

Reclaiming Stranded Gas Resources for Power Generation - Update

Jaker Engineering, PC has submitted to New York State for partial funding of a pilot project for onsite power generation with under-producing gas wells. These well sites, often referred to as "stranded resources", can be useful for small-scale power generation. Efforts to establish all of the required project funding are continuing. Several abandoned well sites in the Trenton Black River gas formation have been identified as potential candidates. A business model by Jaker Engineering, PC, identifies the steps to develop such gas wells as sites to generate power for the electric grid. Jaker plans future developments such as coupling power generation with food production on a scale that is ideal to support regional farms.

Jaker Engineering, PC previously developed the concept to design, initiate and complete a stranded gas power generation project within the United States in order to prove the small-scale power generation concept. Once the technical and logistical details are resolved with a locally developed pilot project this technology can be exported. These natural resources available for development include the 50% to 75% of natural gas wells drilled world-wide which have production rates that are uneconomical for connection to a regional pipeline. Only 300 to 400 MCF (thousand cubic feet) per megawatt of power, per day is required. This is in sharp contrast to the several thousand MCF per day output required for pipeline connection.

While the design uses proven equipment and technologies, it is the business concept that makes it successful. Jaker has developed a model that can quickly assess the potential for economic return on each project. Projects, in the 1 Megawatt size range, have a simple payback of 3 to 4 years for power generation. With Jaker's business model, approximately 70% of the capital invested can be recovered in the event that gas flow abruptly stops. This substantially reduces the capital at risk. In most cases, the power generation platform pays for this investment in less than 12 months of continuous operation.

About Jaker, Inc.

Jaker Engineering, PC, a New York State Professional Corporation, focuses primarily in the energy sector for development of privatized energy projects. Jaker maintains a professional emphasis in electrical, mechanical and control systems for industrial process. Jaker Engineering, PC, in conjunction with Jaker Industries, Inc., provides all services required for identification, financial qualification and technical development of privatized energy projects.

Jaker Engineering, PC works with Jaker Industries, Inc to discover and develop energy projects. Jaker Industries, Inc. also a New York State Corporation, has held contracts with some of the largest energy and technology companies in the world to identify and develop privatized energy projects. Jaker's business model provides an opportunity to utilize the resources of the 50% to 75% of well sites which are not economical for pipeline development.

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