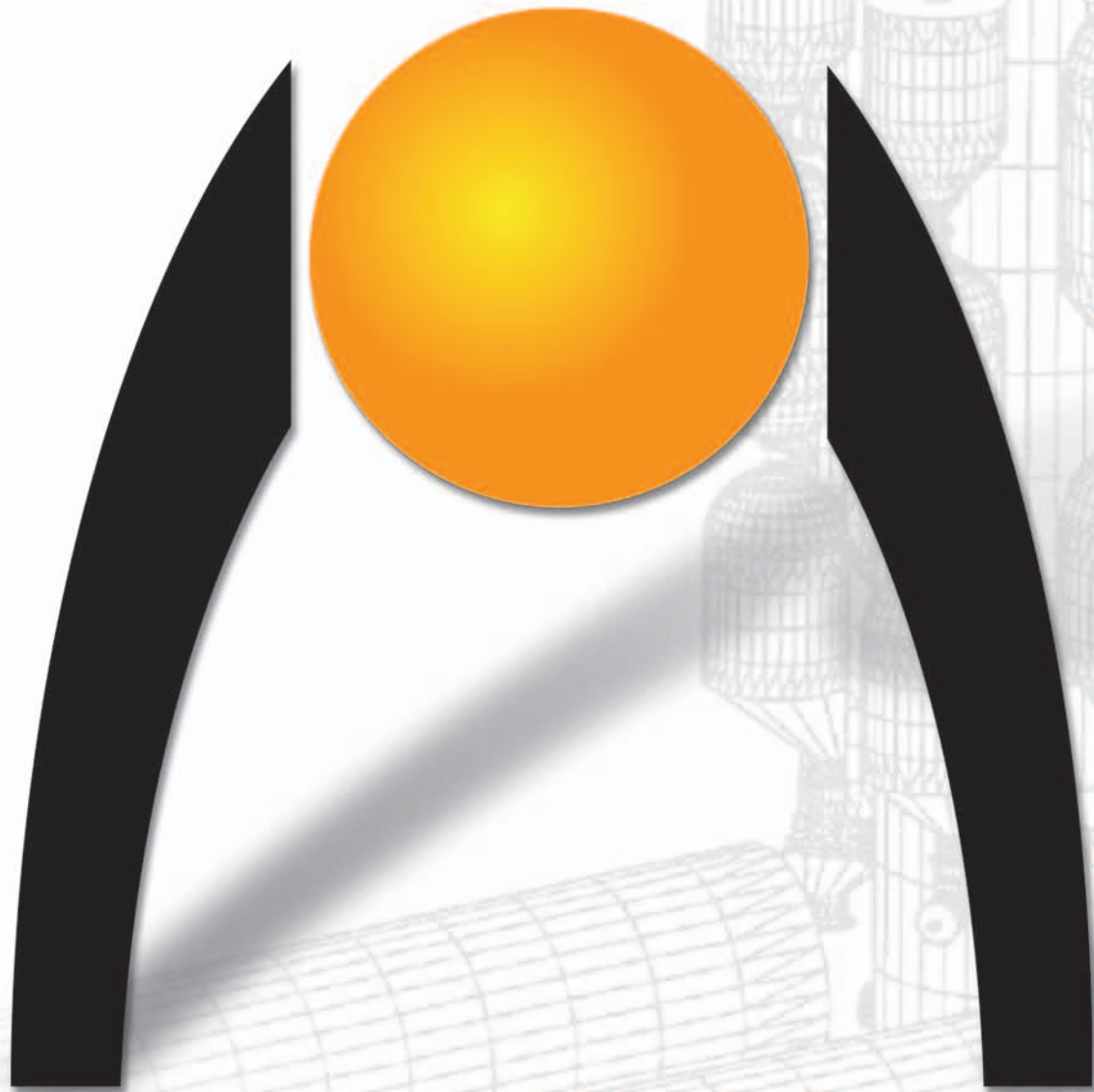



C H A T T A N O O G A C O R P



C H A N G I N G T H E T E C H H N O L O G Y



The world is facing rapidly increasing demand for petroleum resources and there are concerns raised by some analysts that global crude oil production may have peaked.

“The surest way for America to add large quantities of [proven oil reserves] is to demonstrate the commercial viability of oil shale.”

Is Oil Shale America’s Answer to Peak-Oil Challenge?

**Bunger, Crawford and Johnson,
Oil & Gas Journal,
August 9, 2004**

OIL PRICES HAVE RISEN AND UNCONVENTIONAL OIL RESOURCES HAVE BECOME A VIABLE ALTERNATIVE TO AMERICA’S RELIANCE ON IMPORTED OIL. To address this reality, Chattanooga Corp has developed a significant improvement in the production of synthetic crude oil.

Led by an international team of industry engineers and experts, Chattanooga Corporation is a technology research and development company focused on processes for converting unconventional oil resources into synthetic crude oil. Chattanooga Corp has developed a patented new technology to directly convert various unconventional oil resources into a light, high grade, synthetic crude oil.

The reaction kinetics of the Chattanooga Process using bitumen resources has been proven on a laboratory scale. Most recently, successful fluidization has been achieved in a reactor system to produce synthetic crude oil from Colorado oil shale using the Chattanooga Process. These results prove that the Chattanooga Process can be used for producing synthetic crude oil from oil shale.

Engineering estimates have been developed quantifying the advantages of using the Chattanooga Process and a plant has been fully designed and cost estimated. Using this information and the new technology, Chattanooga Corp is expanding relationships with leading energy producers, governmental agencies, banks and investors for the purpose of establishing a commercial-scale demonstration facility to be followed by multiple commercial operations. The Chattanooga Process also takes advantage of proven sub-processes of existing commercial and industrial operations, thereby reducing the risks and costs with implementing this technology.

TECHNOLOGY

Use of the Chattanooga Process is expected to significantly reduce capital and production costs, as well as reduce land, air and water pollution associated with processing unconventional oil resources (oil shale, in-situ bitumen, heavy oil and oil sand), as follows:


OIL SHALE: Research has achieved successful fluidization in a reactor system to produce synthetic crude oil from Colorado oil shale. These results prove the efficacy of the Chattanooga Process for producing synthetic crude oil from oil shale.

IN-SITU BITUMEN (STEAM ASSISTED GRAVITY DRAINAGE – SAGD): Much of the bitumen produced in Canada is derived from SAGD operations. The Chattanooga team has created a complete field operation model for integrating the Chattanooga Process into SAGD operations. Upgrading of the SAGD produced bitumen on-site by the Chattanooga Process produces a high value, low sulfur pipe line quality synthetic crude oil, compared to a low value, raw bitumen this is difficult to transport. By utilizing a number of benefits associated with the Chattanooga Process, this fully integrated method establishes an “economic fence” around the SAGD operation by making it energy self sufficient.

OIL SAND (WET EXTRACTION BITUMEN UPGRADER): The Chattanooga Process provides a simplified upgrading process for extracted bitumen, resulting in significant benefits to the industry, including reduced greenhouse gas emissions and reduced natural gas consumption.

COMMERCIAL PLANT DESIGN

The Chattanooga Process takes advantage of proven and widely commercialized sub-processes beyond the Chattanooga Process reactor. A detailed design has been developed and cost estimated based on a 15,000 bbl/day reactor which is scalable to a 60,000 bbl/day commercial facility. A significant advantage of the Chattanooga Process is that it can be used to make smaller volume facilities economically, as compared with technologies currently being used. This detailed commercial design has been developed in collaboration with experienced engineering, manufacturing and design firms that are leaders in the oil industry.



Use of the Chattanooga Process is expected to significantly reduce capital and production costs, as well as reduce land, air and water pollution associated with processing unconventional oil resources.

A significant advantage of the Chattanooga Process is that it can be used to make smaller volume facilities economical, as compared with technologies currently being used.



Using the Canadian oil sands industry as a model, Chattanooga Corp has developed a strategy for gaining industry acceptance and commercialization of the Chattanooga Process technology.

COMMERCIALIZATION

One unconventional oil resource that has already proved commercially viable is Alberta's oil sands industry, which is currently producing one million bbl/day with production expected to increase to two million bbl/day within the next six to ten years. "US oil shale resources possess the same characteristics of accessibility, richness, production assurance and high product quality as Alberta tar sand resources" (*Is Oil Shale America's Answer to Peak-Oil Challenge? Bunger, Crawford and Johnson, Oil & Gas Journal, August 9, 2004*). Using the Canadian oil sands industry as a model, Chattanooga Corp has developed a strategy for gaining industry acceptance and commercialization of the Chattanooga Process technology for processing oil shale.

Having proven the efficacy of the Chattanooga Process for producing synthetic crude oil from oil shale, Chattanooga Corp is expanding relationships with targeted energy producers, governmental agencies, banks and investors. Chattanooga Corp will build on these relationships for the purpose of establishing commercial scale facilities that will promote industry acceptance and broad adoption of Chattanooga Process technology worldwide. This is expected to create opportunities for licensing and royalty agreements that can generate significant and on-going revenue for Chattanooga Corp.

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Bunger, Crawford and Johnson, *Oil & Gas Journal*,

August 9, 2004

CHATTANOOGA CORP IS LED BY AN INTERNATIONAL TEAM of industry engineers and experts

MARTIN KARPENSKI President/CEO, Director. BE Chemical Engineering, Villanova University; JD, Seton Hall University School of Law. Retired with over thirty years with Foster Wheeler Corporation, most recently as President and CEO of Foster Wheeler Power Systems, Inc. as well as various positions in the corporate law department and commercial divisions. Experienced in domestic and international large scale energy production, refinery and process facilities in the areas of project development, finance, operations and corporate management.

JAMES A. DOYLE Chairman, Co-founder. B.Sc. Chemical Engineering, University of Arkansas. Retired from W.R. Grace & Company, where he held various positions including Corporate Vice President and Executive Vice President of largest chemical division of this chemical and mining company. For a number of years managed a large synthetic fuel from coal project for the U.S. Department of Energy. Extensive background in management, engineering and operations that relate to the oil sands industry led to the development of the Chattanooga Process. Broad experience in air, water and land pollution control.

FRED HILDEBRANDT Executive VP, Director. B.Sc. Chemical Engineering, University of Alberta. Retired from Federation Chemicals Limited, a wholly owned subsidiary of W.R. Grace & Company. Served as President and General Manager of W.R. Grace's chemical complex in Trinidad, West Indies. Experienced in management and operations of ammonia, hydrogen and other complex chemical plants in Canada and Trinidad. Experience in the design, construction, operation and management of several hydrogen-based plants.

CHALMER G. KIRKBRIDE, JR. Founding Principal, Corporate Secretary, Director. MS, American University, BA, Widener University. In addition to his roles as corporate strategist and company historian, Chalmer is the son of the renowned oil industry chemical engineer Chalmer G. Kirkbride, Sr., author of the two original Chattanooga Process patents.

ANTHONY HOWARTH Vice President, Director, MS Engineering Administration, Virginia PolyTech, BS, Industrial Engineering, College of New Jersey. Over twenty years experience in operations management, Mr. Howarth's expertise range from Supply Chain and technology management, financial analysis, capital budgeting, to contract negotiations, technology licensing and management consulting. His experience includes senior management positions, most recently with Lucent Technologies-Bell Laboratories, Carl Zeiss, Price Waterhouse, Sara Lee Corporation and Coopers & Lybrand.

WILLIAM POIST CPA, Vice President, Director. BA Ohio Wesleyan University, MS Taxation. President, MCP, Inc. Washington, DC. Forty years experience in tax, business, and financial consulting. He is also a registered investment advisor and an outside mutual fund director.

LAWRENCE J. MCEVOY PE, Vice President, Director. BS, Mechanical Engineering, Notre Dame. Experience includes 24 years at Foster Wheeler as Executive VP and General Manager of Fired Heater Division and ten years in engineering with MW Kellogg Company. Extensive background in sales, project, design, international operations as well as purchasing and cost control areas.



PETER DAVIES, Consulting Minerals Engineer. Retired Chief Mining Engineer for Bechtel Corporation. Worldwide experience in mining and beneficiation including mines in northern British Columbia and Alberta.

DR. TED M. KNOWLTON, Consulting Engineer. Ted is Technical Director of Particulate Solid Research, Inc. (PSRI) which conducts applied proprietary research in the fields of fluidization and solids transport and is also Adjunct Professor of Chemical Engineering at Illinois Institute of Technology. Dr. Knowlton has over 25 years of experience in fluidized bed and solids transport research and is the author of over 60 articles in the field and co-authored a book on circulating fluidized beds.

GREGORY J. PORGES, Corporate Counsel, B.S.C. St. John's University and Spring Hill College, J.D. Fordham University. Managing partner, Porges Hamlin Knowles & Prouty, PA. Over forty years experience in banking, corporation and business law, including mergers and acquisitions.

WILLIAM A. LLOYD, Chief Engineer. Mechanical Engineer with 17 years experience at Syncrude in Ft. McMurray in extraction and upgrading technologies. Had broad experience in maintenance and engineering at W.R. Grace's Trinidad operations including world-class ammonia, hydrogen, urea and other chemical operations.

ROBERT LAMONTAGNE, Chemical Process Engineer. Experienced process engineer and in computer software design. Most recently with AOC as corporate Technical Data Systems Leader responsible for integrating manufacturing and business systems within AOC's five North American unsaturated polyester facilities.

AL VONDRASEK, Consulting Geologist and Minerals Engineer, Lakeland, Florida. Broad experience in managing large phosphate mining and chemical operations in central Florida with W.R. Grace & Company. Assisted Chattanooga in evaluation of oil sands and shale deposits in Canada and U.S.

DR. RICHARD THAIS, Consulting Chemical Engineer Ph.D., Memphis, Tennessee. Chairman of Christian Brothers University, Chemical Engineering Department. Consulted on initial design of Chattanooga Process.

BRIAN ZWEIG, Consultant, B.S., Cornell University, MBA, Dartmouth College. Principal, Business Opportunities Management Consulting, focuses on helping early stage and high growth companies develop business plans and attract investment capital.



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CHANGING THE TECHNOLOGY

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