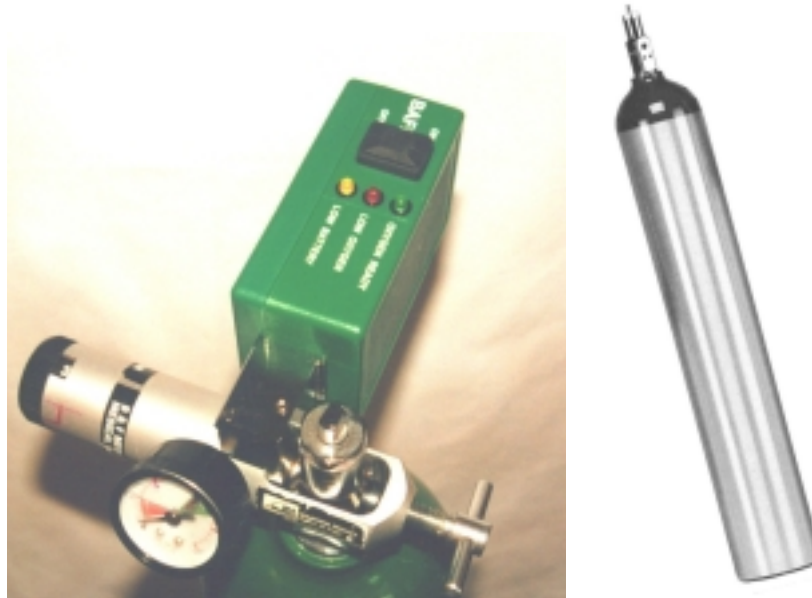
The Company invented, patented and produces the world's first digital warning system for pressurized gas cylinders, known as BAFI™. Application markets include medical, safety & protection (Fire & Police), aircraft (commercial & private), recreation vehicle & outdoor (propane), construction (welding), military & many others.

The product was developed through a highly experienced key management team. The Company is in the business of developing, manufacturing and marketing the first digital warning system for pressurized gas cylinders. This is a proprietary product with no recognized competition. The applicable markets are inclusive of the medical device market, motor home and outdoor camping supplies market, aircraft industry, construction & welding industry, military, aqua marine diving industry and various government and institutional markets. The Company has applied advanced technology to new and unique applications of its' product, and is now positioned to become a recognized leader in this field.

The Company is in the business of producing and marketing a proprietary patented product with simple, precise and direct applications.

The Company has developed the BAFI™ for a successful market penetration. The product was researched, designed, developed and tested by experienced physicians, engineers and businessmen.

BAFI™ is a product that offers technological innovations for various types of applications. Portable pressurized gas systems are categorized as Diameter Index Safety Systems (D.I.S.S.) and are used for various applications. For example, oxygen gas is provided to patients for use in remote locations. This delivery system is a standard medical application used in providing oxygen to patients suffering from various respiratory and pulmonary diseases which result in oxygen deficiency within their blood stream. Oxygen systems are prescribed by physicians and made available through various manufacturers and oxygen suppliers.



The BAFI™ product is reliable, user-friendly and interfaces with most of the regulators available in the market today. The BAFI™ will interface with all oxygen cylinders.

Unique about the BAFI™ system is its' ability to interface with most of the regulators and all of the pressurized gas cylinders. The use of BAFI™ provides reliability and safety for the patients and other users. The user is periodically unaware of the pressure levels and for the first time they can experience assurance through this real-time audio and visual warning system.

Business Opportunity

The Company has invented, developed and patented a digital device that has the ability to detect, in real-time, when the pressure in any gas cylinder measures less than 500PSI. The device is equipped with a visual and audio alarm system. Further, BAFI™ is sold at an affordable price and is a cost effective tool for the consumer and supplier.

The patient market alone is vast and includes 8,000,000 patients in the United States and 22,000,000 world wide, who use oxygen. Other markets are millions of tanks in propane barbecues, recreation vehicles, construction, military bases, commercial and private aircrafts, and government facilities. There is no recognized competition and the company will enjoy the revenue stream generated through the sales of this product.

Business Overview:

Professional Products

The Company is currently in the production stage and has the ability to deliver acceptable quantities of the BAFI™ systems to its' various markets. The Company has prepared for a direct sales and marketing program with manufacture reps, and medical product distributors to deepen and broaden its penetration of the private corporate, government institutional and medical marketplace. Through its distribution network, the Company will create its platform for a second generation product line that is currently under development.

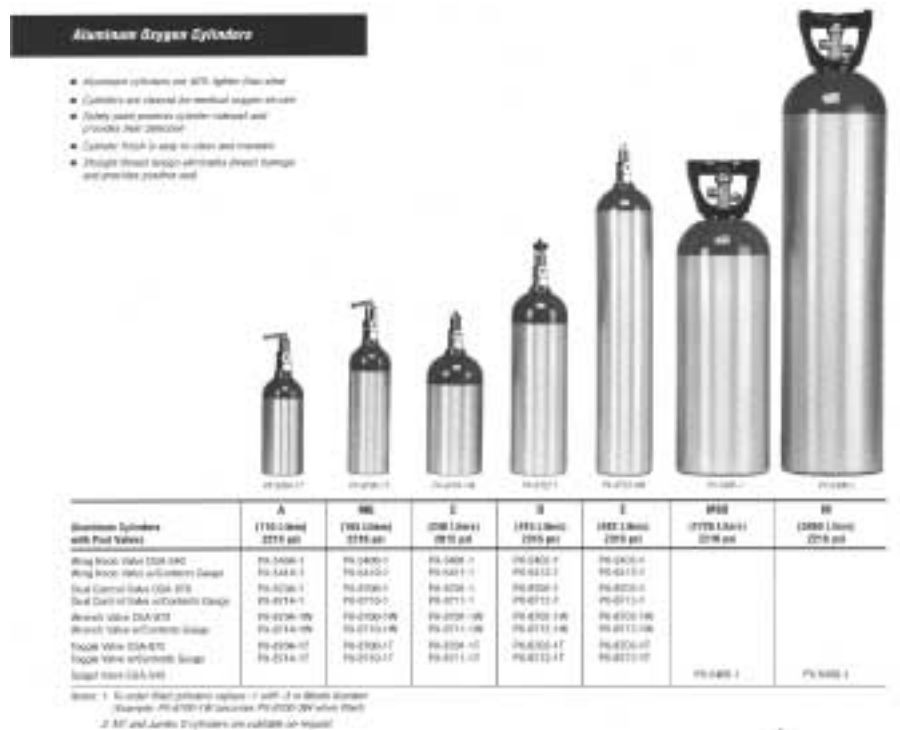
Institutional and Medical Products

The Company has initiated development of a distribution and sales program for the BAFI™ product that includes a medical distribution network, government distribution network, and other distribution channels. The Company will also provide marketing and advertising programs for its distribution network by offering a direct advertising campaign, infomercials and internet marketing. These additional marketing and advertising programs are affective in gaining wide recognition as a method of introducing products and driving the consumer to distribution. ***Further, an integral part of the Company's marketing strategy is to offer a complete product line and the ability for immediate delivery of product and services.*** The Company plans to establish permanent residency in major national, regional and overseas distribution networks. This will afford the Company readily available distribution channels for both existing and new products.

The Company is now seeking to appoint independent representatives on a regional basis throughout North America. The Company's management and strong resources will manage its' network of sales organizations that offer extensive distribution capabilities and experience with the product.

The Company is prepared to promote sales of its product in certain international markets. The BAFI™ product has been issued a United States Patent and has filed for its' Foreign Patents to established proprietary product development in foreign countries. To that end, Company management will prepare for an international market research report on the potential of its product lines overseas. With this report, the Company can evaluate its position to pursue compliance of ISO-9000 and CE certification for European countries. It is anticipated that the overseas market represents 50% of the world market for pressurized gas cylinders. This report will provide accurate recommendations for achieving overseas market penetration.

The BAFI™ system is an accurate and cost effective, real-time, pressurized gas warning system that will alert the user when the gas levels are approaching empty. It offers a convenient method in warning users before the cylinders are empty without the physical need to view the gauge.



BAFI™ adapts to most pressurized gas cylinders.

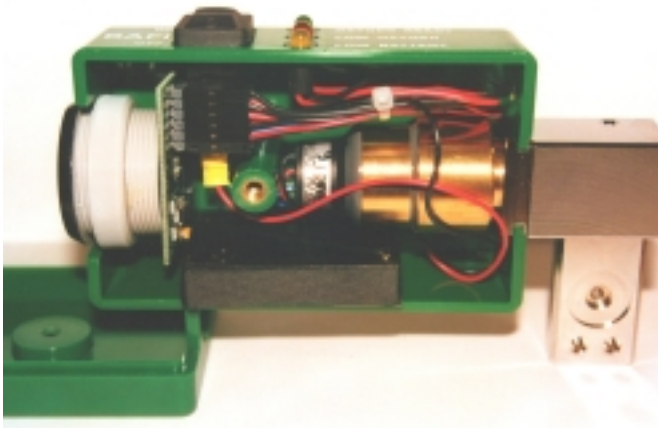
| Fiber-Wrap Cylinders with Post Valves | 125 Liters (4 Cubic Feet) 3600 psi | 182 Liters (6 Cubic Feet) 3600 psi | 242 Liters (8 Cubic Feet) 3600 psi |
|--|--|--|--|
| Wing Knob Valve CGA-540 | PW-5404-1 | PW-5406-1 | PW-5408-1 |
| Wing Knob Valve w/Contents Gauge | PW-5414-1 | PW-5416-1 | PW-5418-1 |
| Dial Control Valve CGA-870 | PW-8704-1 | PW-8706-1 | PW-8708-1 |
| Dial Control Valve w/Contents Gauge | PW-8714-1 | PW-8716-1 | PW-8718-1 |
| Wrench Valve CGA-870 | PW-8704-1W | PW-8706-1W | PW-8708-1W |
| Wrench Valve w/Contents Gauge | PW-8714-1W | PW-8716-1W | PW-8718-1W |
| Toggle Valve CGA-870 | PW-8704-1T | PW-8706-1T | PW-8708-1T |
| Toggle Valve w/Contents Gauge | PW-8714-1T | PW-8716-1T | PW-8718-1T |



Conclusion

The Company is currently contracting distributors in pursuit of securing orders and has recently initiated production of its product. There is a continuous stream of interested distributors for the BAFI™ product and the Company is forming a direct distribution channel for all of the various markets in order to initiate immediate sales.

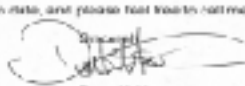
Management believes that the conditions which currently exist in the marketplace present the Company with an unusual opportunity to build a substantial business. Specifically, the Company will tap into the gas cylinder market and oxygen suppliers for distribution of its' BAFI™ product. The BAFI™ audience will be tapped by exploiting an established and proven channel of distribution heretofore largely ignored by marketers of institutional services. The Company stands ready to launch an effective marketing program and advertising campaign for expanding sales of the product.



The BAFI™ components are water resistant, salt spray resistant, heat resistant, durable and FDA approved. Only the highest rated quality of material has been used and tested.

The Company has received a United States Patent for its' BAFI™ technology and has currently filed for various Foreign Patents. The Company completed a patent search in 1998 which implied that there were no other systems using the same technology of its' type in the marketplace. All 20 claims submitted within the patent were approved by the examiner. The Company has developed, tested and established potential sales of its systems and products and expects several more patents on its design and applications. The Company's product compliments existing gauge devices and regulators. The BAFI™ performance is the leading edge in its' industry.



| <p>DOON K. HARMS REGISTERED PATENT ATTORNEY PATENT & TRADEMARK LAW FIRM, P.C., A PROFESSIONAL CORPORATION 4440 Wilshire Blvd., Suite 1000, Los Angeles, California 90048-1114 (818) 202-2000 • Fax (818) 202-2001 • www.patentlawfirm.com • Email: Dkharms@patentlawfirm.com</p> <p>February 8, 1999</p> <p>Scott Sand, CEO 20 Box 367 Lake Arrowhead, CA 92332</p> <p>Re: Preliminary Patentability Search for a Oxygen Pressure Alarm Ser. Ref. No.: 19103011.7</p> <p>Dear Mr. Sand:</p> <p>In response to your request, a search has been conducted of the records of the United States Patent & Trademark Office with the above results:</p> <p>The following patents were selected from the U.S. Patent Office records for your consideration:</p> <table border="1"> <thead> <tr> <th>Patent No.</th> <th>Inventor</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>3,101,809</td> <td>Jensen</td> <td>Aug 20, 1964</td> </tr> <tr> <td>4,175,617</td> <td>Nipak</td> <td>Dec 4, 1979</td> </tr> <tr> <td>5,315,649</td> <td>Williams</td> <td>Aug 4, 1993</td> </tr> <tr> <td>5,349,473</td> <td>Pasternack et al.</td> <td>Feb 18, 1994</td> </tr> <tr> <td>4,273,123</td> <td>Wassilunas et al.</td> <td>Jun 30, 1981</td> </tr> <tr> <td>4,803,416</td> <td>Doord</td> <td>Jun 2, 1987</td> </tr> <tr> <td>5,843,477</td> <td>Schiffmacher</td> <td>Aug 26, 1999</td> </tr> <tr> <td>5,857,822</td> <td>Hoffman</td> <td>Oct 12, 1997</td> </tr> <tr> <td>5,459,372</td> <td>McIlwain et al.</td> <td>Nov 21, 1995</td> </tr> </tbody> </table> <p>Of particular interest, the patent to Hoffman shows a medical gas alarm system having a visual or audible alarm activated by a high or low pressure condition.</p> | Patent No. | Inventor | Date | 3,101,809 | Jensen | Aug 20, 1964 | 4,175,617 | Nipak | Dec 4, 1979 | 5,315,649 | Williams | Aug 4, 1993 | 5,349,473 | Pasternack et al. | Feb 18, 1994 | 4,273,123 | Wassilunas et al. | Jun 30, 1981 | 4,803,416 | Doord | Jun 2, 1987 | 5,843,477 | Schiffmacher | Aug 26, 1999 | 5,857,822 | Hoffman | Oct 12, 1997 | 5,459,372 | McIlwain et al. | Nov 21, 1995 | <p>Scott Sand February 5, 1999 Page 1</p> <p>The patent to Schiffmacher shows a warning device for a compressed air tank having an audible alarm.</p> <p>The patent to McIlwain et al. shows a oxygen pressure alarm which has a wireless uplink to a remote station.</p> <p>The patent to Pissidi shows a low pressure alarm for sensing a change in position in a line and actuated an audible or other alarm upon change.</p> <p>The patent to Doord shows a low pressure alarm for a respirator having an audible alarm in signal path with the gas supply system.</p> <p>The patent to Wernicke et al. shows a low pressure warning device for a breathing apparatus having a pressure gas supply compensating to pressure variations used to operate a signaling element to signal an alarm condition.</p> <p>The patent to Pasternack et al. shows a warning system for breathing supply lines which has a movable member to signal drops in pressure in the system.</p> <p>The patent to Williams shows a "watchdog" which monitors a critical pressure and differentials in pressure.</p> <p>The patent to Jensen shows a low gas pressure alarm for signaling a low pressure condition.</p> <p>The following classes and subclasses were searched:</p> <table border="1"> <thead> <tr> <th>CLASS</th> <th>SUBCLASS</th> </tr> </thead> <tbody> <tr> <td>119</td> <td>70</td> </tr> <tr> <td>360</td> <td>64, 650, 655</td> </tr> </tbody> </table> <p>A search was also conducted of the SPI-CSR computer database system at the U.S. Patent and Trademark Office.</p> <p>From my review of the above referenced prior art, it would appear that the Wassilunas patent and the Hoffman patent are the most similar in nature to the BAFI device.</p> <p>Hoffman is primarily directed at a hospital type planned system and while a certain elements of the BAFI invention, I believe, BAFI would be patentable over Hoffman.</p> <p>Subsidiary is directed more at remote monitoring of an oxygen concentration than at a local visual or audible alarm for each of portable oxygen systems.</p> | CLASS | SUBCLASS | 119 | 70 | 360 | 64, 650, 655 |
|--|---|--------------|------|-----------|--------|--------------|-----------|-------|-------------|-----------|----------|-------------|-----------|-------------------|--------------|-----------|-------------------|--------------|-----------|-------|-------------|-----------|--------------|--------------|-----------|---------|--------------|-----------|-----------------|--------------|---|-------|----------|-----|----|-----|--------------|
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| 5,459,372 | McIlwain et al. | Nov 21, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CLASS | SUBCLASS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 119 | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 360 | 64, 650, 655 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Scott Sand February 5, 1999 Page 2</p> <p>It is my opinion that the BAFI system falls into the realm of patentable subject matter. This is not to say that you will not encounter an objection by the Patent Office based on Hoffman and McIlwain and possibly some of the elements of the other patents. Patent examiners are able to detect based on one, or a combination of prior patents and the elements of these patents. However, if the similarity, and minimal cost of the system, and some basic mechanical differences, along with the minimum electrical and visual alarms, are stressed in the patent application, we should be able to overcome any such objections to obtain a patent on the device you have disclosed to me as the BAFI system.</p> <p>At this point in the process, I would like your decision as to whether to continue with a patent application. The cost of such an application based on my review of your current disclosure of the BAFI system would be initially \$3750.00. If the components and description and specifications dictate more than two pages of drawings, there would be an additional charge for the additional drawings and drawings specifications written to describe these drawings. However, I can not estimate the application being more than two pages at present.</p> <p>An initial drawing will be made at an office visit and I would estimate that cost, in about 2 to 12 months subsequent to the application, at approximately \$400 to \$750. If your patent is eventually issued, the patent office will then charge you directly a base issue fee of approximately \$450 and there would be legal fees of \$100 to draft the base issue fee drawn into to get the patent issued. Consequently, you could be looking at an approximate total cost, even foregoing the initial income, of about \$5500 plus or minus.</p> <p>If you feel that the BAFI system has sufficient merit to warrant the expense of a patent, I will file a patent application. I would be happy to work with you on the patent. Our standard fee agreement would call for a 50% retainer upon initiation of the application, and the balance when the final draft is approved by you or forwarded to the patent office.</p> <p>I would be more than happy to speak with you about this matter next week or at your convenience. I do have sometime upcoming in about two weeks where we could draft the patent application for your review should you decide to move forward in the near future. All we would need is your direction to do so and the requested retainer.</p> <p>In any case, thank you for your business in state, and please feel free to call me with questions or comments.</p> <p> Donn K. Harms</p> | <p>Patent Attorney, Donn Harms, has provided his opinion of the BAFI™ product and has stated its' potential for multiple patents both domestic & foreign.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

SUMMARY FINANCIAL INFORMATION

BAFI™ was invented and developed in 1996 by the founders and key management of the Company. The current management team financed all of the research & development, stage development, engineering, legal/regulatory compliance, and planning development for building and financing the production of the BAFI™ systems.

Capitalization

The Company's co-founders and shareholders have invested approximately \$1,400,000 towards the development and test market of the BAFI™ systems.

Finance Plan

To date, the Company has invested substantial amounts through its founders, management and certain debt instruments. Management has agreed to offer common stock to accredited investors. The second stage financing will provide operating capital for marketing and product inventory to its' distribution channels.

Public Offering

The Company's management has the experience and resources to move the Company from a privately held position to a public company. The Company has an experienced attorney and Board Member, **Dr. Chris Evans**, who has a strong legal expertise in SEC law and taking companies public. The Company has the capability to manage an IPO and currently has resources with investor relation firms and investment banks (underwriters) as they prepare to take the Company public and seek stock promotion in the future. The Company has initiated discussions with public relation firms and investment banking firms regarding their prospective involvement in managing a proposed offering.

Projected Financial Information

The Company is executing its strategic growth plan as set forth herein. Management believes that BAFI™ has the potential for generating a satisfactory return on investment. *Table-1* depicts the Company's initial estimates of potential revenues and profits for the first three years after execution of its marketing program. Please refer to part III of the Financial Information for more detailed projected financial information including assumptions. While there can be no assurances of future financial performance, the Company believes that the assumptions upon which such projections have been based are reasonable and attainable.

Table 1. Summary Pro Forma Financial Information

| | Total Year-1 | Total Year-2 | Total Year-3 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Total Units Sold | | | |
| BAFI Systems | 60,000 | 270,465 | 510,735 |
| 2nd Generation | <u>0</u> | <u>12,285</u> | <u>19,419</u> |
| Gross Sales | | | |
| BAFI Systems | \$4,530,000 | \$20,385,000 | \$38,505,000 |
| 2nd Generation Systems | <u>\$0</u> | <u>\$930,000</u> | <u>\$1,470,000</u> |
| Total Gross Sales | <u>\$4,530,000</u> | <u>\$21,315,000</u> | <u>\$39,975,000</u> |
| Total Cost of Sales | <u>\$2,875,675</u> | <u>\$5,770,000</u> | <u>\$6,969,250</u> |
| Gross Profit | <u>\$1,654,325</u> | <u>\$15,545,000</u> | <u>\$33,005,750</u> |
| Total Expenses | <u>\$1,092,350</u> | <u>\$2,313,450</u> | <u>\$4,486,000</u> |
| Net Income (pre tax) | <u>\$511,975</u> | <u>\$13,231,550</u> | <u>\$28,519,750</u> |

Equity Investment Goals

The Company has approximately 65 shareholders from its' first stage financing program. Ingen Technologies is offering a second stage financing program to selective investors interested in the purchase of common stock. The amount of capital raised will be an aggregate amount of \$ 2,000,000 and will be used for additional patent filings, inventory, operations and sales & marketing development.

There are firm commitments with various distributors to introduce the product to their consumers. These initial distribution channels will develop the cash flow to sufficiently move the business into a profitable position within 2 years.

The Company manufactures and assembles the product through Advanced Engineering & Tooling based in Riverside, California. This company owns several large tooling companies, one of which is Magnotek, Inc., and has the experience and resources to complete product assembly and deliver acceptable quantities and maintain quality of up to 200,000 BAFI™ units per month.

COMPANY BACKGROUND

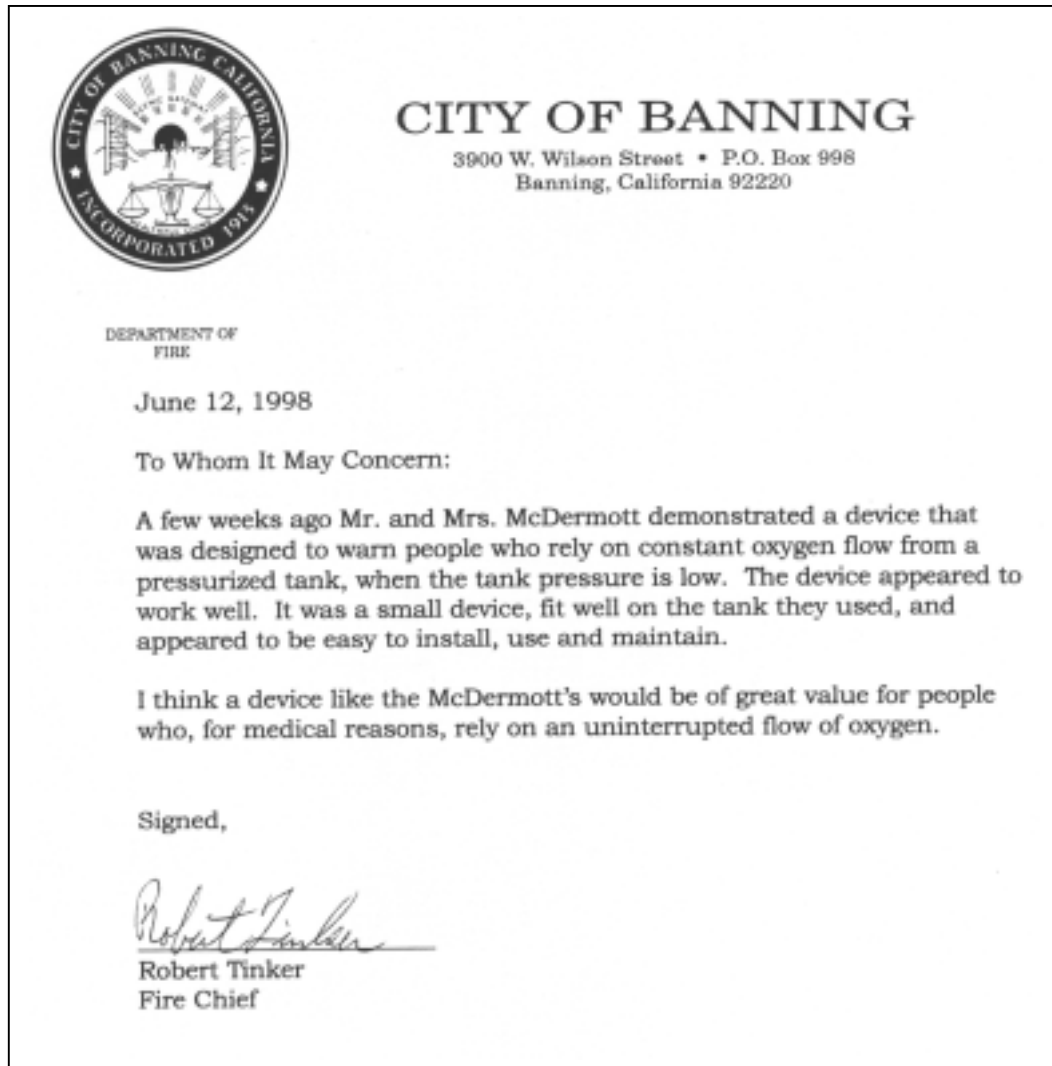
BAFI™ was conceived in 1996 as a means to warn the patient of low pressure in an oxygen cylinder. The oxygen delivery system was prescribed to Bettie McDermott who was earlier diagnosed with a respiratory-pulmonary disease. The first working prototype was complete in May of 1997, and again redesigned in November of 1997. In February of 1998 the redesigned prototype was sent to the US Patents Office for evaluation and the Company completed its' production model in March, 2000.



Fritz and Bettie McDermott have been using the BAFI™ product since 1996. Seen here (left photo) is a final production unit. Notice the group of tanks to the far left of the photo. Most patients require multiple tanks on a weekly basis. The tanks are serviced by local contracted oxygen supply companies. The BAFI™ provides convenience and assurance to the patient.

Ingen Technologies has completed development of the BAFI™ product and is prepared to sell its core products and services. During 1997 through 1998 the company was engaged in the research and development of their BAFI™ system, test marketing the device, applying for patent(s), developing tooling & manufacturing, and forming the distribution channels for their product.

Since the completion of the BAFI™ system there has been constant growth of its' acceptance with the medical device market, military, aircraft industry, motor home & camping supplies, aqua marine diving industry, institutional and government marketplace. In 1998 the company began its research & development with their market planning of the BAFI™ system.



The BAFI™ product has been targeted for markets that use portable pressurized gas cylinders. As seen above, fire fighters who use oxygen during work will benefit by being assured that their oxygen supply is adequate.

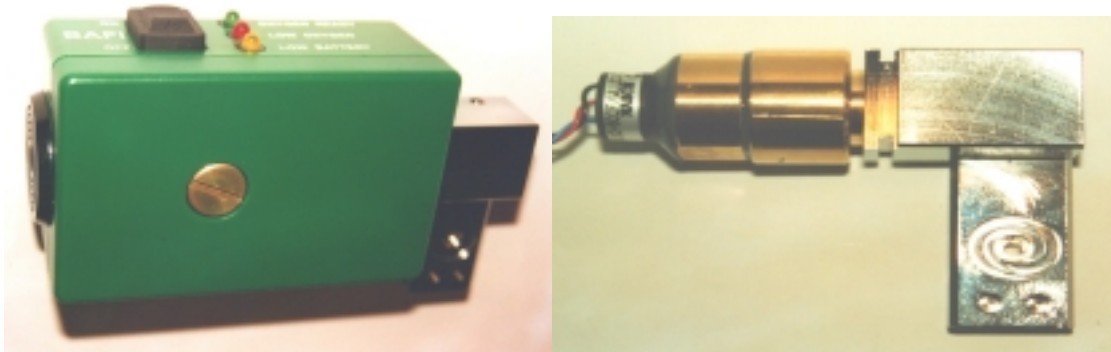
The Company has evaluated the BAFI™ product and has determined its' strengths and weaknesses. **The overall opinion of the evaluation indicates that the BAFI™ product is a compliment to most existing pressurized gas delivery systems. These conclusions are as follows:**

- Product safety is more than satisfactory and not a major concern.
- The use of the product will have no negative effect on the environment.
- The product will have no negative impact upon the general welfare of society.
- The product will function in its' present state as intended.
- A moderate investment is needed which would be recoverable.
- The risk of financial loss is relatively low.
- The expected pay back period for the investment is 3 years.
- Anticipated sales will cover all costs.
- Marketing research to develop a market-ready product is straightforward.
- The R & D required to reach the production-ready stage is complete.
- The total market for this product is medium in size.
- Expected sales of the product are substantial. Economy of scale is likely.
- The market demand for this type of product has the potential for moderate growth.
- The demand for the product is likely to be stable.
- The product has multiple market or use potential. Therefore the risk is less.
- The product's life cycle will be 8-10 years.
- The product's compatibility with existing attitudes and methods of use is high.
- The amount of learning required to use the product is low.
- The level of need is high. The product satisfies psychological needs of the patient.
- The product has a high degree of dependence on other products, processes, or systems.
- The advantages and benefits of the product are visible and easily communicated.
- The costs required for promotion are moderate relative to expected sales.
- Sales will be proportional to the development of distribution channels.
- The need to provide product support and services are low.
- This product is perceived as superior to competition.
- The costs of the product to the user are equal to or lower than that of any competition.
- Existing competition to the product is low.
- The ability to protect proprietary rights of the product are good.



This model-L2000B adapts to a standard regulator for oxygen use. The Company has developed several models that will quickly adapt to most pressurized gas cylinders.

With the development and manufacturing of the BAFI™ system, the Company is prepared to meet distribution quantities. The market potential of the products is above average. It is a new product offering a price that is within reach of the average customer. The product can also be administered profitably through its' distributors and a direct sales network.



The patented design has been engineered for safety, durability, quality and easy assembly for end users. All of the individual components are FDA approved and built in the United States.

INDUSTRY & MARKETPLACE

The business operations and products of the Company fall into several categories. One of which is the \$ 1 trillion health care industry, which encompasses medical devices, hospital supply products, medical supply products, and consumer and institutional health care products. Another major category is the \$30 billion per year gas supply market.

The Health Care Industry

Since the mid-1960's, the costs of health care have risen in gross disproportion to the general cost of living index. The US alone spends almost \$1 trillion annually on health care. These expenditures are forecast to increase into the foreseeable future, posing a serious threat to the economy as well as financial health of families across the US. A general consensus exists that decisive action needs to be taken to strengthen existing control measures and implement effective new proposals. **It is our mission to provide these solutions for today by developing a cost effective product line for all applicable markets.**

A significant contributing factor to the health care crisis has been the escalating costs of new medical technologies and the resulting higher costs of in-hospital patient care. One cost containment strategy which is clearly gaining momentum is a reduction of technology costs, as well as an increase in outpatient services.

BAFI™ will provide convenience and assurance while traveling with the patient.



A new "mini-industry" has been seeded from absolute necessity. The prohibitive costs of medical facilities have engendered the appearance of a wide spectrum of consumer based home health care products and managed care services. Such consumer activity reduces the economic burden of necessary health care. The managed care industry has structured its primary care providers to act as the "gate keeper". **The BAFI™ product is currently targeted for the primary care provider and pulmonary specialist through a manufacturing representative distribution network. The distributors will place systems on the basis of its cost effective technology, safety and reassurance to the end user.**

Government agencies, employer insurance liability carriers and their incentive to reduce bottom-line expenditures, are great potential for the BAFI™ system. The product offers a more cost effective approach to decreasing the number of empty tanks as compared to costs associated with accidental injuries from oxygen depletion and/or having to re-prime empty tanks.

The Company chose to introduce its' product and services in 1998 as a part of the research strategy for various applications. This product is available to all users, inclusive of patients, physicians, suppliers and manufacturers. The product is cost effective and prevents the end user from incurring potentially major expenses associated with oxygen depletion.

The Market

The Company's technology, BAFI™, currently provides a cost effective and leading-edge product for medically related needs and other applications.

✓ ***Safety***

✓ ***Assurance***

✓ ***Reliable***

✓ ***Cost
Effective***



The Gas Industry in General

The gas supply business represents annual revenues of \$30 billion and is mainly comprised of tank manufacturers, gauge & regulator manufacturers, and gas suppliers. The Company's research has shown that the identified markets would be interested in acquiring the BAFI™ system for their applications. Further, physicians are also interested in providing BAFI™ units to their patients by means of assurance and safety.

BAFI™ is a compliment to the current method of measuring the pressure within gas cylinders. The BAFI™ unit is calibrated to warn the user of pressure levels below 500 PSI. For example, if a pressurized gas cylinder can hold 3000 PSI of gas, the BAFI™ will not be activated until the pressure reaches 500 PSI, thus giving adequate warning to the user that the cylinder is nearly depleted. Due to an additional charge that may be assessed for re-priming a tank, the cost of refilling a completely depleted gas tank is often higher than that of refilling a tank with some gas remaining. BAFI™ interfaces with the standard analog pressure gauge used on pressurized gas tanks and provides an audible alarm, supplementing the gauge function in order to assist patients who may not be awake, aware or attentive. In this way, BAFI™ provides additional safety and security to the user and helps avoid the cost factors and potential serious health risks associated with an empty cylinder. The assurance BAFI™ provides for the user is greatly enhanced.

The success of the BAFI™ product is dependent on the rate at which the market accepts the product. The Company realizes that market acceptance factors have been very important to the future of marketing the BAFI™ system, therefore a product which is adopted quickly will require an effective and efficient distribution system to keep pace with the demand. Exclusive distribution channels have been identified, and the Company intends to incorporate a number of outlets for this product line.

The Company's current financial projections include a conservative projected market share of nearly 2% in the first year, 5% in year-2, and 10% by the end of year 3. It is anticipated that by year 5 the Company will share a strong 10-15% of the market. It is anticipated that through an aggressive marketing campaign and completion of its second generation system, BAFI can increase to a 20% market share.

**XL Series
Flow Control - Piston Regulators**

- Maximum inlet pressure 3000 psi
- Maximum static delivery pressure 140 psi
- Internal recasting relief valve
- 1.12" diameter gauges
- Filtered throughout
- Swivel joints

Compact Flow Gauge

| | | |
|----------|-----------|---------|
| XL 2014* | 1/8-5 LPM | CGA-670 |
| XL 2004* | 1-8 LPM | CGA-670 |
| XL 2015 | 1/8-5 LPM | CGA-670 |
| XL 2005 | 1-8 LPM | CGA-670 |

*Regulators without contents gauge

Extended Flow Gauge

| | | |
|---------|-----------|---------|
| XL 2011 | 1/2-5 LPM | CGA-548 |
| XL 2001 | 1-8 LPM | CGA-548 |
| XL 2012 | 1/2-5 LPM | CGA-878 |
| XL 2002 | 1-8 LPM | CGA-878 |

Note: For use with humbucker bottles



BAFI™ ADAPTS TO THE MOST COMMON REGULATORS

After extensive research , the management of BAFI™ concludes that the product will succeed because it is compatible with the consumers attitudes, perceptions, needs and typical behavior patterns. This compatibility continues to aid market acceptance. The Company also realizes that the design, pricing, financing, marketing, and planning of a high order, will lower any assumed risks and liabilities.

With the BAFI™, the amount of learning required to use the product is low. Minimal instructions are needed. This means lower cost, time, and risk. The BAFI™ system is more flexible, but will require specialized channels of distribution.

The defined markets for the BAFI™ system are those markets that require use of portable pressurized gas tanks. These markets are comprised of gas suppliers, tank manufacturers, government & institutional agencies, and the medical industry. The BAFI™ consumer requires a psychological and physical demand for oxygen. The success of the BAFI™ product partly depends on the ability to meet the unfulfilled needs of the consumer.

The level of need filled or utility provided by BAFI™ products and services is high. Although the BAFI™ may fulfill the customers psychological needs, the high-level affordable "need" products, such as the BAFI™, have a greater potential value and a lower degree of risk associated with market introduction.

The demand for any medical or institutional product is significantly dependent upon outside factors. This dependence may be upon the demand for complementary or competitive products, or possibly more general economic or societal factors. Interdependence pivots upon the lack of control over future sales, and a potentially low rate of market penetration. The existence of dependency still tends to slow down the rate at which an existing or new product is introduced. **Pursuant to all of the Company's research, design, development and planning, the degree to which the sale or use of the BAFI™ system is dependent upon other products, processes, or systems is moderate. Reasonable market control of the Company's product line is possible and only moderate costs may be experienced due to dependency. Chances are fair for reasonable market penetration.**

Any similar products available today, if any, are poorly visible and currently unavailable with no known competition. The advantages of new products, such as the BAFI™ system, must be visible before the consumer will purchase the product. High visibility will drive the speed of market acceptance and reduce the risk of product failure. **The BAFI™ system, design and technology enhances the claim of advantages and uses. The Company has the resources to advertise, promote, and develop vertical market penetration to increase the visibility. The direct advantages and benefits of the BAFI™ system are visible and easily communicated. This high visibility does not**

insure success, even if the Company has implemented all the proper steps in the leading-edge design and marketing. This strategy of high visibility is an indication that the market introduction will be less costly, of shorter duration, and easier to accomplish.

Target Markets

The principal distribution channels for the Company's products and services are the tank & accessories manufacturers, gas suppliers and prescribers, and their dealers respectively. While the aforementioned distribution represents the primary potential customer base for BAFI™, the Company considers the total potential market audience for its products to be substantially broader, including other tank manufacturers, various gas suppliers, hospitals, transportation agencies and emergency response businesses of nearly every demographic description.

Management believes that its target audiences will require a minimum of "education" regarding the product lines due to the prior existence of marketing effort of its products and services in general. Further, the Company believes that properly approached, its prospective customer base will easily understand and readily accept the attributes of applications, capabilities and cost containment associated with the BAFI™ products and services.

Other products which are already utilized and understood by the Company's potential customer base include gas tank systems, gauge applicators and regulators. These products, in a general environment of awareness, have already been immensely useful in educating the public to the general benefits and necessity for such products and services.

The Company's management believes that the market for competitor products in its' product categories has been limited by old technology, price and sales/marketing methods. Most systems currently available in the marketplace are outdated and inefficient. As a result, BAFI™ products and services are usually evaluated as superior by its customer base.

The Company believes that its advanced technology is the right product at the right time at the right price for today's market.



Specified Target Markets

The BAFI™ System

➤ Medical Industry

- Portable Gas Tank & Accessory Manufacturers
- Pressurized Gas Suppliers
- Physicians -
Primary Care Providers
Pulmonologists

➤ Private Sector Businesses

- Construction
- Welding Suppliers
- Aqua Marine and Diving
- Motor Homes & Campers

➤ Government and Institutional

- Hospitals
- Skilled Nursing Facilities (SNF)
- Urgent Care
- Correctional Facilities
- Protection Agencies (Fire & Police)
- Federal Aviation Administration
- Departments of Motor Vehicles
- Transportation
- Military
- General Public Agencies (Departments & Schools)
- Managed Care Organizations & Insurance Industry

PRODUCTS & SERVICES

The Company is in the business of developing, manufacturing and marketing proprietary & cost-effective portable gas monitoring warning products. The Company's philosophy is to apply advanced technology to new, unique monitoring applications that are simple, precise and direct.

BAFI™ Products & Services

The BAFI™ system is an electronic digital gas-pressure sensing device and warning system used to continuously measure the PSI of portable pressurized gas cylinders and react when the pressure meets unacceptable levels. Pressurized gas cylinders are useful in many applications, including portable prescription oxygen cylinders for patients with respiratory difficulty.

The number of patients using portable oxygen is increasing. These patients are required to have various oxygen delivery systems, including portable pressurized gas cylinders. Portable systems are used when the patient will be away from their main oxygen delivery system. Portable oxygen systems will typically provide oxygen to the user for 1-6 hours, depending upon regulation of oxygen flow. Often, multiple cylinders may be required. The BAFI™ system interfaces with the tank valve and the regulator port and activates when the tank pressure drops to 500psi. When the BAFI™ system activates, a loud audible alarm sounds and a super-bright flashing light turns on. These signals notify the user that the current tank is nearly depleted and should be replaced with a full tank.

This system includes the manufactured controller unit, instructions and warranty. It is driven using sensor switches and a series of electrical components governed by a digital circuit using the newest technology. All of the components are FDA approved and either meet or exceed testing requirements.

The BAFI™ system can decrease expenditures of the direct costs for special handling of empty gas tanks and health hazards related with users who have depleted their gas supply. The BAFI™ system can warn users of approaching low oxygen of pressurized gas systems at a reduced cost associated with other monitoring methods.

New Product Development

The Company has assembled experienced and qualified individuals for the development of a new generation of BAFI™ products. It will require minimal capital, 1 year of development and consists of a less expensive and more durable sensor switch, redesign of the manifold, and decrease in size of the controller unit. The specialized system will be designed to lower manufacturer costs. Having completed the first product, the second generation product is being designed, and the engineering team is currently engaged with this development.

The Company's proposed new products will target a broad range of potential customers. The new generation devices will use much of the same technology and micro-components that are used in the original BAFI™ device, but will be more compact and light-weight.

The development of the technology and applications of the device are lead by the Company's engineering development team, with assistance of outside contractors. The products are designed to meet or exceed all applicable regulations for medical products of its' type.

In addition to the above, the technology for possible optional "add-on" equipment is currently being discussed for future product development. The Company plans to market a full line of such peripheral "add-ons", which will be manufactured under the BAFI™ name. Prospective new products, research and development programs, and additional marketing opportunities for the BAFI™ product line include:

- ❖ **BAFI™ Remote Hospital System**
- ❖ **BAFI™ Flight O2 Warning System**
- ❖ **BAFI™ Fire Extinguisher Warning System**
- ❖ **BAFI™ Remote Portable Consumer System for RV and Outdoor Cooking**
- ❖ **BAFI™ O2 Audio System for Fire Jumpers**
- ❖ **BAFI™ AQUA DIVING O2 WARNING SYSTEM**





Walt Smiles is the President of Aircraft Industries, Inc.. The Company has discussed delivery of the BAFI™ product for compact O2 tanks required for airplanes. Aircraft Industries has 60% market share for small single engine planes and the resources to provide the BAFI™ to commercial airlines.

PRICING

The Company has priced the BAFI™ system so that a 45-50% gross margin is generated. The distributor price may likely be discounted from time to time depending upon high volume commitments. The retail price for the complete BAFI™ system is about \$139.95. This provides a competitive price for all markets.

The Company has chosen to provide an in-house direct marketing program to support distribution. The Company management believes that the sales & marketing for these systems could be achieved with a direct factory sales force. The current sales price for a complete system is \$139.95. However, with the implementation of our sales & marketing program the increase of sales will decrease production costs. The goal is to reduce the system manufacturing cost and maintain the retail pricing. In addition, the Company will loan product pursuant to an agreement by the customer to pay a subscription fee of \$8.00 per unit per month.

SALES & MARKETING

The Company has established relationships and contracts with distribution and sales of its' products and services through various experienced distribution and marketing channels, including primarily medical device marketing, government marketing and supplier outlets. The Company has recently introduced the BAFI™ product through the medium of direct internet marketing and advertising, which is gaining wide recognition as an effective method of introducing products and driving customers to retail distribution channels. The web site can be located at **WWW.INGEN-TECH.COM.**

An integral part of the Company's marketing strategy, and a common theme to the marketing plan, is its complete proprietary product offering. By offering a proprietary line of products and services, and promoting cost-effective and leading-edge identity, the Company can establish permanent residency in major national and international medical supply outlets. This will afford the Company less resistance to new products which it seeks to introduce on an ongoing basis in the future.

BAFI™ Marketing Program

The Company has currently implemented the initial distribution plan with H.N.W. Marketing, Inc., Tech-NI-Comm, Inc., and National Health & Safety, Inc. The plan entails the expansion of development and distribution of its products and services, and the development of wholesale and retail distribution through an experienced marketing network, medical supply outlets, government agencies and managed care organizations. The plan also entails garnering the support of the medical community through the sponsorship of ongoing research of oxygen delivery programs and devices. **The Company continues to negotiate distribution programs with large and experienced distributors.**

Institutional Health Care Distribution

The Company's management has developed active relationships with physicians, hospitals and various suppliers in the United States and has established a direct sales channel designed to build a network of health care institutional distribution to actively purchase the BAFI™ products and services.

The Company is preparing to significantly expand its direct sales program to government agencies, institutions, health care providers, hospitals, managed care organizations, urgent care centers, skilled nursing facilities and private industry. In doing so, management intends to appoint regional sales managers in target regions throughout the United States. These regional sales managers will

be charged with executing the Company's direct sales efforts in their respective territories, specifically establishing new, active accounts. The Company has focused the early thrust of its expanded marketing program in the United States, where management perceives the largest current opportunity for a practical direct sales program.

Retail Distribution

The Company plans to initially distribute leading-edge and cost effective BAFI™ systems through mass medical marketing channels, including distributor retail chains, medical suppliers and institutional departments.

The Company has appointed independent representatives to represent its products on a regional basis throughout the United States. Management will continue to appoint other firms which have extensive physician/medical penetration and experience with medical products and continue to gain distribution through the vast and growing network of independent medical device chain outlets.

International Marketing Program

The Company intends to expand its product line into certain international markets. Management expects that the product will be issued foreign patents and that the regulatory approval process in certain countries will be more expedient. The Company will appoint The Wharton School at the University of Pennsylvania to continue updating its international market research report on the potential of the product lines and related products. The report will provide ongoing recommendations for achieving overseas market penetration.

In the opinion of management, the Wharton report will confirm the Company's basic premise regarding the need and market potential for its product line, and will validate many of the product development and preliminary international market development activities which the Company will pursue.

The international markets would include Canada, Mexico, South America, Europe, the Middle East, and Asia.

BAFI™ Advisory Board

It is management's opinion that the support of the medical community is important to the long-term success of the Company's products in the marketplace. In order to garner this support, the Company is taking steps to align itself with noted medical experts and other recognized authorities in the fields which its proposed products are involved. The Company believes that the credibility provided by the acceptance of the medical community will pave the way for consumer acceptance.

The Company has a Medical Advisory Board, whose mission statement encompasses the following areas:

- **The avoidance of dangerous, life threatening conditions.**
- **Providing intermediate health solutions for product improvement and application.**
- **Emphasizing application merits and new technology.**
- **Government regulated compliance issues.**

The Advisory Board will provide advice and recommendations to the Company's management regarding product development and independent testing.

Direct Response Marketing Program

An integral part of the Company's sales and marketing strategy is the use of direct response advertising ("infomercial's") and internet web site exposure, to introduce its products to the marketplace, achieve significant sales, and develop brand name recognition. An infomercial can be described simply as a televised commercial or web site of up to 6 minutes in length, which demonstrates a product or services and attempts to motivate the viewer to call a toll free telephone number and order the product or service. Five Star Advantage, Inc. is our contractor for web mall virtual shopping and ordering processes through the internet and is rated as one of the Top-50 most popular internet malls on the West Coast and has 20 years experience with a history as one of the few pioneers of internet fulfillment services.

The infomercial has proven itself to be capable of literally revitalizing entire product categories. Because of its unique ability to provide for *live demonstration* of a product to (up to) millions of people simultaneously, the infomercial has transformed several previously small, sleepy product categories into industry leading growth segments.

Unique to the infomercial marketing technique, products can generally be sold at relatively high prices (compared to traditional retail) because the product's usefulness and value can be established through *demonstration*. The higher price of an infomercial product actually pays for the higher selling costs associated with the purchase of media time.

The Company has appointed an outside direct response marketing consulting firm, Tech-Ni-Comm, Inc., to assist in developing and executing this portion of its marketing program. Through its sales & marketing division, the Company has established a relationship with several web site developers to establish a joint infomercial marketing venture for the BAFI™ product line and services. The Company intends to explore the advisability of establishing such an arrangement regarding future products, as well as the prospects of developing its own infomercial marketing program.

Independent Representative Network

A principal component of the BAFI™ marketing strategy involves distribution of its' product line through major national and regional medical marketing networks. Company management, together with key senior consultants, have extensive contacts and relationships with independent representative firms throughout the United States. Ultimately, management has secured distribution contracts with 450 brokers, marketing consultants and special instrument dealers (SID's) to spearhead the Company's sales campaign in acceptable market areas in the United States. At such time as BAFI™ has achieved adequate market penetration in the initial markets, and as production, logistics, financing, and operational capabilities increase, the Company intends to expand its market representation and continue to expand in new markets.

The Company has allocated a substantial portion of its distribution network, advertising and promotion, including the production of 10 minute (and longer) "infomercials", and web sites designed to promote viewership of the infomercial and product lines.

The Company has approached major medical supplies direct mail catalog houses , and other magazine supply catalog operators for representation and sales through such publications. The Company may choose to market through catalogs under a special brand name.

Advertising & Promotion

The primary objective of the Company's planned advertising and promotional endeavors have been to establish the BAFI™ name and image as the top manufacturer of leading-edge & cost effective gas warning alert system products and services within the industry.

The Company's initial architecture for its' advertising campaign is being built around the cost advantages of the BAFI™ systems, including its applications and importance. The message will also seek to project the preparedness and peace of mind that comes from owning the product dedicated to their clinical and corporate liabilities.

Concurrently, these same efforts will reinforce the Company's wholesale program by increasing brand name awareness among chain and independent buyers. To accomplish these objectives, the Company will employ a variety of proven marketing communications techniques , to include but not be limited to, on-site demonstrations of the product, national & regional exhibits, regional and local institutional advertising, and co-op advertising and promotions.

COMPETITION

By definition, the BAFI™ product is a unique warning device. The audio and visual warning system enhances the safety and assurance of all portable pressurized gas delivery systems and continues to be compatible with all portable pressurized gas cylinders as a compliment to their existing paradigm.

The competition, as outlined in the patent search, comprises basically two companies. However, neither of these companies have a product for the pressurized gas tank market, nor have they been able to deliver the designed product they have claimed in their expired patent. Therefore, essentially, there are no competitors. The market is wide open and the device has been issued a patent pending.

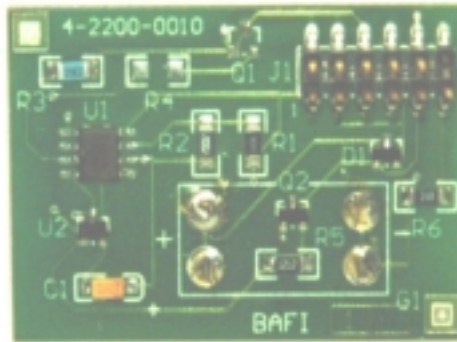
The Company has test marketed hundreds of California based manufacturers, distributors, suppliers, and services. The following are only a small few and the majority of these potential markets responded with enthusiasm and are interested in purchasing and promoting the BAFI™ system.

| | | |
|----------------------------------|----------------|-----------------|
| ◆ OmniCare, Inc. | (606) 392-3300 | Nancy Bucci |
| ◆ Lincare, Inc. | (800) 284-2006 | Paul Daugherty |
| ◆ Air Products & Chemicals, Inc. | (714) 968-5133 | Bob Schorch |
| ◆ Parsons AirGas, Inc. | (619) 279-8200 | Geo Zicardi |
| ◆ Eureka Oxygen Co. | (707) 443-2228 | Lisa Kilimville |
| ◆ Professional Medical Supply | (619) 449-0400 | Walter Maywell |
| ◆ Contra Costa Welding Supply | (510) 685-8928 | Mr. Rassmussen |
| ◆ Seals Healthcare Equipment | (714) 646-2435 | Gary Seal |
| ◆ East Bay Welding Supply | (510) 779-1401 | Mr. Evans |
| ◆ Lehner & Martin, Inc. | (909) 590-3760 | Mike Whitten |
| ◆ Bay AirGas, Inc. | (510) 825-8822 | Mr. Ellis |
| ◆ Diablo Medical Supply, Inc. | (510) 947-6099 | Steve Larson |
| ◆ City of Banning, Fire Chief | (909) 922-3210 | Robert Tinker |
| ◆ Mercy Air Transport | (909) 357-9006 | Leslie Eide, RN |
| ◆ County of San Bernardino | (909) 922-3219 | Ted Yarbrough |

MANUFACTURING & ENGINEERING

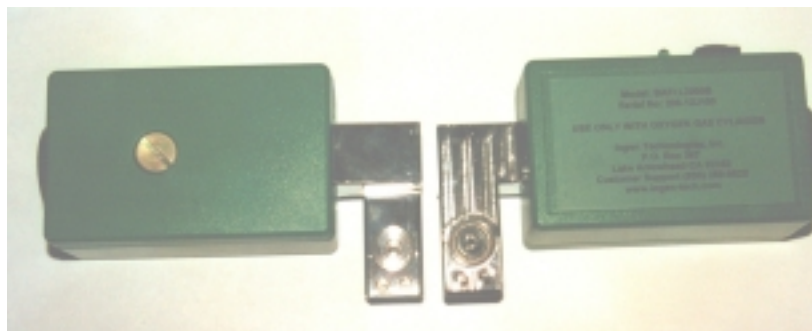
Engineering & Product Development

The Company *is currently engaged in ongoing production development programs for the first two of its product lines inclusive of the BAFI™ system and second generation systems.* The product development programs are directed and executed by Company management, with assistance from outside engineering sources, design and production firms.



Since initiating its formal development program several months ago, **BAFI™ has substantially determined the product features, capabilities and necessary technologies to be applied to low-oxygen warning systems.** In addition, the product development team is moving into development of other optional products.

The design team has improved the BAFI™ technology and is currently designing the second generation products. The Company has engaged The Advanced Group, Inc. for developing tooling, molds and assembly of the BAFI™ products to stay competitive in pricing and features.



The manifold and pressure switch are made of extruded brass alloy to meet FDA safety requirements established in February of 1999.

Manufacturing & Quality Specifications

The Company has manufactured production units and is now producing these units through their facility in Riverside, California. Other established OEM's provide various components and devices and turn-key packaging for the complete product lines. The Company management has experience in establishing and managing manufacturing.

All of the manufacturers have quality facilities and meet government regulatory guidelines.

The management continues to evaluate costs and production standards of various manufacturers, and has received responses from several prospective OEM partners. Each company's initial quotation is in the competitive range, and management believes that continued evaluation will provide cost reductions and better quality. Furthermore, BAFI™ will initiate a program to conform to the International Standards Organization (ISO) standard, the quality control formulated on a European Community (EC) directive. Over 100 countries have adopted ISO standards which include:



- **Worldwide recognition through the use of universal standards.**
- **Use of a certification label in marketing.**
- **Listing in the international certified supplier directory.**
- **Improved quality & productivity, and potentially reduced costs.**

BAFI™ products are ready for production. The Company continues to design future generation products in order to maintain a leading-edge in the oxygen safety warning product industry. The design of these newer products will drive the medical mass markets, including the manufacturers.

LEGAL & REGULATORY AFFAIRS

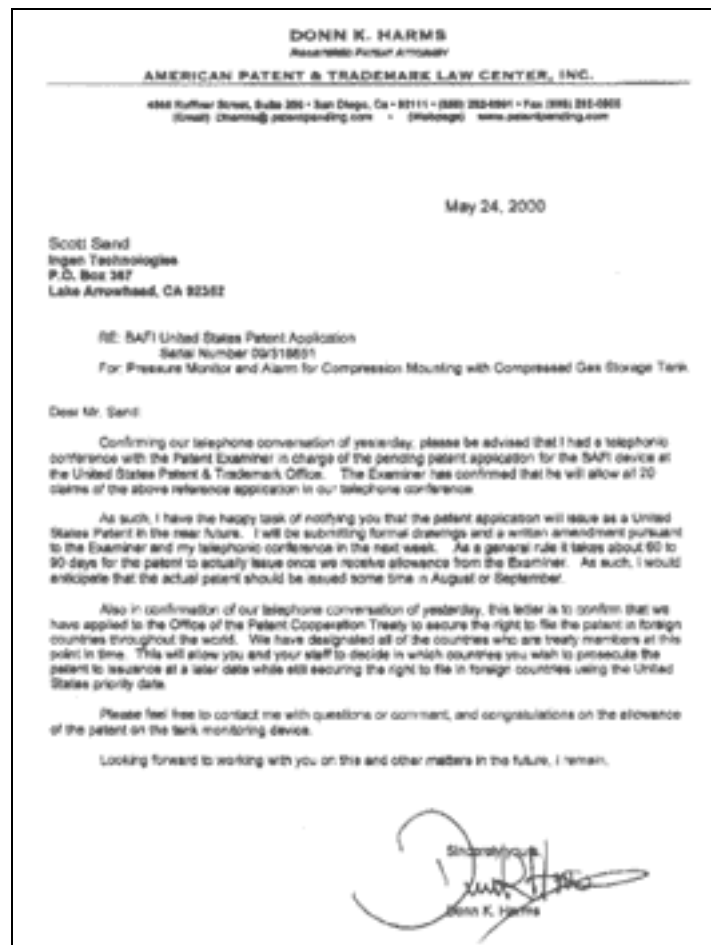
There are no companies identified which currently manufacture and market products and services with similar applications as the Company.

In short, the BAFI™ product meets all regulatory and legal requirements. It is not classified as an FDA device and does not need FDA compliance at this time. However, the BAFI™ product line and services will conform to all voluntary and mandatory FDA standards. Pursuant to legal opinion, FDA is not required, and does not require UL safety standards approval.

PATENTS & TRADEMARKS

The Company was notified by the US Patents Office that the patent would issue and that the examiner had approved all 20 claims.

A patent search has revealed that there are no devices for portable oxygen gas cylinders. Attorney Donn Harms has stated his opinion that BAFI is a patentable item with millions' of user potential. The Company has retained Donn Harms to file all patents accordingly.



PRODUCT LIABILITY

There are always risks inherent in the distribution and use of consumer products, including health care products, by the medical marketplace. The Company has adopted an active program to minimize its exposure to product liability lawsuits through the purchase of Product Liability Insurance with JMB Insurance Agency, Inc. in Chicago. This company has a policy underwritten by Hartford Connecticut.

Beginning with the design phase of product development, *the Company has incorporated preventive measures aimed at reducing its potential exposure to liability risk.* The Company's product development and manufacturing program includes high product reliability standards meant to result in high mean times between failure (MTBF). The company plans to achieve a high MTBF factor by pursuing strict quality control procedures and by holding its manufacturing partners to such high standards by written contract. By designing and manufacturing a reliable, high quality product, the Company will minimize, but not eliminate, the possibility and occurrence of defective products.

The manufacturing and marketing of the Company's products, incorporating new and unproved technology, has inherent risk. No one can be sure how each product will operate over time and under various conditions of actual use. Even if the products are successfully manufactured and marketed, the occurrence of warranty or product liability, or retraction of market acceptance due to product failure or failure of the product to meet expectations could prevent the Company from ever becoming profitable. Development of new technologies for manufacture is frequently subject to unforeseen expenses, difficulties and complications, and in some cases such development cannot be accomplished. In the opinion of management, the products and services, as designed, has many positive attributes, but such attributes must be balanced against limited field operating experience and unknown technological changes.

GENERAL RISK FACTORS

The Company is currently prepared to manufacture product-ready merchandise and is capable of producing its BAFI™ system. While the Company believes in the eventual success of its product and potential future products, there are no assurances or guarantees that the Company will ultimately be successful in its endeavors to increase sales of such products in the marketplace and achieve profitability.

Although management believes that the assumptions underlying its projections are reasonable and therefore make such projections attainable, there can be no assurance or guarantee given that the Company will ultimately achieve such projected financial performance and it is possible that an investor may lose his/her entire investment.

No assurances or guarantees can be given that the Company will be successful in raising additional capital which will be necessary to further carry out its plans strengthen markets for its current product and develop additional products for the market. If the Company is not successful in its efforts to obtain additional financing, the Company may be forced to drastically curtail or discontinue its business activities.

The Company acknowledges that there is significant risk associated with any new venture which involves the marketing of a new product. Investment or acquisition of BAFI™ involves a high degree of risk. There is no assurance that the proposed business of the Company described herein will be commercially viable. The actual results of the development activities, technological developments, market and competitive conditions, results of operations and other factors may require significant modifications of all or part of the proposed business.

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

YEAR ONE - Personnel Expense Statement (\$000)

| Month | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|---------------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Office of CEO | | | | | | | | | | | | | |
| CEO | 0 | 0 | 0 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 36 |
| Exec Sec | 0 | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 27 |
| Admin Asst | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>12</u> |
| SUBTOTAL | <u>0</u> | <u>0</u> | <u>0</u> | <u>7</u> | <u>7</u> | <u>7</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>75</u> |
| Office of CFO | | | | | | | | | | | | | |
| CFO | 0 | 0 | 0 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 36 |
| Exec Sec | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 18 |
| Treas/Cont | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Fin Analyst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 4 | 12 |
| Sr Bus Adm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cont/Subcont Mgr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cont/Subcont Adm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secretary | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| SUBTOTAL | <u>0</u> | <u>0</u> | <u>0</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>7</u> | <u>7</u> | <u>7</u> | <u>11</u> | <u>11</u> | <u>11</u> | <u>66</u> |
| Marketing/Sales | | | | | | | | | | | | | |
| EVP | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| Exec Sec | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 18 |
| Dst Mktg/Sales Mgr | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 21 |
| Sr Mktg Rep(s) | 0 | 0 | 6 | 6 | 8 | 8 | 10 | 10 | 12 | 12 | 15 | 15 | 102 |
| Admin Asst | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 12 |
| Sr Secty | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>14</u> |
| SUBTOTAL | <u>3</u> | <u>3</u> | <u>9</u> | <u>11</u> | <u>13</u> | <u>18</u> | <u>22</u> | <u>22</u> | <u>24</u> | <u>24</u> | <u>27</u> | <u>27</u> | <u>203</u> |
| Office of COO/Oper | | | | | | | | | | | | | |
| COO | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 28 |
| Exec Sec | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 15 |
| Oper Mgr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 4 | 4 | 16 |
| Space/Fac Mgr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Human Resource Dir | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maint/Matl Svc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secty | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| SUBTOTAL | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4</u> | <u>4</u> | <u>7</u> | <u>11</u> | <u>11</u> | <u>11</u> | <u>11</u> | <u>59</u> |

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

PERSONNEL EXP (CONT) (\$000)

| Month | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|---------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| SUMMARY | | | | | | | | | | | | | |
| Office of CEO | 0 | 0 | 0 | 7 | 7 | 7 | 9 | 9 | 9 | 9 | 9 | 9 | 75 |
| Office of CFO | 0 | 0 | 0 | 4 | 4 | 4 | 7 | 7 | 7 | 11 | 11 | 11 | 66 |
| Mktg/Sales | 3 | 3 | 9 | 11 | 13 | 18 | 22 | 22 | 24 | 24 | 27 | 27 | 203 |
| Off of COO/Oper | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 7 | 11 | 11 | 11 | 11 | 59 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Core Prod Team | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Advanced Prod Team | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u>3</u> | <u>3</u> | <u>9</u> | <u>22</u> | <u>24</u> | <u>33</u> | <u>42</u> | <u>45</u> | <u>51</u> | <u>55</u> | <u>58</u> | <u>58</u> | <u>403</u> |
| FRINGE @ 25% | <u>1</u> | <u>1</u> | <u>2</u> | <u>6</u> | <u>6</u> | <u>8</u> | <u>11</u> | <u>11</u> | <u>13</u> | <u>14</u> | <u>15</u> | <u>15</u> | <u>101</u> |
| TOTAL SALARY | <u>4</u> | <u>4</u> | <u>11</u> | <u>28</u> | <u>30</u> | <u>41</u> | <u>53</u> | <u>56</u> | <u>64</u> | <u>69</u> | <u>73</u> | <u>73</u> | <u>504</u> |

OTHER EXPENSES

Operating Expenses (Office, stationery, travel, equipment, other)

| | | | | | | | | | | | | | |
|-----------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| CEO=0.5 Salary | 0 | 0 | 0 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 38 |
| COO=0.5 Salary | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 4 | 6 | 6 | 6 | 6 | 30 |
| Mktg=2.0 Salary | 6 | 6 | 18 | 22 | 26 | 36 | 44 | 44 | 48 | 48 | 54 | 54 | 406 |
| Adv Engr=.8 Salary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Core Prod =.6 Salary | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL OPER EXP | <u>6</u> | <u>6</u> | <u>18</u> | <u>26</u> | <u>30</u> | <u>42</u> | <u>51</u> | <u>52</u> | <u>58</u> | <u>58</u> | <u>64</u> | <u>64</u> | <u>473</u> |

Production Material

| | | | | | | | | | | | | | |
|------------------------|-----------|-----------|----------|----------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| BAFI @ \$38.53 each | <u>60</u> | <u>60</u> | <u>0</u> | <u>0</u> | <u>116</u> | <u>116</u> | <u>231</u> | <u>231</u> | <u>347</u> | <u>347</u> | <u>462</u> | <u>462</u> | |
| TOTAL MATERIALS | <u>60</u> | <u>60</u> | <u>0</u> | <u>0</u> | <u>116</u> | <u>116</u> | <u>231</u> | <u>231</u> | <u>347</u> | <u>347</u> | <u>462</u> | <u>462</u> | <u>2,432</u> |

Capital Eqpt

Per Detail Schedule 150

Facilities

Lease Basis 4K SQ FT

| | | | | | | | | | | | | | |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| @ \$1.50/sq ft | <u>0</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>66</u> |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

PROFORMA Income Statement for YEAR ONE (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|-------------------------------|-------------------------|------------------------|------------------------|------------------------|---------------------|------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| BAFI # of UNITS | 0 | 0 | 0 | 0 | 3,000 | 3,000 | 6,000 | 6,000 | 9,000 | 9,000 | 12,000 | 12,000 | 60,000 |
| REVENUE @ \$75.50 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>227</u> | <u>227</u> | <u>453</u> | <u>453</u> | <u>680</u> | <u>680</u> | <u>906</u> | <u>906</u> | <u>4,530</u> |
| TOTAL REVENUES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>227</u> | <u>227</u> | <u>453</u> | <u>453</u> | <u>680</u> | <u>680</u> | <u>906</u> | <u>906</u> | <u>4,530</u> |
| COST OF SALES | | | | | | | | | | | | | |
| LAB+MATL | <u>21</u> | <u>21</u> | <u>0</u> | <u>0</u> | <u>152</u> | <u>167</u> | <u>294</u> | <u>296</u> | <u>419</u> | <u>419</u> | <u>542</u> | <u>542</u> | <u>2,876</u> |
| Build Inventory of 1000 units | | | | | | | | | | | | | |
| TOTAL C.O.S. | <u>21</u> | <u>21</u> | <u>0</u> | <u>0</u> | <u>152</u> | <u>167</u> | <u>294</u> | <u>296</u> | <u>419</u> | <u>419</u> | <u>542</u> | <u>542</u> | <u>2,876</u> |
| GROSS PROFIT | <u>(21)</u> | <u>(21)</u> | <u>0</u> | <u>0</u> | <u>74</u> | <u>59</u> | <u>159</u> | <u>157</u> | <u>260</u> | <u>260</u> | <u>364</u> | <u>364</u> | <u>1,654</u> |
| EXPENSES | | | | | | | | | | | | | |
| SALARIES W/FRINGE | 4 | 4 | 11 | 28 | 30 | 41 | 53 | 56 | 64 | 69 | 73 | 73 | 504 |
| OTHER OPER EXP | 6 | 6 | 18 | 26 | 30 | 42 | 51 | 52 | 58 | 58 | 64 | 64 | 473 |
| FACILITIES | <u>0</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>66</u> |
| TOTAL EXPENSES | <u>10</u> | <u>15</u> | <u>35</u> | <u>59</u> | <u>66</u> | <u>89</u> | <u>109</u> | <u>114</u> | <u>128</u> | <u>133</u> | <u>143</u> | <u>143</u> | <u>1,042</u> |
| OPERATING PROFIT | <u>(31)</u> | <u>(36)</u> | <u>(35)</u> | <u>(59)</u> | <u>9</u> | <u>(30)</u> | <u>50</u> | <u>43</u> | <u>132</u> | <u>127</u> | <u>221</u> | <u>221</u> | <u>612</u> |
| EXTRORDINARY EXP | | | | | | | | | | | | | |
| FINANCING | | | | | | | | | | | | | |
| Audit | 25 | | | | | | | | | | | | 25 |
| Legal | 50 | | | | | | | | | | | | 50 |
| EXEC HIRING EXP | 25 | | | | | | | | | | | | 25 |
| PROFIT-PRETAX | <u>(131)</u> | <u>(36)</u> | <u>(35)</u> | <u>(59)</u> | <u>9</u> | <u>(30)</u> | <u>50</u> | <u>43</u> | <u>132</u> | <u>127</u> | <u>221</u> | <u>221</u> | <u>512</u> |
| INCOME TAX | | | <u>1</u> | | | | | | | | | | <u>1</u> |
| NET PROFIT | <u>(131)</u> | <u>(36)</u> | <u>(36)</u> | <u>(59)</u> | <u>9</u> | <u>(30)</u> | <u>50</u> | <u>43</u> | <u>132</u> | <u>127</u> | <u>221</u> | <u>221</u> | <u>511</u> |

BA FI

BUSINESS PLAN PROJECTION

PROFORMA Cash Flow Statement for YEAR ONE (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | Total |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| TOTAL REVENUES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>227</u> | <u>227</u> | <u>453</u> | <u>453</u> | <u>680</u> | <u>680</u> | <u>906</u> | <u>906</u> | <u>4,530</u> |
| Cash Balance | 0 | (353) | (389) | (425) | (484) | (702) | (845) | (1,022) | (1,093) | (1,187) | (1,173) | (1,178) | |
| A/R Collection | 0 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>113</u> | <u>227</u> | <u>340</u> | <u>453</u> | <u>566</u> | <u>680</u> | <u>793</u> | <u>3,171</u> |
| Capital Contribution | <u>0</u> | | | | | | | | | | | | |
| TOTAL CASH AVAIL. | <u>0</u> | <u>(353)</u> | <u>(389)</u> | <u>(425)</u> | <u>(484)</u> | <u>(589)</u> | <u>(619)</u> | <u>(682)</u> | <u>(640)</u> | <u>(621)</u> | <u>(493)</u> | <u>(385)</u> | |
| TOTAL C.O.S. | <u>21</u> | <u>21</u> | <u>0</u> | <u>0</u> | <u>152</u> | <u>167</u> | <u>294</u> | <u>296</u> | <u>419</u> | <u>419</u> | <u>542</u> | <u>542</u> | <u>2,876</u> |
| TOTAL EXPENSES | <u>10</u> | <u>15</u> | <u>35</u> | <u>59</u> | <u>66</u> | <u>89</u> | <u>109</u> | <u>114</u> | <u>128</u> | <u>133</u> | <u>143</u> | <u>143</u> | <u>1,042</u> |
| CAPITAL EQPT | <u>150</u> | | | | | | | | | | | | |
| DEPOSITS | <u>72</u> | | | | | | | | | | | | |
| Income Taxes | <u>0</u> | <u>0</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1</u> |
| EXTRAORDINARY EXP | | | | | | | | | | | | | |
| Financing Exp | | | | | | | | | | | | | |
| Legal | 50 | | | | | | | | | | | | |
| Audit | 25 | | | | | | | | | | | | |
| Exec Hiring Exp | 25 | | | | | | | | | | | | |
| TOTAL CASH EXP | <u>353</u> | <u>36</u> | <u>36</u> | <u>59</u> | <u>218</u> | <u>256</u> | <u>403</u> | <u>410</u> | <u>547</u> | <u>552</u> | <u>685</u> | <u>685</u> | <u>4,241</u> |
| CASH BALANCE | <u>(353)</u> | <u>(389)</u> | <u>(425)</u> | <u>(484)</u> | <u>(702)</u> | <u>(845)</u> | <u>(1,022)</u> | <u>(1,093)</u> | <u>(1,187)</u> | <u>(1,173)</u> | <u>(1,178)</u> | <u>(1,070)</u> | |

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

Year Two-Personnel Expense Statement (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Office of CEO | | | | | | | | | | | | | |
| CEO | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 66 |
| Exec Sec | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 42 |
| Admin Asst | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>30</u> |
| <u>SUBTOTAL</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>13</u> | <u>13</u> | <u>13</u> | <u>13</u> | <u>13</u> | <u>13</u> | <u>138</u> |
| Office of CFO | | | | | | | | | | | | | |
| CFO | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 66 |
| Exec Sec | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| Treas/Cont | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Fin Analyst | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 54 |
| Sr Bus Adm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cont/Subcont Mgr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cont/Subcont Adm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secretary | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>SUBTOTAL</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>17</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>159</u> |
| Marketing/Sales | | | | | | | | | | | | | |
| EVP | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 54 |
| Exec Sec | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 42 |
| Dst Mktg/Sales Mgr | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 54 |
| Sr Mktg Rep(s) | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 |
| Admin Asst | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 24 |
| Sr Secty | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>30</u> |
| <u>SUBTOTAL</u> | <u>30</u> | <u>30</u> | <u>30</u> | <u>30</u> | <u>30</u> | <u>30</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>384</u> |
| Office of COO/Oper | | | | | | | | | | | | | |
| COO | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 |
| Exec Sec | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 42 |
| Oper Mgr | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 54 |
| Space/Fac Mgr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Human Resource Dir | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maint/Matl Svc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secty | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>SUBTOTAL</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>156</u> |

BAFI

BUSINESS PLAN PROJECTION**PERSONNEL EXPENSE YEAR TWO (continued) (\$000)**

| Month | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| SUMMARY | | | | | | | | | | | | | |
| Office of CEO | 10 | 10 | 10 | 10 | 10 | 10 | 13 | 13 | 13 | 13 | 13 | 13 | 138 |
| Office of CFO | 12 | 12 | 12 | 12 | 12 | 12 | 17 | 14 | 14 | 14 | 14 | 14 | 159 |
| Mktg/Sales | 30 | 30 | 30 | 30 | 30 | 30 | 34 | 34 | 34 | 34 | 34 | 34 | 384 |
| Off of COO/Oper | 12 | 12 | 12 | 12 | 12 | 12 | 14 | 14 | 14 | 14 | 14 | 14 | 156 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Core Prod Team | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Advanced Prod Team | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | <u>64</u> | <u>64</u> | <u>64</u> | <u>64</u> | <u>64</u> | <u>64</u> | <u>78</u> | <u>75</u> | <u>75</u> | <u>75</u> | <u>75</u> | <u>75</u> | <u>837</u> |
| FRINGE @ 25% | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>20</u> | <u>19</u> | <u>19</u> | <u>19</u> | <u>19</u> | <u>19</u> | <u>209</u> |
| TOTAL SALARY | <u>80</u> | <u>80</u> | <u>80</u> | <u>80</u> | <u>80</u> | <u>80</u> | <u>98</u> | <u>94</u> | <u>94</u> | <u>94</u> | <u>94</u> | <u>94</u> | <u>1,046</u> |

OTHER EXPENSES YEAR TWO**Operating Expenses (Office, stationery, travel, equipment, other)**

| | | | | | | | | | | | | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|--------------|
| CEO=0.8 Salary | 8 | 8 | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 110 |
| COO=0.8 Salary | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 125 |
| Mktg=2.5 Salary | 75 | 75 | 75 | 75 | 75 | 75 | 85 | 85 | 85 | 85 | 85 | 85 | 960 |
| Adv Engr=.6 Salary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prod =.5 Salary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPER EXP | <u>93</u> | <u>93</u> | <u>93</u> | <u>93</u> | <u>93</u> | <u>93</u> | <u>107</u> | <u>107</u> | <u>107</u> | <u>107</u> | <u>107</u> | <u>107</u> | <u>1,195</u> |

Production Material

| | | | | | | | | | | | | | |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| BAFI @ \$14 each | 210 | 210 | 210 | 280 | 280 | 280 | 350 | 350 | 350 | 420 | 420 | 420 | 3,780 |
| 2nd Generation @ \$8 | <u>27</u> | <u>29</u> | <u>32</u> | <u>35</u> | <u>37</u> | <u>40</u> | <u>43</u> | <u>45</u> | <u>48</u> | <u>51</u> | <u>53</u> | <u>56</u> | <u>496</u> |
| TOTAL MATERIALS | <u>237</u> | <u>239</u> | <u>242</u> | <u>315</u> | <u>317</u> | <u>320</u> | <u>393</u> | <u>395</u> | <u>398</u> | <u>471</u> | <u>473</u> | <u>476</u> | <u>4,276</u> |

Capital Eqpt

| | | | | | | | | | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
| Per Budget Schedule | <u>25</u> | <u>25</u> | <u>25</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>100</u> | <u>100</u> | <u>100</u> | <u>675</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|

Facilities**Lease Basis 4K SQ FT**

| | | | | | | | | | | | | | |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| @ \$1.50/sq ft | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>72</u> |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

PROFORMA Income Statement for YEAR TWO (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| BAFI # UNITS | 15,000 | 15,000 | 15,000 | 20,000 | 20,000 | 20,000 | 25,000 | 25,000 | 25,000 | 30,000 | 30,000 | 30,000 | 270,000 |
| REVENUE @ \$75.70 | 1,133 | 1,133 | 1,133 | 1,510 | 1,510 | 1,510 | 1,888 | 1,888 | 1,888 | 2,265 | 2,265 | 2,265 | 20,385 |
| 2nd Gen. @ \$75.70 | 50 | 55 | 60 | 65 | 70 | 75 | 80 | 85 | 90 | 95 | 100 | 105 | 930 |
| TOTAL REVENUES | <u>1,183</u> | <u>1,188</u> | <u>1,193</u> | <u>1,575</u> | <u>1,580</u> | <u>1,585</u> | <u>1,968</u> | <u>1,973</u> | <u>1,978</u> | <u>2,360</u> | <u>2,365</u> | <u>2,370</u> | <u>21,315</u> |
| COST OF SALES | | | | | | | | | | | | | |
| LAB+MATL | <u>352</u> | <u>355</u> | <u>358</u> | <u>430</u> | <u>433</u> | <u>436</u> | <u>526</u> | <u>529</u> | <u>531</u> | <u>604</u> | <u>607</u> | <u>609</u> | <u>5,770</u> |
| TOTAL C.O.S. | <u>352</u> | <u>355</u> | <u>358</u> | <u>430</u> | <u>433</u> | <u>436</u> | <u>526</u> | <u>529</u> | <u>531</u> | <u>604</u> | <u>607</u> | <u>609</u> | <u>5,770</u> |
| GROSS PROFIT | <u>830</u> | <u>832</u> | <u>835</u> | <u>1,145</u> | <u>1,147</u> | <u>1,149</u> | <u>1,442</u> | <u>1,444</u> | <u>1,446</u> | <u>1,756</u> | <u>1,758</u> | <u>1,761</u> | <u>15,545</u> |
| EXPENSES | | | | | | | | | | | | | |
| SALARIES W/FRINGE | 80 | 80 | 80 | 80 | 80 | 80 | 98 | 94 | 94 | 94 | 94 | 94 | 1,046 |
| OTHER OPER EXP | 93 | 93 | 93 | 93 | 93 | 93 | 107 | 107 | 107 | 107 | 107 | 107 | 1,195 |
| FACILITIES | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 72 |
| TOTAL EXPENSES | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>210</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>2,313</u> |
| OPERATING PROFIT | <u>651</u> | <u>654</u> | <u>656</u> | <u>966</u> | <u>968</u> | <u>971</u> | <u>1,231</u> | <u>1,238</u> | <u>1,240</u> | <u>1,550</u> | <u>1,552</u> | <u>1,554</u> | <u>13,232</u> |
| EXTRORDINARY EXP | | | | | | | | | | | | | |
| FINANCING | | | | | | | | | | | | | |
| Audit | | | | | | | | | | | | | |
| Legal | | | | | | | | | | | | | |
| EXEC HIRING EXP | | | | | | | | | | | | | |
| PROFIT-PRETAX | <u>651</u> | <u>654</u> | <u>656</u> | <u>966</u> | <u>968</u> | <u>971</u> | <u>1,231</u> | <u>1,238</u> | <u>1,240</u> | <u>1,550</u> | <u>1,552</u> | <u>1,554</u> | <u>13,232</u> |
| INCOME TAX | | | 1 | | | | | | | | | | 1 |
| NET PROFIT | <u>651</u> | <u>654</u> | <u>655</u> | <u>966</u> | <u>968</u> | <u>971</u> | <u>1,231</u> | <u>1,238</u> | <u>1,240</u> | <u>1,550</u> | <u>1,552</u> | <u>1,554</u> | <u>13,231</u> |

BA FI

BUSINESS PLAN PROJECTION**PROFORMA Cash Flow Statement for YEAR TWO (\$000)**

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|---------------------|
| <i>TOTAL REVENUES</i> | <u>1,183</u> | <u>1,188</u> | <u>1,193</u> | <u>1,575</u> | <u>1,580</u> | <u>1,585</u> | <u>1,968</u> | <u>1,973</u> | <u>1,978</u> | <u>2,360</u> | <u>2,365</u> | <u>2,370</u> | <u>21,315</u> |
| Cash Balance | (1,070) | (720) | (234) | 388 | 919 | 1,641 | 2,554 | 3,351 | 4,342 | 5,525 | 6,589 | 7,845 | 9,292 |
| A/R Collection | <u>906</u> | <u>1,044</u> | <u>1,185</u> | <u>1,190</u> | <u>1,384</u> | <u>1,578</u> | <u>1,583</u> | <u>1,776</u> | <u>1,970</u> | <u>1,975</u> | <u>2,169</u> | <u>2,363</u> | <u>19,122</u> |
| Capital Contribution | | | | | | | | | | | | | |
| TOTAL CASH AVAIL. | <u>(164)</u> | <u>324</u> | <u>951</u> | <u>1,578</u> | <u>2,303</u> | <u>3,219</u> | <u>4,137</u> | <u>5,127</u> | <u>6,312</u> | <u>7,500</u> | <u>8,758</u> | <u>10,208</u> | |
| TOTAL C.O.S. | <u>352</u> | <u>355</u> | <u>358</u> | <u>430</u> | <u>433</u> | <u>436</u> | <u>526</u> | <u>529</u> | <u>531</u> | <u>604</u> | <u>607</u> | <u>609</u> | <u>5,770</u> |
| TOTAL EXPENSES | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>210</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>206</u> | <u>2,313</u> |
| CAPITAL EQPT | <u>25</u> | <u>25</u> | <u>25</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>100</u> | <u>100</u> | <u>100</u> | <u>675</u> |
| DEPOSITS | | | | | | | | | | | | | |
| Income Taxes | <u>0</u> | <u>0</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1</u> |
| EXTRAORDINARY EXP | | | | | | | | | | | | | |
| Financing Exp | | | | | | | | | | | | | |
| Legal | | | | | | | | | | | | | |
| Audit | | | | | | | | | | | | | |
| Exec Hiring Exp | | | | | | | | | | | | | |
| TOTAL CASH EXP | <u>556</u> | <u>559</u> | <u>562</u> | <u>659</u> | <u>662</u> | <u>664</u> | <u>786</u> | <u>785</u> | <u>788</u> | <u>910</u> | <u>913</u> | <u>916</u> | <u>8,759</u> |
| CASH BALANCE | <u>(720)</u> | <u>(234)</u> | <u>388</u> | <u>919</u> | <u>1,641</u> | <u>2,554</u> | <u>3,351</u> | <u>4,342</u> | <u>5,525</u> | <u>6,589</u> | <u>7,845</u> | <u>9,292</u> | |

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

YEAR THREE-Personnel Expense Statement (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Office of CEO | | | | | | | | | | | | | |
| CEO | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 10 | 100 |
| Exec Sec | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Admin Asst | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>36</u> |
| <i>SUBTOTAL</i> | <u>14</u> | <u>14</u> | <u>14</u> | <u>14</u> | <u>15</u> | <u>15</u> | <u>15</u> | <u>15</u> | <u>17</u> | <u>17</u> | <u>17</u> | <u>17</u> | <u>184</u> |
| Office of CFO | | | | | | | | | | | | | |
| CFO | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 10 | 100 |
| Exec Sec | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| Treas/Cont | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 65 |
| Sr Fin Analyst | 5 | 5 | 5 | 5 | 5 | 5 | 8 | 8 | 8 | 8 | 8 | 8 | 78 |
| Sr Bus Adm | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 |
| Cont/Subcont Mgr | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 53 |
| Cont/Subcont Adm | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 53 |
| Secretary | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>36</u> |
| <i>SUBTOTAL</i> | <u>36</u> | <u>36</u> | <u>36</u> | <u>36</u> | <u>37</u> | <u>37</u> | <u>40</u> | <u>43</u> | <u>45</u> | <u>45</u> | <u>45</u> | <u>45</u> | <u>481</u> |
| Marketing/Sales | | | | | | | | | | | | | |
| EVP | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 66 |
| Exec Sec | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Dst Mktg/Sales Mgr | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 66 |
| Sr Mktg Rep(s) | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 |
| Admin Asst | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 30 |
| Sr Secty | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>36</u> |
| <i>SUBTOTAL</i> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>34</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>426</u> |
| Office of COO/Oper | | | | | | | | | | | | | |
| COO | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 72 |
| Exec Sec | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Oper Mgr | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 66 |
| Space/Fac Mgr | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 |
| Human Resource Dir | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 |
| Maint/Matl Svc | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 |
| Secty | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>24</u> |
| <i>SUBTOTAL</i> | <u>32</u> | <u>32</u> | <u>32</u> | <u>32</u> | <u>32</u> | <u>32</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>390</u> |

BAFI

PERSONNEL EXPENSE YEAR THREE (continued)

| Month | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| BAFI Existing Core Product Team | | | | | | | | | | | | | |
| Sr Soft Design | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Electrical Design | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Sr Mech/Pkg Design | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Sr Sensor Design | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Sr Production Cont | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prod Control | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 48 |
| Recvg Insp/QC/Ship | 8 | 8 | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 12 | 12 | 12 | 114 |
| Assembler/Tng | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tech Tng/Repairs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tech/Final Test | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tech/Field Setup | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Secty | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| Secretary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Adm | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>SUBTOTAL</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>35</u> | <u>35</u> | <u>35</u> | <u>390</u> |
| Advanced Product Team | | | | | | | | | | | | | |
| Sr Soft Design | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 30 |
| Sr Electrical Design | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 30 |
| Sr Mech Pkg Design | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 20 |
| Sr Sensor Design | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 30 |
| Sr Graph/CADCAM | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 30 |
| Bio Engr/Consultant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 15 |
| Sr Prod Cont | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Bus Analyst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Contract/Sub | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Mkt Analyst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Analyst-Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sr Secretary | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 18 |
| Secretary | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>SUBTOTAL</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>23</u> | <u>23</u> | <u>28</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>173</u> |

BAFI

BUSINESS PLAN PROJECTION**PERSONNEL EXPENSE YEAR THREE (\$000)**

| Month | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| SUMMARY PERSONNEL SALARY EXP | | | | | | | | | | | | | |
| Office of CEO | 14 | 14 | 14 | 14 | 15 | 15 | 15 | 15 | 17 | 17 | 17 | 17 | 184 |
| Office of CFO | 36 | 36 | 36 | 36 | 37 | 37 | 40 | 43 | 45 | 45 | 45 | 45 | 481 |
| Mktg/Sales | 34 | 34 | 34 | 34 | 34 | 34 | 37 | 37 | 37 | 37 | 37 | 37 | 426 |
| Off of COO/Oper | 32 | 32 | 32 | 32 | 32 | 32 | 33 | 33 | 33 | 33 | 33 | 33 | 390 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Core Prod Team | 31 | 31 | 31 | 31 | 31 | 31 | 33 | 33 | 33 | 35 | 35 | 35 | 390 |
| Advanced Prod Team | 0 | 0 | 0 | 0 | 0 | 0 | <u>23</u> | <u>23</u> | <u>28</u> | <u>33</u> | <u>33</u> | <u>33</u> | <u>173</u> |
| TOTAL | <u>147</u> | <u>147</u> | <u>147</u> | <u>147</u> | <u>149</u> | <u>149</u> | <u>181</u> | <u>184</u> | <u>193</u> | <u>200</u> | <u>200</u> | <u>200</u> | <u>2,044</u> |
| FRINGE @ 25% | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>45</u> | <u>46</u> | <u>48</u> | <u>50</u> | <u>50</u> | <u>50</u> | <u>511</u> |
| TOTAL SALARY | <u>184</u> | <u>184</u> | <u>184</u> | <u>184</u> | <u>186</u> | <u>186</u> | <u>226</u> | <u>230</u> | <u>241</u> | <u>250</u> | <u>250</u> | <u>250</u> | <u>2,555</u> |

1297

OTHER EXPENSES YEAR THREE**Operating Expenses (Office, stationery, travel, equipment, other)**

| | | | | | | | | | | | | | |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| CEO=0.8 Salary | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 14 | 14 | 14 | 14 | 147 |
| COO=0.8 Salary | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 312 |
| Mktg=3.5 Salary | 119 | 119 | 119 | 119 | 119 | 119 | 130 | 130 | 130 | 130 | 130 | 130 | 1,491 |
| Adv Engr=.6 Salary | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 14 | 17 | 20 | 20 | 20 | 104 |
| Prod =.5 Salary | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>16</u> | <u>17</u> | <u>17</u> | <u>17</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>195</u> |
| TOTAL OPER EXP | <u>171</u> | <u>171</u> | <u>171</u> | <u>171</u> | <u>172</u> | <u>172</u> | <u>198</u> | <u>198</u> | <u>203</u> | <u>207</u> | <u>207</u> | <u>207</u> | <u>2,249</u> |

Production Material

| | | | | | | | | | | | | | |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| BAFI @ \$7 each | 245 | 245 | 245 | 280 | 280 | 280 | 315 | 315 | 315 | 350 | 350 | 350 | 3,570 |
| 2nd Gen. @ \$4 each | <u>44</u> | <u>44</u> | <u>46</u> | <u>46</u> | <u>48</u> | <u>48</u> | <u>50</u> | <u>50</u> | <u>52</u> | <u>52</u> | <u>54</u> | <u>54</u> | <u>588</u> |
| TOTAL MATERIALS | <u>289</u> | <u>289</u> | <u>291</u> | <u>326</u> | <u>328</u> | <u>328</u> | <u>365</u> | <u>365</u> | <u>367</u> | <u>402</u> | <u>404</u> | <u>404</u> | <u>4,158</u> |

Capital Eqpt

| | | | | | | | | | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Per Budget Schedule | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>300</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|

Facilities**Lease Basis 4K SQ FT**

| | | | | | | | | | | | | | |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| @ \$1.50/sq ft | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>72</u> |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|

BUSINESS PLAN

Ingen Technologies, Inc.

BAFI

BUSINESS PLAN PROJECTION

PROFORMA Income Statement for YEAR THREE (\$000)

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>Total</u> |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| BAFI # UNITS | 35,000 | 35,000 | 35,000 | 40,000 | 40,000 | 40,000 | 45,000 | 45,000 | 45,000 | 50,000 | 50,000 | 50,000 | 510,000 |
| REVENUE @ \$75.50 | 2,643 | 2,643 | 2,643 | 3,020 | 3,020 | 3,020 | 3,398 | 3,398 | 3,398 | 3,775 | 3,775 | 3,775 | 38,505 |
| 2nd Gen. @ \$75.50 | 110 | 110 | 115 | 115 | 120 | 120 | 125 | 125 | 130 | 130 | 135 | 135 | 1,470 |
| TOTAL REVENUES | <u>2,753</u> | <u>2,753</u> | <u>2,758</u> | <u>3,135</u> | <u>3,140</u> | <u>3,140</u> | <u>3,523</u> | <u>3,523</u> | <u>3,528</u> | <u>3,905</u> | <u>3,910</u> | <u>3,910</u> | <u>39,975</u> |
| COST OF SALES | | | | | | | | | | | | | |
| LAB+MATL | <u>503</u> | <u>503</u> | <u>505</u> | <u>540</u> | <u>543</u> | <u>543</u> | <u>613</u> | <u>613</u> | <u>621</u> | <u>661</u> | <u>663</u> | <u>663</u> | <u>6,969</u> |
| TOTAL C.O.S. | <u>503</u> | <u>503</u> | <u>505</u> | <u>540</u> | <u>543</u> | <u>543</u> | <u>613</u> | <u>613</u> | <u>621</u> | <u>661</u> | <u>663</u> | <u>663</u> | <u>6,969</u> |
| GROSS PROFIT | <u>2,249</u> | <u>2,249</u> | <u>2,252</u> | <u>2,595</u> | <u>2,597</u> | <u>2,597</u> | <u>2,910</u> | <u>2,910</u> | <u>2,907</u> | <u>3,245</u> | <u>3,248</u> | <u>3,248</u> | <u>33,006</u> |
| EXPENSES | | | | | | | | | | | | | |
| SALARIES W/FRINGE | 153 | 153 | 153 | 153 | 155 | 155 | 193 | 197 | 208 | 215 | 215 | 215 | 2,165 |
| OTHER OPER EXP | 171 | 171 | 171 | 171 | 172 | 172 | 198 | 198 | 203 | 207 | 207 | 207 | 2,249 |
| FACILITIES | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 72 |
| TOTAL EXPENSES | <u>330</u> | <u>330</u> | <u>330</u> | <u>330</u> | <u>333</u> | <u>333</u> | <u>397</u> | <u>401</u> | <u>417</u> | <u>428</u> | <u>428</u> | <u>428</u> | <u>4,486</u> |
| OPERATING PROFIT | <u>1,919</u> | <u>1,919</u> | <u>1,922</u> | <u>2,265</u> | <u>2,264</u> | <u>2,264</u> | <u>2,512</u> | <u>2,509</u> | <u>2,490</u> | <u>2,817</u> | <u>2,820</u> | <u>2,820</u> | <u>28,520</u> |
| EXTRAORDINARY EXP | | | | | | | | | | | | | |
| FINANCING | | | | | | | | | | | | | |
| Audit | | | | | | | | | | | | | |
| Legal | | | | | | | | | | | | | |
| EXEC HIRING EXP | | | | | | | | | | | | | |
| PROFIT-PRETAX | <u>1,919</u> | <u>1,919</u> | <u>1,922</u> | <u>2,265</u> | <u>2,264</u> | <u>2,264</u> | <u>2,512</u> | <u>2,509</u> | <u>2,490</u> | <u>2,817</u> | <u>2,820</u> | <u>2,820</u> | <u>28,520</u> |
| INCOME TAX @ 40% | 768 | 768 | 769 | 906 | 905 | 905 | 1,005 | 1,003 | 996 | 1,127 | 1,128 | 1,128 | 11,408 |
| NET PROFIT | <u>1,152</u> | <u>1,152</u> | <u>1,153</u> | <u>1,359</u> | <u>1,358</u> | <u>1,358</u> | <u>1,507</u> | <u>1,505</u> | <u>1,494</u> | <u>1,690</u> | <u>1,692</u> | <u>1,692</u> | <u>17,112</u> |

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BUSINESS PLAN PROJECTION**PROFORMA Cash Flow Statement for YEAR THREE (\$000)**

| MONTH | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | Total |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| TOTAL REVENUES | <u>2,753</u> | <u>2,753</u> | <u>2,758</u> | <u>3,135</u> | <u>3,140</u> | <u>3,140</u> | <u>3,523</u> | <u>3,523</u> | <u>3,528</u> | <u>3,905</u> | <u>3,910</u> | <u>3,910</u> | <u>39,975</u> |
| Cash Balance | 9,292 | 10,801 | 12,414 | 14,134 | 15,815 | 17,680 | 19,737 | 21,559 | 23,568 | 25,745 | 27,804 | 30,052 | 32,491 |
| A/R Collection | <u>2,368</u> | <u>2,561</u> | <u>2,753</u> | <u>2,755</u> | <u>2,946</u> | <u>3,138</u> | <u>3,140</u> | <u>3,331</u> | <u>3,523</u> | <u>3,525</u> | <u>3,716</u> | <u>3,908</u> | |
| Capital Contribution | | | | | | | | | | | | | |
| TOTAL CASH AVAIL. | <u>11,660</u> | <u>13,363</u> | <u>15,167</u> | <u>16,889</u> | <u>18,761</u> | <u>20,818</u> | <u>22,877</u> | <u>24,890</u> | <u>27,091</u> | <u>29,270</u> | <u>31,520</u> | <u>33,960</u> | |
| TOTAL C.O.S. | <u>503</u> | <u>503</u> | <u>505</u> | <u>540</u> | <u>543</u> | <u>543</u> | <u>613</u> | <u>613</u> | <u>621</u> | <u>661</u> | <u>663</u> | <u>663</u> | <u>6,969</u> |
| TOTAL EXPENSES | <u>330</u> | <u>330</u> | <u>330</u> | <u>330</u> | <u>333</u> | <u>333</u> | <u>397</u> | <u>401</u> | <u>417</u> | <u>428</u> | <u>428</u> | <u>428</u> | <u>4,486</u> |
| CAPITAL EQPT | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>25</u> | <u>300</u> |
| DEPOSITS | | | | | | | | | | | | | |
| Income Taxes | <u>0</u> | <u>90</u> | <u>173</u> | <u>179</u> | <u>179</u> | <u>179</u> | <u>283</u> | <u>283</u> | <u>283</u> | <u>353</u> | <u>353</u> | <u>353</u> | <u>2,708</u> |
| EXTRAORDINARY EXP | | | | | | | | | | | | | |
| Financing Exp | | | | | | | | | | | | | |
| Legal | | | | | | | | | | | | | |
| Audit | | | | | | | | | | | | | |
| Exec Hiring Exp | | | | | | | | | | | | | |
| TOTAL CASH EXP | <u>858</u> | <u>948</u> | <u>1,033</u> | <u>1,074</u> | <u>1,080</u> | <u>1,080</u> | <u>1,318</u> | <u>1,322</u> | <u>1,346</u> | <u>1,466</u> | <u>1,468</u> | <u>1,468</u> | <u>14,463</u> |
| CASH BALANCE | <u>10,801</u> | <u>12,414</u> | <u>14,134</u> | <u>15,815</u> | <u>17,680</u> | <u>19,737</u> | <u>21,559</u> | <u>23,568</u> | <u>25,745</u> | <u>27,804</u> | <u>30,052</u> | <u>32,491</u> | |