

This Newsletter covers the activities of Phase Separation Solutions (PS2), a wholly owned subsidiary of West Mountain Capital

- Q1 2010 Ushers In 12 Months of Continuous Treatment
- PS2 Secures Exclusive License For TPS In China
- Wolseley Facility Set for Record Capacity in 2010
- Pottersburg Nears Completion

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A Seasonal Report For Investors From West Mountain Capital
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Q1 2010 Ushers In 12 Months of Continuous Processing At Wolseley

The soil remediation business is traditionally a seasonal one with operations slowing in the 3rd and 1st Quarters. Not so for PS2 in 2009/2010.

Since the Wolseley Facility returned from its scheduled winter maintenance in March of 2009 it has been processing continuously without any unscheduled maintenance shutdowns. The Facility operated consistently 24 hours, 5 days per week setting treatment records for the Company.

PS2 entered 2010 with over 4,000 tonnes of soil in inventory while already scheduling deliveries for the 2010 excavation season from all across Canada. Treatment continues unabated, and based on inven-

tories and current material backlog, this trend can be expected to continue through the 3rd Quarter of 2010.

By the end of the 3rd Quarter of 2009 PS2 had earned revenues of \$2.6 million compared to \$450,000 for the same period of 2008 generating net earnings of \$1.5 million or \$0.043 per share.

Internationally, PS2 continues to pursue joint bids on projects in China, Brazil and Kuwait for 2010.



PS2 Secures Exclusive License Extension For China

In the 3rd Quarter of 2009 PS2 signed an extension of its existing licensing agreement to cover deployment of its proprietary TPS technology to an extremely enthusiastic Chinese environmental services market.

This market records over \$162 billion in annual expenditures up dramatically from \$72 billion in 2005. These numbers represent 1.5% of total Chinese GDP.

PS2 is working closely with a number of influential Chinese contractors to develop opportunities for the TPS technology in China. In the last 6 months PS2 has evaluated several large potential projects



for compatibility and scope.

PS2 is identified as one of the first proven providers of thermal soil treatment technology in China which represents great opportunity for the Company. The Management Team of PS2 and various Chinese Ministerial and Corporate representatives hosted each other in both countries in 2009.

Wolseley Facility Set For Another Record Year

2009 saw a resurgence in the PCB soil market with the adoption of the new Federal PCB Regulations. PS2 certainly secured its fair share of the national inventory and 2010 is shaping up to be yet another banner year.

Most recently, PS2 signed a contract for a minimum 1,500 tonne project and has outstanding bids on an additional 20,000 tonnes for 2010. Its existing inventory combined with a signed

backlog leave PS2 approaching 70% of treatment capacity for 2010 midway through the 1st Quarter.

With the PCB soil side of its operations running strongly, PS2, is looking to capitalize on its proven expertise in the treatment of industrial new Land Disposal Regulations adopted in Ontario open up a new sector where PS2 has the existing approvals and proven experience placing it strategi-

cally in the lead for this developing market sector.



Pottersburg Remediation Nears Completion

The largest PCB remediation project ever undertaken in Canada is nearing completion in London, Ontario.

The prime contractor reports that it has removed over 106,000 tonnes of impacted soil in over 3,000 truckloads since breaking ground in the summer of 2009. This raises the total quantity of soil removed from the site by 28,000 tonnes above initial estimates of 78,000 tonnes. It is anticipated that further small amounts will be generated from clean up of the side walls of the various storage vaults at the site. They further report that the project proceeded without any ma-

ajor complications which is notable for a project of this size.

Under a Capacity Assurance Agreement with its major competitor, who is acting as the soil disposal subcontractor for the project, PS2 began receiving regular payments in July of 2009 and is anticipating its final payment being made near the end of the 1st Quarter of 2010. This Agreement has resulted in significant fi-

nancial benefit to PS2 and ensured that the Pottersburg Remediation could proceed without any concerns over treatment capacity.

PS2 is very pleased to have been a part of such an important project.



PS2 will be exhibiting at Globe 2010.

We invite everyone to drop by Booth 1409 to discuss the future of PS2.

The more information about any of these stories or about investment opportunities please contact **Mr. Paul Antle, President and CEO**. He can be reached by phone at **709 726 0336** or email at pantle@phaseparation.com.