

EAVCF Euro-American Venture Capital Federation, Inc.

SUPERNOVAE ENERGY PROJECT

**Preliminary**  
**BUSINESSPLAN 2009 - 2012**

*for an ethical and ecological energy project*

**For development and commercialization of new**

**Supernovae Energy Devices (1)**

**and technical systems for changing material properties (2)**

*on the basis of electromagnetic resonance coupling*

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## 1 Abstract (Management Summary)

### 1.1 Intentions and Ideas

**The discovery of the fifth physical force on 6 Jan 2005 extends the up to date physical basics and allows the realisation of a new Super Energy Technology theoretically as well as practically.**

**The innovative RQM/SQM-Energy-Project will be financed by EAVCF Inc., Euro-American Venture Capital Federation Inc., and brought to success. You are invited to be part of it. The potential of increase of the EAVCF Inc. stock is between 100% up to 1'000% from 2009 – 2012.**

Supernovae Energy Inc. (in founding, as a 100% daughter of EAVCF Inc.) uses the theories of electromagnetic resonance coupling in order to extract electrical power in new ways, both mobile and stationary, whereby the power is inexpensive and environmentally friendly, as with many of the already known methods of generating power.

A successful Supernovae energy technology can moreover replace oil/gas/diesel as the primary energy source, since all systems that have been driven in that way until now (motors / turbines / pumps / heating / cooling etc.) can be operated with stationary or mobile Supernovae Energy aggregates and electric motors of all sizes.

**The basis of the technology is the conversion of nuclear energy directly into electrical energy by resonance coupling and not by fission.**

**Advantages: no radioactive emissions, no steam production, no cooling, no environmental pollution.**

**The Supernovae Energy technology thus has the potential of today's atomic or nuclear energy, but functions without the use of radioactive nuclear fuels and without nuclear fission, which is still responsible for excess, highly radioactive waste.**

**In the future, atomic power can be taken directly from magnetic resonance coupling. The process works at standard temperatures, without the costly, undesirable detours around the production of steam. The nuclear power is supplied from non-dangerous materials.**

Based on the successful proof of the principle and the possibility of a commercial use, Supernovae EnergyInc. (in founding) and the EAVCF Inc. stand at the threshold of a new technological era. To completely exhaust the potential and to finance further development work and open up a market, they (the EAVCF Inc.) require further partners and financial means.

The Business Plan is directed towards ethical, ecological and social investors and licensees, who are ready to invest in a new, futuristic and long-lasting technology, which can revolutionize the worldwide market for generation of power (Part 1). Parallel to that, this technology makes a new transmutation method possible for manufacturing new materials (for example Buckminster-Fullerene C-60 from graphite powder) or for changing material properties, which can be used to accelerate the reduction of radioactive emissions with a new environmental method (Part 2).

Both methods are greatly important for the environment and for future generations, because they allow technological and ecological errors that have been made in the past 50 years to be corrected (nuclear fission, radioactive waste, air pollution etc.).

### 1.2 Vision and Strategy

**Vision: Energy solution with Supernovae Energy - clean, independent, favorable**

The Supernovae Energy technology is based on a new, electromagnetic tapping of available nuclear power in the Supernovae Energyaggregate, which was patented internationally in 1996-1997 as the RQM method (*Raum-Quanten-Modulation* = Space-Quantum modulation). The Supernovae Energy technology is possible based on new scientific knowledge and discoveries in the area of electromagnetism, high-speed magnetic current, magnetic longitudinal or scalar waves, Space-Quantum power and quantum-hall effect (Nobel prize 1999).

The method is patent protected. The core, the RQM aggregate, consists of a system of specific geometrically located electromagnets, which are in the position to take nuclear power from natural materials such as steel, copper, proton conductors etc. by means of electromagnetic nuclear resonance coupling, without nuclear fission and without producing radioactive emissions.

According to Oliver Crane, the new primary energy, which is tapped and converted by a process similar to the Piezo effect, is continuously supplied by the cosmic natural force (background radiation, zero-point energy, which is transported across the interstellar or intergalactic medium, or Space-Quantum medium, etc. according to the statements of astrophysicists), similar to solar energy, 24 hours a day, as in the universe.

The Supernovae Energyaggregate is started by means of mounted starter batteries (storage batteries) and can therefore be used independent from the network. It can be used in a stationary as well as a mobile fashion at each geographical location worldwide. The aggregates contain no moving mechanical parts which are liable to

wear and tear. It is a refined, solid state technology, similar to electro-transformers or electronic converters. This results in a clean, long-lasting technology with a long-lasting aggregates, which can however be limited by material wear. The probable costs of the energy produced with Supernovae Energy technology amount to EURO 0.03-0.04 per kW/h (calculation basis: Supernovae Energy aggregate with 5-25 kW power, amortization length 10 years). Thus, they are substantially lower than with many known methods, somewhere in the range of power from water power.

#### **Strategy: central conception - decentral implementation**

The basic strategy is designed to keep control over the nuclear technology and the conceptional marketing in our hands, but to carry out the implementation and operative marketing in a manner that is widely supported and decentralized. In this way, it is guaranteed that the nuclear expertise remains inside the company, but nevertheless an effective and exhaustive commercialization is quickly attained.

The market should be initially opened with a few products in those market sectors which will provide the greatest short-term results, in order to venture further from this foundation step by step into other market sectors.

The license and sales partners should be involved in the framework of the concept and hold their appropriate share of the added value.

### **1.3 Ethical, ecological and social objectives**

The EAVCF Euro-American Venture Capital Federation, Inc. only finances and promotes projects that will live up to the ethical, ecological and social demands of future generations. Environmental conservation, recyclability, duration, long life of the products and social involvement are mandates of the business management and the directors of the EAVCF Inc. This also applies to future daughter firms and joint ventures.

#### **Stock options for co-founders and previous RQM investors**

The franchise shareholders of the EAVCF Inc. have unanimously decided that in the case of success (technical success with the testing center or a successful initial public stock offering of the EAVCF Inc.), to distribute a total of 3.25 million preferred stock (10% of the allowed preferred stock) proportionally to involved co-founders (1,625 mio. shares) as a bonus and to previous RQM investors (1,625 mio. shares) as compensation within several years.

#### **Direct support for the poorest people and countries of this world**

The EAVCF Inc. will distribute 1% (one percent) of the consolidated revenue or 5% (five percent) of the accumulated profit (whichever is larger) yearly in the form of deliveries of free technical equipment in the areas of energy and environmental technology (energy and water) or allow them to be distributed and installed by world-recognized charitable organizations.

### **1.4 Market and market power**

The Supernovae Energy technology is the ethical, ecological and economically favorable alternative to previous methods of generating power. Its market is thus the worldwide market of electrical energy generation, which is enormously large and has high yearly growth rates. The universal application possibilities of the Supernovae Energy technology also allow for the elimination of oil/gas/diesel as primary energy and the constructive advantages of the principle create a unique competitive advantage, which can be utilized for a long time due to protection under patent law.

New electronic converters with RQM impulse technology are already emerging in 2010 as byproducts or license of the Supernovae Energy research, which can be sold worldwide for greater flexibility and with a better degree of efficiency (for example for solar systems). Due to these byproducts, familiarity with the new Supernovae Energy technology will increase, since the RQM impulse technology delivers a clean, harmonics-free alternating current.

### **1.5 Patent utilization rights**

The EAVCF Euro-American Venture Capital Federation, Inc. has acquired the patent utilization rights after delivery of an EAVCF Inc. stock packet for RQM patent CH 687428 A5 until the expiration of the patent in 2016.

The owner of patent CH 691 378 A5 for the transmutation process, Jean-M. Lehner, will likewise bring the patent utilization rights to the EAVCF Inc. after clarification of all relevant legal and administrative questions, according presentation of an appropriate EAVCF Inc. stock packet.

## 1.6 Management

- Chairman/CEO	Hans Lehner, founder of the ISQR Institute (1993)
- Scientific director	to be hired in 2009
- Technical director	to be hired in 2009
- Technical development director	to be hired in 2009
- Marketing director	to be hired in 2009
- Environmental responsibility	to be hired in 2009
- Finance and personnel	to be hired in 2009
- Legal department and licensing	to be hired in 2009

## 1.7 Chances and risks

The Supernovae Energy technology has a unique chance in that it holds the potential to revolutionize the worldwide market of power generation. It has a fundamentally new technological base, which represents a real pioneering achievement (pioneer invention). It has the potential of atomic or nuclear energy without the disadvantage of radioactive emissions. It can thereby redeem the radioactive era economically and inexpensively, similar to other methods, which are still stuck unfinished in the pipelines of the conglomerates. The patented RQM technology or Supernovae Energy technology can also have further uses in the periphery of the energy market.

A new method (transmutation method) for changing material properties is derived from that, which accelerates the elimination of radioactive emissions and presents a new world development. This is protected as of 13 July 2001 as **Patent No. CH 691 378 A5 with the title "Device and method for changing the properties of materials through magnetic and mechanical influences."**

This presents possibilities for one or more joint venture agreements with the largest power companies in the world, since they are the owners of over 440 atomic reactors in the world, and thereby must dispose of the largest shares of radioactive waste.

By utilizing favorable basic materials such as graphite powder, completely new materials can even be manufactured with this new technology. In this way graphite powder can for example be refined into new materials, such as for example porous C-60 Buckminster-Fullerene, which is used for metered dispensing of agents in the pharmaceutical branches.

The risks are of two kinds, due to expertise or technology intersection, however significantly low:

- In the case that the energy technology does not reach the point where it is ready to go into mass production, resources used for the energy research and development are only partially lost, because the research results acquired can be further used for the transmutation process (manufacture of new materials and changing of material properties by nuclear resonance coupling). The transmutation method can even be inexpensively powered with energy from the network.
- In the case of successful development leading to mass production of the Supernovae Energy aggregate, an extremely strong interest on the customer side must be reckoned with due to the many advantages of the principle. A risk could perhaps consist in the reaction of the remaining companies, who could see their position as being fundamentally challenged. A joint venture or a license agreement for licensed manufacturing of the energy and/or transmutation process can eventually decrease the risk mentioned.

## 1.8 Finance characteristics / Financing (2009-2012)

Plans for the next few years include sales first with license agreements in 2010 in the amount of EURO 100 million and with shipments of Supernovae Energy byproducts and aggregates from EURO 200 million in 2011 to EURO 300 million in 2012. That corresponds to a sale of 20'000 units of Supernovae Energy aggregates 5-25 kW at EURO 15,000 per unit (average price).

The **earnings** rise to a planned level of **EURO 20 million** in business year 2010 or more.

The **financial requirements** are EURO 20 million in additional capital resources in business year 2009. After starting production in the beginning of 2010, the capital resources of EURO 20 million for the purchase of semi-manufactured products for mass production were acquired with further sales of stock. The introduction of outside capital (credit, loans) as intermediate financing is also planned, as far as this is necessary. The **investments** planned in the next 5 years amount to a total of EURO 100 million. To that end, 5 million stocks will be offered and sold until end of 2009.

### **1.9 Planned stock listing of the EAVCF Inc. on NASDAQ**

A leading stock position is essential for the mid-term and long-term financing of the worldwide activities of EAVCF Inc. and its daughter companies in the area of research and development, manufacturing and sales of new Supernova energy devices, and environmental technologies and the resulting products.

Communications with potential investors and interested parties, as well as stock purchase forms, already mention a planned listing in the high-tech NASDAQ stocks.

## 2 Company

### 2.1 Description of the company

<b>Business/location:</b>	<b>EAVCF / Euro-American Venture Capital Federation, Inc.</b>  15862 S.W. Redclover Lane , Sherwood , Oregon 97140 ( USA )
<b>Social aims:</b>	Promotion, involvement and commercialization according to ethical and ecological principles of renewable and long-lasting energy technology, environmental technology (for air, earth and water), transmutation technology for the manufacturing of new materials and for changing material properties (such as accelerating the elimination of radioactive emissions with a shortened half-life). New systems technology for air and space flight by utilizing newly developed renewable energy sources for a continuous on-the-spot energy supply.
<b>Founding:</b>	23 December 1998
<b>Legal form:</b>	Limited company
<b>Capital stock:</b>	<b>US\$ 650 million approved capital stock (65 million stocks)</b>  <b>Divided into 32.5 million Preferred Stock</b>  <b>and 32.5 million Common Stock</b>
<b>Nominal value:</b>	<b>US\$ 10 per stock</b>
<b>Stocks in circulation:</b>	<b>as of 30 Sep. 2008: Total 550,610 shares :</b>  <b>250,610 shares Preferred Stock</b>  <b>200,000 shares Common Stock</b>
<b>Shareholders:</b>	General promoters and future customers of renewable and long-lasting energy solutions, ethical and ecological investors, private parties, entrepreneurs, pioneers, visionaries and former investors of RQM Space Quantum Engines AG.
<b>Stock options:</b>	Upon the success of the energy or transmutation solution, or after a successful stock listing of the EAVCF Inc., a total of 3.25 million EAVCF Inc. Preferred Stock (10% of the allowed Preferred Stock) will be distributed within several years to the involved co-founders (1,625 mio. Shares) as a bonus and to the former RQM investors (1,625 mio. Shares) as a just compensation.
<b>Governing board:</b>	Mr. Hans Lehner, CH-8732 Neuhaus ( Switzerland ), President
<b>Number of employees:</b>	Recruitment of 10 – 20 employees in 2009
<b>Patents:</b>	29 November 1996: CH Patent No. 687 428 A5 "Device and method for generating electromagnetic impulse" (see Appendix I) 10 April 1997: Patent applications in several PCT countries (see Appendix II)
<b>Patent utilization:</b>	Patent utilization rights from 7 April 2001 until 2016 (expiration)
<b>Business investment:</b>	<b>Supernovae Energy Inc. (in founding)</b>
<b>Location:</b>	<b>USA, Europe, and in Switzerland</b> <b>Licencee of EAVCF Inc.</b>

**Production:** **Supernovae Energy aggregate and the RQM converter**

**Supernovae Energy transmutation systems**

**Sales partners:** A sales partner network must be established.

**License agreements:** There are currently no license agreements.

**There is however a great general interest, which is based on the discovery of the fifth physical force on 6 Jan 2005 at the ISQR.**

## 2.2 Development of the company

### Previous development and history (1986-1999)

In the year 1986, Hans Lehner, President and CEO of EAVCF Inc., initiator and cofounder of the earlier *RQM Raum-Quanten-Motoren AG* (Space-Quantum Engines Ltd.) (1993-1999), met the founder of the theory of Space-Quantum power, Oliver Crane. On the occasion of the 1<sup>st</sup> international congress for free energy in Einsiedeln, they decided to found a joint company with the goal of putting into practice and commercializing the theoretical fundamentals published by Oliver Crane in 1992 with the title "Central Oscillator and Space-Quantum Medium." Unfortunately, Oliver Crane died unexpectedly on 6 December 1992. The company RQM AG was then brought to life on 24 February 1993 by Hans Lehner and 14 other founding shareholders and the development of a new environmentally sound energy solution was consequently begun.

Development was slower than first assumed. The first phase was to experimentally prove the theoretical fundamentals. Two independent testing centers were installed in 1993/1994, which were further built up and refined in the following years 1996-1997.

After that, it was necessary to legally patent the discoveries. CH Patent No. 687 428 A5 with the title "Device and method for generating electromagnetic pulse" was acquired on 29 November 1996, which protects the core part of the RQM technology.

There are currently two testing centers which will verify the principle of nuclear energy conversion by magnetic resonance coupling in the next 6-12 months.

### Current and actual position (30 Nov. 2008)

The EAVCF Euro-American Venture Capital Federation, Inc. is the owner of all technical equipment since 6 April 2001 and the testing center of the RQM technology with all available documentation from 1993-1999 and 2001-2008.

The entire inventory and the technical equipment from the previous RQM Ltd. was taken over from the bankrupt estate and is valued into the intermediate balance from 30 June 2001.

The research and development work with the RQM impulse technology is being carried out by the RQF Institute for Space-Quantum Research, which uses the technical equipment of the EAVCF Inc. Demonstrably large improvements have been achieved in the years 2005 – 2008.

At the same time, the EAVCF Inc. acquired the utilization rights for the RQM patents, which however still belong to the EAVCF Inc.

### Future development (2009-2012)

The present emphasis is on being able to prove and control the RQM energy solution (nuclear resonance coupling) so that it is stable and has sufficient power. As soon as this has occurred, the principle will be presented at an international press conference and marketed on a new basis. The byproducts will also be brought to market at this time.

### Planned steps (Milestones):

Manufacture of a prototype RQM impulse converter	Q3	2009
Manufacture of the first RQM impulse converter series	Q1	2010
Non-stop operation of the RQM energy testing center	Q2	2010
International press conference, presentation of the principle	Q3	2010
Development of the first RQM 1-25kW prototypes/endurance tests	Q4	2010
EAVCF Inc. listing on NASDAQ (stocks)	Q4	2010
Manufacture of the first RQM 1-25kW series	Q1	2011
Delivery of the first RQM 1-25kW aggregate	Q2	2011
Production completion/delivery of RQM 1-25kW aggregates	Q2/4	2011

### 2.3 Key factors

Factors (in 1,000s EURO)			planned	planned	planned	planned
	2007	2008	2009	2010	2011	2012
Sales	0	0	0	100,000	200,000	300,000
Result (EBIT)	-500	-500	-5,000	20,000	40,000	60,000
Investments	500	500	5,000	20,000	30'000	50,000

Table 1: key factors of the EAVCF Euro-American Venture Capital Federation, Inc.

### 2.4 Strengths / weaknesses

#### Current abilities (strengths)

- Unique achievement (technology revolution)
- Combination of new discoveries in the areas of
  - electromagnetism / resonance coupling / scalar waves
  - gravitational pull vs. surface pressure
  - fluid mechanics in electrotechnology (new) / previous fields
  - high frequency sound waves in the interstellar medium (astrophysics)
- Many uses
- Enormously high market potential
- Legal patent protection
- Highly qualified technical employees
- Know-how head start based on the pressure of internal development of (sic)
- Components for miniaturizing

#### Essential but missing abilities (weaknesses)

- Tight financial margin
- Inexact time frame predictions for development (milestones)
- Limitations due to the current state of the art
- Shortage of recruiting qualified employees
- Hesitant recognition of the fundamental theory by established science

### 3 Products / Services

#### 3.1 Description of main products / services

We divide the market into four areas:

- Supernovae Energy MiniPacks as battery replacement
- Supernovae Energy aggregates with 1-5 kW power
- Supernovae Energy aggregates with 5-25 kW power
- Supernovae Energy aggregates with 25-500 kW power
- Supernovae Energy aggregates over 500 kW power

Primary uses can be seen according to the products. The Supernovae Energy technology is fundamentally in the position to cover the entire spectrum of capacity range. Based on previous knowledge, however, it is to be expected that the availability of the technology should be developed step by step, e.g. the increase will follow after establishment of the lowest power class in order to then open up the higher power classes.

Development is concentrated accordingly in a first phase of Supernovae Energy aggregates of **power class 1-5 kW**. Typical uses in this range are: (see also appendix VI):

- Household technology: stationary installation in single-family houses (power / heating / cooling)
- Supplement to additional solar power, wind power and biogas systems
- Nautical: general electrical supply (not propulsion)

The time frame until availability of these solutions is currently projected at 1-2 years.

A second phase (time frame 3-5 years) is planned to open up the middle **power class 25-500 kW**. Important uses in this area are:

- Drive/propulsion of electric vehicles (passenger cars)
- Emergency power supplies to be used in, for example, hospitals, computer systems etc.

**Miniaturization** is likewise planned in the mid-term, e.g. in the next 3-5 years. This would allow installation, for example, in refrigerators or freezers, e.g. a power supply independent of location for devices which were previously hooked up to a network.

Another **miniaturization** will be realized with **battery manufacturers** as joint venture partners. This will make it possible to replace rechargeable battery packs with Mini Power Packs which no longer need to be charged. Uses: laptops, cell phones, desk lamps, etc.

More long-term, e.g. inside of 5-10 years, the upper **power class over 500 kW** should be initiated. Here the main uses are:

- Air and space flight (propulsion without onboard primary energy)
- Elimination of thermal and nuclear power plant systems
- Propulsion of freight vehicles, trains
- Drive systems for nautical vehicles

#### 3.2 Uses and customer requirements

The worldwide consumption of power increases from year to year. Previous methods of generating power have reached their limits or are coming under political or economic pressure. With the Supernovae Energy technology, this development can be rectified.

In contrast to conventional methods (water power, fossil fuel, nuclear, wind, biomass etc.) the Supernovae Energy technology offers the following advantages:

- |  |  |
|--|--|
| □ Simple construction                    | ⇒ gh investment costs                      |
|  | ⇒ high business costs                      |
| □ No wearing parts                       | ⇒ little sensitivity                       |
|  | ⇒ quick amortization                       |
| □ Primary energy is free                 | ⇒ cost-favorable production                |
|  | ⇒ high cost prices                         |
|  | ⇒ independent of location                  |
| □ Primary energy is available everywhere | ⇒ not affected by time of day or weather   |
|  | ⇒ immediate energy supply for catastrophes |
| □ Runtime 24 hours a day                 | ⇒ 99% technical availability               |
|  | ⇒ high profits                             |
| □ No decline in raw mateals              | ⇒ regenerative                             |
|  | ⇒ looks to the future                      |
|  | ⇒ environmentally sound                    |
| □ No radiation or harmful emissions      | ⇒ not dangerous                            |
|  | ⇒ clean                                    |

Supernovae Energy aggregates can be installed as stationary or mobile units. They are built in a modular fashion, which ensures easy handling. The drawer type of construction allows for easy replacement of any defective modules. Service and maintenance time is thereby reduced and long operation times are achieved. According to need, the power classes can be internally outfitted just as effortlessly, since only the power electronics and the impulse control are replaced, but the remaining parts of the aggregate can be reused.

The Supernovae Energy technology thereby has advantages that are both economical and technical as well as ecological. It is universally useful, whether in the highly developed industrial countries or in the Third World. Because of the high costs of producing electrical energy, it is competitive even in the liberalized worldwide power generation market.

## 4 Market / Customers

### 4.1 Market overview "Supernovae energy technology"

The possible usage spectrum of the Supernovae Energy aggregate is enormously wide, as described above (see chapter 3). The market "**household technology**" involving power class 5-25 kW will be discussed in greater detail below.

The market of "household technology" involves supplying energy (power / heating / cooling) to single- or multi-family houses, as well as to business enterprises, using Supernovae Energy aggregates of power class 1-25 kW. Single-family houses require an aggregate with a power of 15-25 kW, multi-family houses are each supplied with two to three aggregates.

#### 4.2 Statistical fundamentals

The market is statistically presented in appendix VI. This approach includes the countries Switzerland, Germany and Austria. By considering analogies, the markets "Entire EU" and "USA" are also roughly quantified.

The numbers illustrate, for example, **Switzerland**. In 1995 the number one-family or multi-family houses amounted around 1.1 million, to according to the Federal Office for Statistical Analysis. A slight increase was projected for 2002, to about 1.2 million.

The amount of newly built residences was around 46,000 in 1995 (at a number of about 3.4 million). A slightly lower level of newly constructed residences was calculated for the future.

The growth will be ignored below in a conservative examination and calculated on the basis of the existing number of residences or single- and multi-family houses. If one assumes a modernization demand for heating and power supply systems of 5% (e.g. modernization of the systems across an average of 20 years), this results in a **yearly demand of around 55,000 systems**. Industrial companies are not included in these numbers. The estimate can thus be regarded as conservative.

The analogous examination for the countries of Germany and Austria results in a yearly modernization demand of **around 750,000 systems for Germany and 65,000 systems for Austria**.

For the **entire EU**, the following consideration is presented: The coefficient of "inhabitants per one-family and multi-family house" in the three countries of Switzerland, Germany and Austria amounts to around 6.0. If one transfers this number to the proportions of the entire EU (with 370 million inhabitants), the number of single- and multi-family houses works out to around 62 million. The modernization demand thus amounts to around **3 million systems per year** (at an assumed replacement rate of 5%).

For the **USA** a yearly modernization demand of **around 2 million systems** is determined in analogous ways.

#### 4.3 Our market position

The market share of Supernovae Energy technology could be around 20% in the mid-term to long-term. Because of the uniqueness of the technology and the initial acceptance problems most likely associated with that, a conservative outlook is taken and a **short-term attainable market share** of an **initial 1%** for Supernovae Energy technology is assumed. In the mid-term, this share may significantly increase due to the numerous uses of the technology.

The yearly volume of Supernovae Energy aggregates results in about 31,000 units for the EU Or around 22,000 units for the USA respectively, from the market sizes determined above. At an assumed **average price per system of EURO 10,000**, the short-term achievable revenue thereby amounts to **EURO 310 million for the EU and US\$ 220 million for the USA**.

#### 4.4 Summary

The numbers listed above only cover a part of the market for the possible uses of Supernovae Energy technology. It only includes the geographical areas of Europe and North America. This shows that the market potential of Supernovae Energy technology is incredibly high. The problems will lie not so much in market acceptance as in the physical organization of production and the business, in order to fulfill the expected high demand.

#### 4.5 Market overview “Supernovae transmutation technology”

##### **Changing material properties / manufacture of new materials and/or accelerated elimination of radioactive emissions by affecting the natural half-life**

The spectrum of possible uses of Supernovae Energy **transmutation systems** is enormously large, as will be shown below (see chapter 4.7). The following examines the market “**Disposal of radioactive materials**” in greater detail, in regard to “**Transmutation technology**.”

The market “**Transmutation systems**” includes the entire palette of technical devices that are necessary in order to continually dispose of low, middle and highly radioactive material in 24-hour non-stop operation of **conveyor belt systems**, e.g. to eliminate the damaging and environmentally harmful radioactive emissions **by magnetic nuclear resonance coupling** in a way that is fast, long-lasting and economical, to restore a natural environment.

##### **The radiation-free material can be recirculated after recycling and reused.**

Expensive intermediate and end storage is no longer necessary, if it is proven that all alpha, beta and gamma radiation can be neutralized.

The transmutation systems are operated at their location of use (for example CERN, KKW, radioactive dumps, specialized disposal companies etc.) using energy from the network. These systems can also be operated later with energy from powerful Supernovae Energy aggregates and will then be independent of location.

Today, around 7 billion EURO is spent yearly for the disposal of radioactive materials. Disposal includes the areas of: intermediate storage, transport, preparation, and finally long-term end storage.

The new, patented transmutation method can replace all of these unsatisfactory intermediate solutions.

A market share of 10%-50% or more is targeted for the new transmutation sector, e.g. EURO 700 million to 3.5 billion revenue within 4-10 years. This goal will be reached with the realization of joint ventures with manufacturers of large-scale technical systems in the areas of energy and ecology.

The additional attainable revenue and profits from the manufacture of new materials is not yet taken into account in these numbers. This information will be published only after new materials such as Buckminster-Fullerene (C-60) can be produced.

#### 4.6 Statistical fundamentals

The examination includes all 31 countries, which together operate a total of 444 reactors or nuclear power plants.

Source: folder: Nuclear Power Plants of the World 2001, status 1 January 2001, Swiss Association for Atomic Energy (SVA), 3001 Bern .

Tel. 031-320 65 25 Fax 031-320 68 31

Internet: [www.atomenergie.ch](http://www.atomenergie.ch) or [www.aspea.ch](http://www.aspea.ch)

The numbers concern, for example, KKG nuclear power plant Gösigen AG ([www.kkg.ch](http://www.kkg.ch)). In 200, the cost of nuclear disposal amounted to 23.7% of a total expenditure of about 320 million CHF, that is, about 75 million CHF for a nuclear power production of about 970 MW (MegaWatt). Power production 2000: 7,804 million kWh.

Source: 28<sup>th</sup> business report 2000, Nuclear power plant Gösigen-Däniken AG

This results in an **average value in Switzerland** of about:

**50 million EURO/US\$ nuclear disposal costs per 1,000 MW (MegaWatt)**

##### **Nuclear disposal costs per year in all of Switzerland :**

240 million CHF or

**160 million EURO** for 5 nuclear power plants with a total power of 3,200 MW

##### **Nuclear disposal costs per year in the western countries:**

USA , Canada , Mexico , Western Europe and Japan (13 countries) with a total of 283,463 MW total power and 330 total reactors.

Because of the low cost of labor in many western countries (compared to Switzerland ), the disposal costs per 1,000 MW (MegaWatt) is reduced by 50%, or halved (estimate). The lower assessment is also valid for that reason, because nuclear disposal is conducted with less cost in individual countries (assumed).

**Assessment (estimate):**

25 million Euro/US\$ Nuclear disposal costs per 1,000 MW (MegaWatt)

<b>Total power in 1,000 MW</b>	<b>Nuclear disposal costs per 1,000 MW</b>	<b>Total disposal costs</b>
<b>283</b>	<b>25 million Euro/US\$</b>	<b>7,075 million Euro/US\$</b>

**Overview of nuclear disposal costs worldwide in the year 2008 (estimate)**

<b>Country or Group of countries</b>	<b>Number of countries</b>	<b>Number of reactors</b>	<b>Total power MW/Megawatt</b>	<b>Nuclear disposal costs</b>	<b>approx. per 1 MW</b>
<b>Switzerland (example)</b>	<b>1</b>	<b>5</b>	<b>3,200</b>	<b>240 mil. CHF</b>	<b>50 mil. Euro</b>
<b>Western countries</b>  USA, Canada Mexico, Japan, Western Europe	<b>13</b>	<b>330</b>	<b>283,463</b>	<b>7,075 mil. Euros/US\$ (estimate)</b>	<b>25 mil. Euros/US\$ (est.)</b>
<b>Eastern countries</b>  Russia, China, South Korea, Taiwan, India , Pakistan , South America/Africa Eastern Europe	<b>18</b>	<b>114</b>	<b>72,938</b>	<b>360 mil. EURO/US\$ (estimate)</b>	<b>5 mil. Euro/US\$ (est.)</b>
<b>Total</b>	<b>31</b>	<b>444</b>	<b>356,401</b>	<b>7,435 mil. EURO/US\$ (est.)</b>	

**Sources:**

Nuclear Power plants of the World from 1 January 2001 / brochure from the Swiss Association for Atomic Energy

Nuclear Disposal Costs, Nuclear power plant Gösgen-Däniken AG, 28<sup>th</sup> business report 2000

Nuclear disposal costs per year in the eastern countries:

Eastern Europe , Russia , China , South Korea , Taiwan , India , Pakistan , South America , South Africa (18 countries) with a total of 72,938 MW and 114 total reactors.

Based on the low cost of living and the comparatively reduced salary, only 1/10 or 10% of Switzerland 's disposal costs apply here. In comparison to the western countries, 1/5 or 20% is calculated.

**5 million Euro/US\$ nuclear disposal costs per 1,000 MW (MegaWatt)**

<b>Total power in 1,000 MW</b>	<b>Nuclear disposal costs per 1,000 MW</b>	<b>Total disposal costs</b>
<b>72</b>	<b>5 million Euro/US\$</b>	<b><u>360 million Euro/US\$</u></b>

#### 4.7 Our market position

The market share of Supernovae Energy **transmutation systems** could be at least 50% in the mid- to long-term. Because of the originality of the technology and the initial acceptance problems most likely associated with that, a conservative outlook is taken and a **short-term attainable market share** of an **initial 10%** for Supernovae Energy transmutation technology is assumed. In the mid-term this share may significantly increase due to the numerous uses of the technology. It is therefore conceivable to have a strategic goal to strive for a position of market leader.

The yearly volume of Supernovae Energy **transmutation systems** thus results in a value of 700 million EURO (10%) to 3.5 billion EURO (50%) from the market sizes determined above.

The manufacture of large systems will be wisely carried out in a joint venture with the currently known manufacturers of nuclear power plants, since the handling of radioactive material is very dangerous. Nuclear power plant operators are potential joint venture partners in the future, because they must dispose of the radioactive material.

We can build small systems ourselves. However, it is also possible that manufacturers of medical devices such as nuclear spin tomographs would be interested in a license agreement, which would be primarily delivered to research institutes and universities. Low to mid-range radioactive materials from medicine and research can be disposed of with these systems.

#### 4.8 Summary

The numbers listed above only cover a part of the market for the possible uses of Supernovae Energy **transmutation technology**. The use of this technology for manufacturing new materials was not considered here. This shows that the market potential of Supernovae Energy technology is considerably high. The problems will lie not so much in market acceptance as in the physical organization of production and the business, in order to fulfill the expected high demand.

### 5 Competition

#### 5.1 Competitive Analysis

Due to its originality, the Supernovae Energy technology does not have direct competitors. The competition to watch for is not in individual companies, but in the total of all currently known methods of generating power. A suitable competitive analysis is therefore impossible, and in its place is a comparison of methods. The advantages of the Supernovae Energy technology compared to conventional methods are presented in chapter 3.2.

### 6 Marketing / Market Working

#### 6.1 Market segmentation

At the present time it is too early to provide a detailed market segmentation. A separation according to power classes or use classes (= product segmentation) is temporarily sufficient, in order to show that an enormously large need exists in each power class and the market potential is not to be doubted. The Supernovae Energy technology can be temporarily viewed as a whole as a universal solution to the market of power generation. As soon as individual products exist, a more detailed segmentation inside the individual power classes can follow, which is geared towards different customer needs (= customer segmentation).

#### Division according to

Power classes	Market segments
Mini Power Packs	battery replacement for laptops, cell phones, table lamps, etc. for non-stop operation.
1 – 5 kW	continuous current p.s., as replacement for emergency p.s. and camping etc., mass market.
5-25 kW	household technology, self-supplied power of brand name devices, small powerplants, replacement for emergency power aggregates.
25-500 kW	motor vehicle propulsion, passenger vehicles, power supply for ships, emergency power aggregates, continuous power aggregates.
500 kW	air and space flight propulsion technology for freight vehicles, trains, ships large power plants.

Table 2: market segmentation for Supernovae Energy aggregates

## 6.2 Market working

At the present time, the market is being worked primarily in regard to the addition of future partners, be they sales partners or licensees. Thus, the sale of individual aggregates is not so much in the foreground as the systematic construction of a network of dependable partners, who are bound to the same idea.

### Sales partners

Supernovae EnergyInc. (in founding) intends to organize the sale of aggregates through sales partners, which act as dealers and electricians. The contract region is not protected. Only those who complete a technical course at Supernovae EnergyInc. and have shown evidence of the appropriate know-how will be allowed to act as authorized dealers. Authorized dealers will also be allowed service and maintenance agreements according to the guidelines of Supernovae EnergyInc. (in founding).

### Licensees

Licensed partners manufacture the Supernovae Energy aggregates and the RQM Power Units, RQM impulse converters etc. independently under license and make use of their own sales, installations and service structures.

Supernovae EnergyInc. (in founding) offers licenses in the following categories:

#### Miniaturized Supernovae Energy products for the mass market

- licenses for **miniaturized** Power Packs in all sizes as a battery replacement
- for laptops, cell phones, CD players, radios, TVs, desk lamps, transmitters etc.

#### Supernovae Energy products from 1 kW to 500 kW for the mass market

- licenses for stationary Supernovae Energy aggregates (household technology)
- licenses for mobile Q-Power aggregates (automobiles, ships, electric vehicles)
- licenses for installation in brand name products (refrigerators, freezers)

### Various market working measures

Supernovae EnergyInc. (in founding) works the market in many different ways. For one, it will regularly **attend international trade fairs with the newest advances**, such as for example Hannover , Milano etc.

In addition, **RQF seminars** for future license and sales partners will take place. The new RQM technology will be explained at these seminars.

After successful founding of Supernovae EnergyInc., the new company will coordinate and implement PR and advertising activities. Periodical **media information** will follow in the course of 2005 (as soon as the RQM process is shown to be stable and outfitted with sufficient power). International **press conferences** will occur thereafter.

Internet: [www.rqm.ch](http://www.rqm.ch)

## 6.3 Performance presentation

See price list in appendix VII.

## 6.4 Revenue goals

See revenue planning in appendix XI.

# 7 Status / Production

## 7.1 Development laboratory / Institute for Space Quantum Research ISQR

Supernovae EnergyInc. (in founding) will be located in Sherwood , Oregon , USA , as long as political considerations do not make a European location necessary. The development laboratory is in Switzerland at the Institute for Space-Quantum Research RQF in Neuhaus/SG, which is financed by the EAVCF Inc.

With an area of 600 m2, the **development laboratory** is quite large in size.

The outfitting and infrastructure are optimal. Technical laboratory devices and computer systems match or surpass the current state of the art, according to need. There is enough space available for the future, such that another level with another 600 m2 can be added on.

In 1993, the **Institute for Space-Quantum Research RQF** was founded. The institute is dedicated above all to scientific research in the area of Space-Quantum power and is active with publications and agreements. Its focus is particularly in communication with colleges and universities, as well as the promotion of the acceptance of the new physical fundamentals. It is a nonprofit organization and as such can benefit from all kinds of open or private research.

## 7.2 Production

To begin the production of RQM impulse technology devices, which is planned in 2010, the financial means must first be available.

The following are aims for the beginning of series production

- Batch size: 1,000 pieces (= calculations basis)
- Internal production up to 5,000 pieces (according to capacity)
- Outside production for larger numbers
- The Supernovae Energycontrol technology ("brain" of the aggregate) will always be supplied by Supernovae EnergyInc. (in founding) itself
- Final assembly and installation will follow from the license partners

This approach ensures that:

- the nuclear expertise remains within Resonance Power, Inc. (in founding)
- Supernovae EnergyInc. (in founding) retains a sleek, efficient structure
- The accelerated growth of manufactured pieces is possible without delay

## 8 Organization / Management

### 8.1 Organization diagram

The organization diagram of the EAVCF Inc., Supernovae EnergyInc. (in founding) as well as the Institute for Space-Quantum Research RQF (since 1993) is included in appendix VIII.

### 8.2 Management

The resumes of the management team are located in appendix IX.

## 9 Risk analysis

### 9.1 Internal risks

#### Management

Risk:	Loss of key personnel
Solution:	Distributing knowledge among numerous people; Recruiting additional engineers, phycicens, etc.

#### Development

Risk:	Goal is not reached in time or is significantly delayed
Solution:	Increase in development capacity, more employees

#### Production

Risk:	Quality assurance of production; supply shortage based on strong demand
Solution:	Careful selection of partners; collaboration only with ISO/DIN certified businesses

#### Financing

Risk:	Unable to acquire the necessary financial means in time
Solution:	Intensification of previous financial acquirement procedures

## 9.2 External risks

- pushing the boundaries of existing technology
- massive backlash of the worldwide power generation industry
- political and/or technical licensing limitations or hindrances in acquiring licensing because of lobbying by power companies

## 10 Finance planning / Dividends

**Note: Overviews of the profit and loss accounts and balance 2007 are included in appendix X.**

### 10.1 Planned profit and loss account

The planned profit and loss account for the years 2009-2012, with details of revenue and cost planning, are in appendix XI. They show a strong **revenue increase** from the time of the beginning of production of RQM impulse electronics, RQM impulse converters / RQM Power Units and of Supernovae Energy aggregates. The predicted strong growth is based on the large market on the one hand, whereby small market shares already have a high volume, and on the other hand on the decentral working of the market with numerous license and sales partners, which can promote fast growth. The strong revenue increase for Supernovae EnergyInc. (in founding) is primarily due to the exclusive supply of an electronic circuit board loaded with expertise (to the license partners).

The **result** improves disproportionate to the revenue increase. The reason for that is on one hand because of the comfortable margin, on the other hand in the decision to build manufacturing structures ourselves only in limited regions, in order to keep the production expertise, and to work with outside supplies for the largest part of production. The production of control electronics will thereby always be under the control of Supernovae EnergyInc. (in founding). Thus, a relatively small, sleek structure can be maintained in the area of productions and the production process is controlled.

A strong increase in cost is planned according with increasing volumes in the area of research and development and in sales, in order to maintain the existing lead in technology and in the market.

### 10.2 Finance plan

The finance planning for the years 2009-2012 is calculated with a new supply of capital resources in the range of EURO 20 million in 2009. This amount allows the acceleration of research and development (R&D) with more scientific employees, stock listing on NASDAQ, as well as beginning production and marketing of finished products. After introduction of the products, the inflowing financial means will increase continuously from business practices and license revenue.

### 10.3 Planned balance

The planned balances for 2009 through 2012 are likewise included in appendix XI. They show - analogous to continually increasing earning power - a continuous strengthening of the balance structures.

### 10.4 Dividends

The budget figures show that from 2009, the invested capital will be calculated with dividends between 6-10%. The management of the EAVCF Inc. is interested in rewarding investors for their commitment with financially lucrative and fruitful dividends.

## APPENDIX

- I 1) Patent specification CH 687 428 A5 (for electromagnetic pulse technology)  
2) Patent specification CH 691 378 A5 (for the transmutation of material properties)
- II Patent application for PCT countries (Pat. 687428 A5)
- III Brochure "Supernovae Energy" November 2008
- IV Statistical market fundamentals "Household technology"
- V Calculations price list for "Supernovae Energy Aggregate"
- VI Statistical market fundamentals "Supernova Transmutation Technology"
- VII Report on "Nuclear Disposal Costs", KKG
- VIII Organization diagram
- IX Resumes of the Management
- X Profit and loss account and balances 2007
- XI Finance planning 2009-2012
- XII Supplement:
- XIII Web Sites:
  - [www.rqm.ch](http://www.rqm.ch) d / e
  - [www.rqf-institut.com](http://www.rqf-institut.com) d / e
  - [www.eavcf.com](http://www.eavcf.com) d / e