

Re-usable Oils Dual-Fuel Burner Manufacturer

Executive Summary

Small, Innovative Company

This is a very small company opportunity seeking a strategic partner or owner with technical and or global market experience that can lead and take developed technologies to their ultimate capability.

Business Overview

This small company has been manufacturing products that provide energy conservation and financial savings for nearly 20 years in a \$45 million “traditional” waste oil furnace market. Generators of petroleum based waste oil use it to provide heat for their facilities eliminating EPA liability and disposal costs along with reducing energy costs. Rapid advancement and acceptance of viable vegetable oils alternatives coupled with this patented technology provides high efficiency, environmentally clean combustion, unlimited fuel choice and incomparable safety.

Location

Wisconsin, USA

Patented Technology

This company was formed in 1990 to commercialize the technology of the founder whose two patents are owned by the company. A new patent that has been applied for will cover the latest development: a burner that can use as fuel: natural or propane gas, fuel oil, waste petroleum or vegetable based oil, or a combination of gas and oil at the same time.

Product Development

The new “dual-fuel” burner paired to a water heater style boiler will allow restaurant owners to use available fryer oil as fuel to provide hot water. In addition to off-setting their natural gas consumption, the product allows restaurant owners to join the “green” movement by utilizing their onsite biofuels. The burner will automatically switch back to natural gas if oil is depleted.

Market Description & Opportunity

This company’s technology opens a brand new market that is made up of 925,000 restaurants in the U.S. according to the National Restaurant Association. This \$7.4 billion market offers unprecedented opportunity to early entrants. Hot water heaters are fueled by high cost natural gas or electricity and offer little in potential “payback” and have a 7 year life expectancy. The company’s dual-fuel water heater provides users paybacks within three years with a 20 year life expectancy. Any restaurant generating at least 20 gallons of fryer oil per week are candidates for this equipment.

Management

It’s founder, an octogenarian, is also an MIT mechanical engineer, has over 20 years in the waste oil industry, over 50 years of experience in heat transfer, combustion engineering and applicable technologies, and his name is on 14 patents, two for products the company manufactures, and two patents pending for energy related technologies. *(continued)*

GLOBAL • KNOWLEDGE • EXPERIENCE • INSIGHT • INTEGRITY

The current company President, and relative of the founder, is a majority owner (82%) and recognizes the need to engage a strategic partner or entertain other options such as the sale of the patented technology or international licensing rights.

*Financial History
4 Years*

<u>Fiscal Year Ended</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>	<u>12/31/08</u>
Total Sales	\$928,496	\$1,029,752	\$618,743	\$870,055
Net Income	\$11,431	\$45,212	\$0	-\$21,000
Total Assets	\$273,643	\$359,655	\$351,379	\$372,095
Total Liabilities	\$330,509	\$378,077	\$356,501	\$532,565
Equity	\$190,5880	\$201,869	\$112,865	n/a

Note: Tax filing not completed for 2008

*Financing Sought
& Purpose*

The company is currently seeking \$2,000,000 in a SBA backed loan to restructure existing higher interest loans, acquire inventory, retain current employees, to allow completion of the testing and development of the dual-fuel burner, to commercialize this burner, to expand the sales of the existing product line and develop new global opportunities.

*Other
Opportunities*

The company believes it is posed to capture 10% of a \$45 million “traditional” market in short order by properly promoting the existing product line of waste oil burning furnaces and boilers. The new dual-fuel products open up another market that is not seasonally sensitive and exceeds \$1 billion annually for the replacement market. Company designed waste water evaporators coupled with either the company’s standard waste oil burner or the dual-fuel burner provides incomparable economic opportunities for complete and environmentally sound waste disposal.

Competition

The “traditional” waste oil burning industry is comprised of about 10 competitors, three that dominate the industry are: Clean Burn, Reznor (a division of Thomas & Betts) and Lenan Corp. Approximately 10,000 waste-oil systems are sold annually in the United States. Of the competition, this company possesses the only patented technology on the actual combustion process and it’s furnaces, tanks and burners were recently recertified to all safety standards in the United States and Canada.

For more information contact:

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