The Opportunity

Invest start-up capital to develop a sophisticated safety and productivity tool for a large existing industrial market

By Jeremiah Josey

www.linkedin.com/in/jeremiahjosey

Member of Mensa International

www.mensa.org

The Product

A software driven electro-mechanical lockout system that isolates hazardous energies during plant maintenance, modification and commissioning

It is called the

Advanced Lockout System - ALS

The Potential Market

- Oil & Gas
- Chemical
- Mining, Metals and Minerals
- Power Generation and Distribution
- Pulp and Paper
- Materials Handling

In other words all complex industrial plants operating with hazardous chemicals, temperatures, pressures and machinery

Revenues 30% Market Share

- Australia – S$600M
- Malaysia – S$220M
- USA – S$6B
- Europe – S$6B

- Revenues 3rd year sales – $13,200,000

The Story So Far

- +AUD$1m sourced from investors and Australian government support
- Proof-of-concept software and hardware completed
- International patents pending in 15 regions (USA, EU, China, Japan, Norway, Australia, Malaysia, etc)
- Strong documented interest from potential customers
- Strong documented interest from potential alliance partners
- Assembled an experienced multi-discipline team

The Next 12 Months…

- Obtain working capital
- Relocate HQ to Singapore: world ranked financial centre, better access to target markets, capital and manufacturing
- Finalise product design in preparation for manufacture
- Undertake product trials with Tarong Energy Corporation
- Install system at Tarong Energy Corporation

The Reward for Investors

The returns are anticipated to be 10 times the investment, realised over a 3 to 5 year period.

Exit will be via IPO, Trade Sale or MBO

The Opportunity

- Pozilok seeks SGD$5.5m to carry out the project

- Investors may also wish to consider participation in Pozilok Malaysia Sdn Bhd (in formation), which will market a third party product under license. (Working capital requirements is SGD$500k)

Operations Department
Running the equipment

ISOLATION PROCEDURE

PTW – PERMIT TO WORK
(clearance certificate)

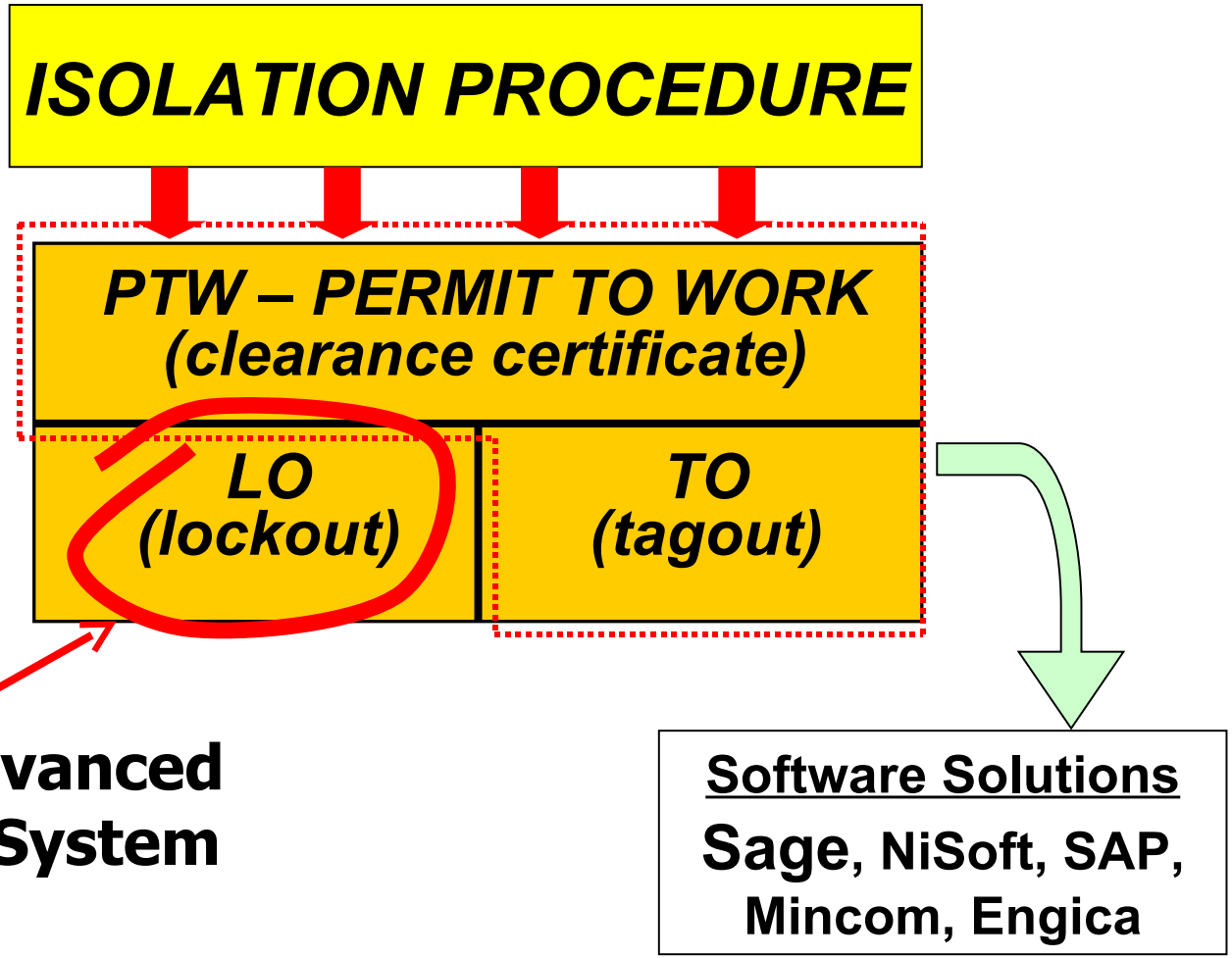
LO (lockout)	***TO (tagout)***

Maintenance Department
Working on the equipment

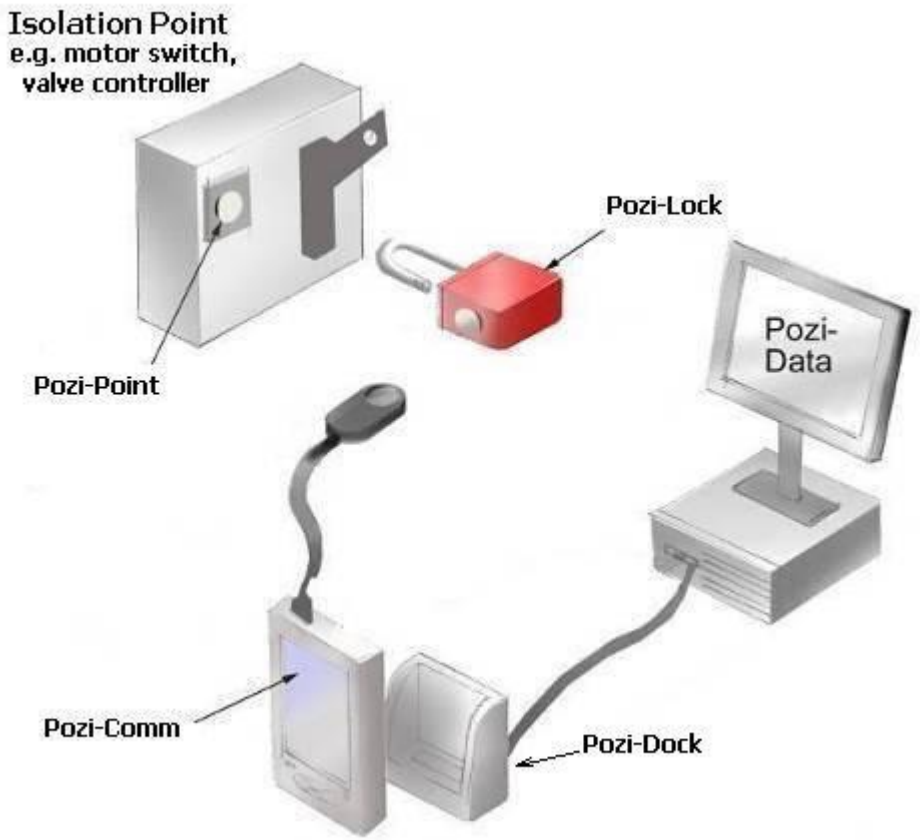
Current Lockout Practice

Current Best Practice

Where ALS Fits



The Product Components



Example Installation

A large power station may have **10,000** mechanical isolation points and **10,000** electrical isolation points

To install ALS at this site requires

- 20,000 Pozi-Points
- 3,000 Pozi-Locks
- 70 Pozi-Comms
- 60 Pozi-Docks
- 1 Pozi-Data software package
- Software and hardware integration

Benefits to Customers

- Significantly improves safety
- Reduces equipment downtime through faster isolations
- Confirmation of correct isolations
- Provides traceability, accountability and online management of isolations
- Integration into other data management systems, e.g. plant maintenance efficiency

Product Features

- Industrial electronics and software
- Intrinsically safe compliant hardware
- Designed for enhanced future functionality
- Disruptive and revolutionary

Product Development Partners

- CMD www.cmd.net.au

  Industrial Design. Multi-Design Award winning company
- Sage Consultants www.sageconsultants.com.au

  Electronics designers. Multi-Design Award winning company
- Ivolve www.ivolve.com

  Software developer. Highly regarded Industrial software company
- Mincom www.mincom.com

  Software developer, largest provider of software to the mining industry.

Potential Global Customers

The customers we will target include:

STANWELL
CORPORATION LIMITED
Brisbane Office

26 October 2004
Ref:

GPO Box 773,
Brisbane Q 4001
Office Phone: (07) 3335 7444
Office Fax: (07) 3335 7477

Jeremiah Josey
Managing Director
Pozilok Pty Ltd
123 Prior Street
Tarragindi QLD 4121
BRISBANE AUSTRALIA

Dear Jeremiah,

AUTOMATED LOCKOUT PROCESS - PILS

Yours faithfully,

Philips David
Group Manager Alternative Fuels

Enquiries: Mr. Philips David
Mobile Phone: 0417 714 250
Email: Philips.david@stanwell.com

"… leading edge… interested in investigating…"

STANWELL
CORPORATION LIMITED

ANGLO
COAL

Jeremiah Josey
Managing Director
Pozilok Pty Ltd
Tarragindi QLD 4121
BRISBANE AUSTRALIA

17 Sept 2004

Brisbane Corporate Office
Peter Van De Ven
Group Engineering Manager
Anglo Coal Australia
Direct Fax +61 (0)7 3834 1322
Direct Line +61 (0)7 3834 1310
Mobile 0418 520 348
e-mail: peter.vandeven@anglocoal.com.au

Dear Jeremiah

Re: Pozilok Concept

Yours faithfully,

Peter Van de Ven
Group Engineering Manager
Anglo Coal Australia Pty Ltd

" system has merit… interested in reviewing it…"

ANGLO
AMERICAN

19 Anglo American plc Report to Society 2004

SAFETY IS OUR FIRST PRIORITY

8th August 2006

Neil Morris
9 Atkin Ave
SPEERS POINT
NSW 2284

To Whom it May Concern

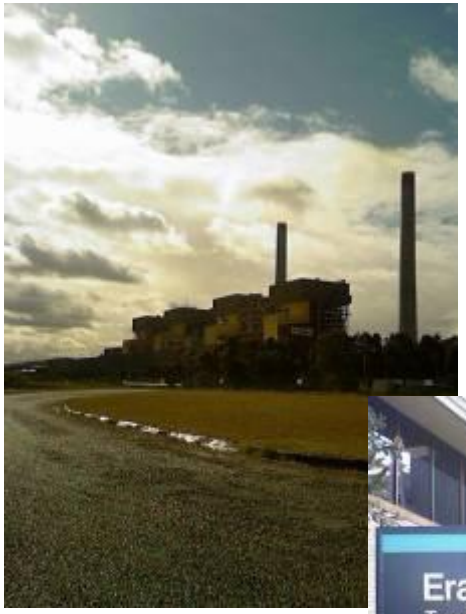
RE: Personal Endorsement of the ALS product by Pozilok

I have reviewed the Pozilok product ALS and I believe that it would benefit an operation where lockout was being implemented. Specifically I like the fact that it will ensure the correct equipment is isolated, hence increasing safety and confidence of the maintenance personnel carrying out their work.

Please note that this is a personal endorsement, based on my own experience in the power generation industry and in no way an endorsement by Eraring Energy.

Yours faithfully,

Neil Morris
Shift Manager
Eraring Power Station
Eraring Energy



"… it would benefit an operation where lockout was being implemented…", N. Morris, Shift Manager

www.levitt-safety.com
www.nltinc.com

NLT Australia

Tim Haight
Managing Director
NLT Australia
Units 1 & 2
22-26 Cessna Drive
Caboolture QLD 4510
Australia

12th June 2007

Jeremiah Josey
Executive Chairman
Pozilok Holdings Pty Ltd
Suite 223, 192 Ann Street
Brisbane QLD 4000
AUSTRALIA
jeremiah@pozilok.com

Dear Jeremiah

RE: Letter of Interest – Pozilok's Advanced Lockout S

This letter confirms that I have reviewed the Pozilok produc
have interest to NLT and our parent company Levitt Safety of Canada.

I believe that the Pozilok ALS system would bring great benefit to an operating facility where Lock Out / Tag Out is in use, or being considered for use.

Cutting edge technology like ALS are exactly what NLT / Levitt want to take to our customers to help them increase safety and efficiency whilst at the same time reducing costs and risks.

We look forward to holding discussions on OEM distribution in Canada and possible direct investment in your company.

Tim Haight
Managing Director
NLT Australia

"We look forward to holding discussions on OEM distribution in Canada and possible direct investment in your company."

NL Technologies

"Memorandum of Understanding" for Plant Trials

PLANT TRIAL MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into the 12th day of April 2005.

BETWEEN: POZILOK PTY LTD ("POZILOK")

AND: TARONG ENERGY CORPORATION ("TEC")

1. The parties
Pozilok Sy
2. Before eith
have agreed
whether the
3. Both parties acknowledge and agree that neither party is bound to proceed any further than the steps set out in this Memorandum of Understanding.
4. All steps to be taken by and assistance to be provided by one party to the other shall be at the cost of the party taking the step or providing the assistance.
5. If either party is not completely satisfied with the results arising from the steps to be taken under this Memorandum of Understanding then that party is not required to proceed with the next stage of the process which would involve negotiation of the terms of the agreements for plant trials of the Pozilok system at Tarong Power Station.
6. If either party is not satisfied with the results it may terminate any further involvement with the other party by notice in writing to that party and the notice does not have to give any reasons for the termination.
7. The parties agree that the steps to be taken and each party's responsibilities in relation to each step are set out below:

STEP	ACTION
1. Pozilok to provide written confirmation that the software developed by Pozilok will directly interface with the Tarong Permit to Work software with no changes required of the Tarong software.	TEC to provide consent to Pozilok dealing directly with its software programmer and obtaining such information from the software programmer as it reasonably requires to be able to satisfy this step
2. Pozilok to provide an initial estimate for the approximate total capital cost of supplying and installing Pozilok products across the entire plant site if the plant trial is successful Pozilok will warrant that the initial estimate will be within 20% plus capital co	TEC to provide all information reasonably required by Pozilok such as: 1. Number of mechanical isolation points 2. Number of electrical isolation points

	4. Number of Posi-COMS that will be required
proposed further agreement for plant trials. This will have to recognise the mutual and comparable sharing of risk and reward to both parties	a proposal dealing with issues of [illegible] property, protection of TEC in the event of the collapse of Pozilok and sharing of costs between TEC and Pozilok for the plant trials

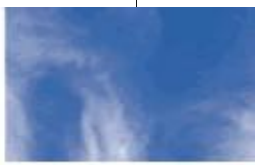
8. Both parties acknowledge their willingness to proceed with the collaboration for the time being on the terms set out in this Plant Trial Memorandum of Understanding.

Signed for and on behalf of Pozilok Pty Ltd

Signed for and on behalf of Tarong Energy Corporation

"Tarong Energy Corporation"





TARONG ENERGY

Mincom

JIMAH

JIMAH O & M SDN BHD
630135-T

- Port Dickson, Malaysia
- Site visit 17th July 2007
- 1,400 MW power station
- Very interested in ALS

The Market Drivers

- Legislation requirements
- Increasing need and awareness for safety
- Increased productivity
- Payback due to reduction in hidden costs of current lock out systems

Payback to Customers

- Existing manual systems cost SGD$200 per isolation point per year (hidden)
- Initial cost of ALS will be SGD$330 per isolation point and yearly maintenance fee of SGD$65 per isolation point
- This is very cost effective for our customers

The Potential Market

The Potential Market

- Piper Alpha – the world's largest oil and gas platform in the North Sea was destroyed in 1988
- Occidental made USD$6 million a day from Piper Alpha which accounted for 10% of the UK's North Sea oil production
- Total damage amounted to more than USD$15.2B and 167 people were killed
- It took less than 12 hours to lose it all… due to an error in isolation procedures

20 years later the system has not improved!

The Potential Market

Australian market: 1,500 sites operated by 770 companies

- Each site is a sale of S$1.3M
- Market Size: S$1.95B
- 30% of market: S$600M
- Market awareness for ALS is already high

USA/Canada Market: $19.5B

- 30% of US market: S$6B

European, Mid-East, Asian Market Size is in $15-20B range

The Potential Market

Malaysian market: 1,100 sites

- Each site is a sale of S$650k
- Market Size: S$725M
- 30% of Market: S$220M

Pozilok has acquired a resellers licence for a software permitting system (PAS).

This will build market awareness and customer base in anticipation of ALS release

Early Market Entry Point - PAS

- ALS sales 12 months away
- 2 x 3 year resellers agreement signed with Sage June 2007 for PAS in Malaysia
- Concentrated Oil and Gas Market
- First enquiry from Jimah received late June 2007

PAS
PERMIT ADMINISTRATION SYSTEM

www.sagetechnology.com.au

SAGE TECHNOLOGY

PAS Installation	Facility Owner
Loy Yang Power	GEAC
TRUenergy Yallourn	China Light & Power
Ravensthorpe Nickel	BHP Billiton
NRG Gladstone	NRG/Rio Tinto
Century Mine	Zinifex
Collinsville Power Station	Transfield Services
Paiton Power Station	International Power
KCA #5 Paper Machine	Kimberley Clark Aust
Mecrus	
Energy Brix	HRL
IPM Loy Yang B	International Power, Mitsui Alliance
Bermuda Electric Light Company	BELCO
Flinders Power	Babcock & Brown

Marketing Activities in Malaysia

- Jimah Power Station, Port Dickson
- CEO of BP, Peter Wentworth and his senior Safety advisor, S. Veerasingam
- General Safety Manager of Tenaga Nasional Bhd (TNB) – 20 power stations in Malaysia
- 5 qualified JV / investor prospects
- Shell Refining Company, Port Dickson
- TNB Setesen Janaletrik Tanuku Ja'afar
- Director General for DOSH offered to speak at the product launch

S. Veerasingam, Senior Safety Advisor to BP Malaysia

Marketing Activities in Malaysia

Tenaga Nasional Berhad's Setesen Janaletrik Tuanku Ja'afar 750 MW facility, Port Dickson, Malaysia

They have requested a proposal for ALS from Pozilok

Best Business Location

- **Singapore**
  - Very good government grants
  - Low tax rate for foreign-derived income
  - Excellent site for long term HQ to capture world-wide revenues
  - Very good investor community
- **Malaysia**
  - 5 year tax holiday for “Hi-Tech” Pioneer Status
  - Good investment community
  - Good educated start-up community
  - Some small grants available from MOSTI (MTDC under MOSTI)
- **Australia**
  - Very good government grants
  - High tax rate – 30%
  - Poor investor community
  - Poor start-up community

Important Activities

- Relocate headquarters to Singapore
- Build support team (admin and board)
- Small full time team to direct funding & R&D effort
- Build beta product hardware and software
- Finalise product design in preparation for manufacture
- Undertake product trials with Tarong Energy Corporation (10-12 months after start)
- Build full time team when product is ready (12-16 months), including sales and support

Investment Required

TOTAL INVESTMENT SGD$5,500,000

Three Rounds:

Round 1: August 2007 SGD$2,000,000 at 5 cents per share
40,000,000 Shares on offer, Total Issued Shares: ~ 136,000,000

Round 2: February 2008 SGD$2,000,000 at 8 cents per share
25,000,000 shares on offer Total Issued Shares: ~ 161,000,000

Round 3 July 2009 SGD$1,500,000 at 12.5 cents per share
12,000,000 shares on offer Total Issued Shares: ~ 173,000,000

Funding Expense Milestones

Expense Items	S$M	Cumulative S$M
YEAR 1 (Round 1 and part Round 2)		
Develop first beta product	1.6	1.6
Admin Expenses	0.4	2.0
Manufacture Alpha/Beta systems for Plant/test trials	0.4	2.4
Initial hire and training of sales & support staff	0.3	2.7
YEAR 2 (part Round 2 and Round 3)		
Manufacture 4 systems for sale	1.0	3.7
Admin Expenses	0.4	4.1
Sales and Support team	1.4	5.5

- send the sales/Marketing team to visit all current prospects
- attend Oil & Gas/Mining industry conferences to garner contacts and interests

Note: System prices are quoted for a complete high-end system (actual should be less)

R&D and Production Milestones

Milestone	Months into Project
Mobilization, Design & Risk Review	0 - 2
Electronics & Industrial Design	2 - 6
Alpha Prototypes	6 - 7
Beta Prototype (1) & Tooling	7 - 10
Software Development	2 - 10
Acceptance & Certification Testing	8 - 9
Plant Trial (Tarong Energy)	10 - 12
Manufacturing (4 systems for sale)	12 - 14
Marketing and Sales	12 +

Financial Forecasts - SG $K

Australian and Malaysian Markets for ALS, excludes PAS

	FY2008	FY2009	FY2010	FY2011
Investment	$4,000	$1,500	$0	$0
FINANCIAL RESULTS (000's)	FY08	FY09	FY10	FY11
Yearly Income	$0	$3,200	$9,600	$13,200
Yearly Expenses	$2,700	$2,800	$6,500	$7,300
Yearly Profit Before Tax	($2,700)	$400	$3,100	$5,900
Net Margin	-	12%	32%	45%
SALES RESULTS	FY2008	FY2009	FY2010	FY2011
ALS Sales (Australia and Malaysia)	0	4	12	15
Australian / Malaysia Market Penetration	0.0%	0.15%	0.7%	1.6%

The Team

Jeremiah Josey – Executive Chairman, Singapore. Very experienced in the heavy resources sector

Stan Thomson – LOTO Systems and Installations. Very experienced in the heavy resources sector and construction. Focusing on Building PAS market in Malaysia

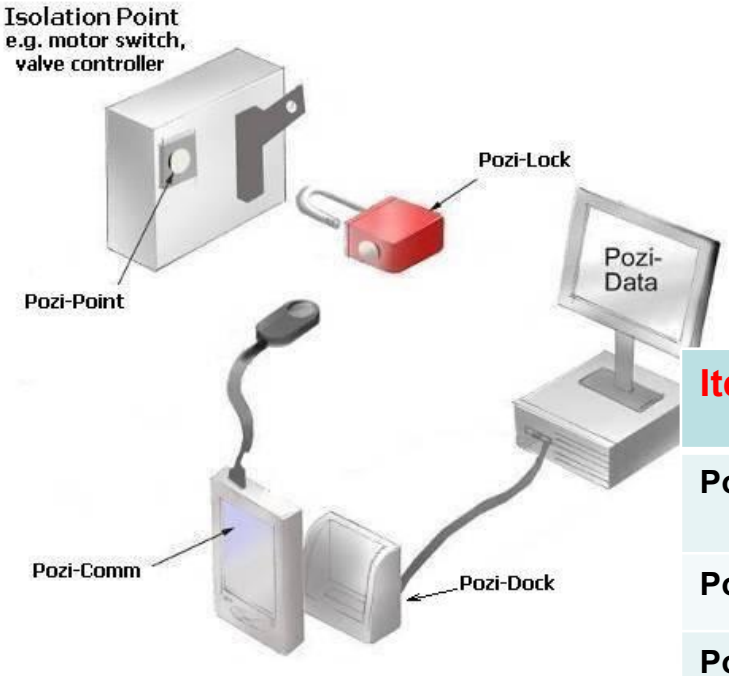
Brad Stemp – R&D Manager, Australia. Very experienced in product development (Pozilok is his third start-up. The two others are profitable companies).

Soin Singh – Quality Assurance VP. Very experienced. Soin is from Venture Corp

Marthes Sola – Product M/F VP. Very experienced in manufacture for multinationals

Appendix

Fast Track R&D Plan



Item	Plan
Pozi-Lock	8 month design cycle in Australia, close to certification body and plant trial
Pozi-Comm	I-Roc PDA (Custom of-the-shelf HP PDA)
Pozi-Dock	I-Roc Dock (Custom of-the-shelf HP Dock)
Pozi-Point	E-Button or RFD tag (of-the-shelf product)
Operating Software	8 month design cycle in Australia, close to certification body and plant trial
Patent for ALS System, not individual components	15 regional/country patent lodgments are in place

First 2 Years Sales & Support Plan

(Long sales cycle will require advanced training & preparation)

Milestone	**Months into Project**
Hire Sales & Support Team (Australia)	
•2 Sales Team staff	11
•4 Support & Installation staff	10
Sales & Support team will be running plant trial	
•Plant Trial (Tarong Energy):	12-14
First Installation at discounted price or Pozilok cost (cost is targeted in funding)	
Hire Sales & Support Team (Malaysia)	
•2 Sales Team staff	15
•4 Support & Installation staff	15
Malaysian team will train at Tarong Energy site for 1 month	