



TELECONFERENCE BRIEFING

BY CEO RIGGS ECKELBERRY

16 May 2019, 5PM PDT

(Transcript from recording)

SAFE HARBOR STATEMENT

To the extent any statements made in this presentation deal with information that is not historical, these are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about OriginClear's plans, objectives, expectations and intentions with respect to future operations and products and other statements identified by words such as "will," "potential," "could," "can," "believe," "intends," "continue," "plans," "expects," "estimates" or comparable terminology. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Uncertainties and risks may cause OriginClear's actual results to be materially different than those expressed in or implied by OriginClear's forward-looking statements. For OriginClear, particular uncertainties and risks include, among others, risks associated with the failure to realize the anticipated benefits from its operational plan thereof; operating costs and business disruption following the general business and economic conditions; OriginClear's need for and ability to obtain additional financing, the challenge of developing and successfully licensing new technology, and achieving market efficiency; the operational success of OriginClear's acquisition business; and the success of effective operations. More detailed information on these and additional factors that could affect OriginClear's actual results are described in OriginClear's annual and quarterly reports that have been issued and filed with the Securities and Exchange Commission. All forward-looking statements in this presentation speak only as of the date of this presentation. OriginClear undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Riggs: Okay. All right. Good afternoon everyone. This is the 23rd of May, Thursday and I've got Bill Charneski on the line.

The first thing before we get into [Bill Charneski](#), our guest, is that we have had an amazing week. On Tuesday, I was in McKinney, Texas. The headquarters of [Progressive Water Treatment](#) our fantastic company there. The whole day was spent planning out the future of the new structure. We have [Tom Marchesello](#) who has been the COO of [Modular Water Systems](#), and you can look at [his bio on ModularWater.com](#). He's actually going to be the COO of OriginClear. That is not official yet, but he has accepted the offer, and we expect him to be, in fact he was wearing that hat this week.

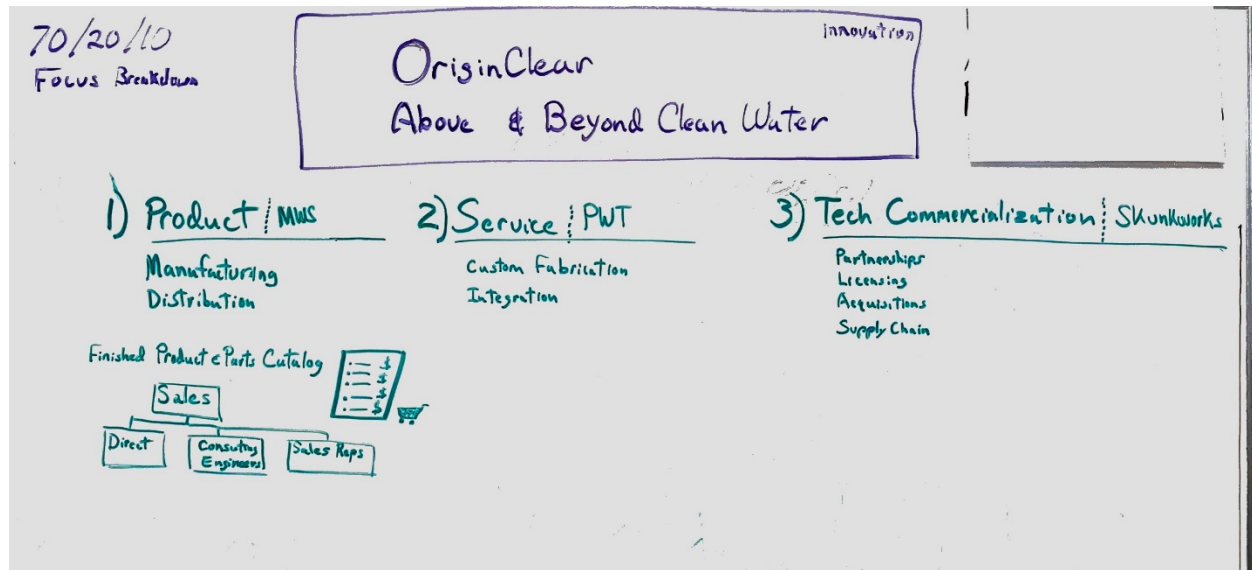
We had Tom, we had [Dan Early](#), the President of Modular Water Systems, we had [Marc Stevens](#), President of Progressive Water, and [Mike Jenkins](#), the VP of Sales. Then, we also had [Ken Berenger](#), the VP of Business Development for OriginClear.

Essentially what we've moved into is a mode where we're leading with the product division. The product division being Modular Water Systems, and its concept of a ["Water System in a Box™"](#). Which as I told you last time was this amazing modular concept that is actually resonating amazingly well in the marketplace. So much so that serious customers are joining us and telling us they want exactly what we've got and they want to build partnerships. I'm speaking of a specific hospitality group that I can't get into further, but things are moving along very fast with that particular group.

A decorative graphic of a water splash or wave, rendered in shades of blue, spanning the width of the page.

A leading provider of water treatment solutions.

Really, the purpose of the meeting was to put that org chart in place which, again, leads with the product division. Then, the second big bubble is the services division which is Progressive Water Treatment which does all the integration and support, fabrication and so forth.



The whiteboard at the meeting of 21 May 2019.

Then, we have in the background, we have what's been called [OriginClear Technologies](#). They may get a new name like OriginClear Advanced Technologies, or Technology Commercialization, or we may just call it the [Skunk Works](#). Tom likes to call it the Octopus because it's got its fingers in so many things. But that's where the [licensing network lives](#). That's [where the acquisitions live](#), et cetera.

That is the flow of the organization. It goes from the new stuff into the guys with the tools. Then, it goes into the products which go out to the marketplace. Now, the org chart that was on our white board at the time, and the photos from that trip were shown in today's MoneyTV which will come out later, sometime tomorrow morning. Then also, I will post them in a CEO Update so you get to see some of those cool photos. That's very, very encouraging because it solidifies our ownership of the Dan Early intellectual property. Essentially creates a wholly owned subsidiary which will be called



A leading provider of water treatment solutions.

Modular Water Systems Inc. That has at this point not yet occurred, but that is the general plan.

Modular Water Systems deserves to be its own company, and to develop its own credit relationships and so forth separate from other operating companies of OriginClear. But I'll emphasize that it remains 100% owned by OriginClear. From the point of view of the board of directors, and the investors, and myself, this remains a division of the company.

Okay. That was very, very productive. We're starting to really collaborate well together as a team.

Now, I would like to introduce [Bill Charneski](#) who's worn many hats in the organization. He is most well known for his bright idea.

What was it? In 2011, algae wasn't working because the oil industry was just flooding the market with fracking and horizontal drilling. It was clear that algae as a biofuel was not going to happen anytime soon. Other algae companies like the [very well-funded Solazyme](#), which was on NASDAQ, they all folded. We were like, okay, what's next?

Bill had the bright idea of saying, hey, petroleum is nothing but more than old algae. If we know how to harvest algae, then we know how to "harvest" the hydrocarbons that are in the wastewater. Sure enough, we tested that with our engineering firm at the time, and it worked. We were getting this 98-99 plus % removal of the suspended solids, and we broke the oil emulsion. That became [Electro Water Separation™](#) for water, wastewater treatment. Followed a few years after that by [Advanced Oxidation™](#). That became the duo that is our core technology today. Electro Water Separation where you get the solids out, and you make clear water. Then, Advanced Oxidation, where you remove the invisible toxins, things like RoundUp® and all kinds of nasty things like that, and we've proven that quite conclusively.

We continued the original model which was licensing, now into the water industry. What followed then was an interesting experience of learning that the water industry takes about 15 years to adopt new technology. It started to feel like a biotech. Biotechs spend a decade leading up to an FDA approval. That — or more, actually. It's very painful for the investors. We knew that we had a challenge on our hands. This is why originally, we started to acquire companies and then why we had that huge breakthrough of acquiring the Dan Early technology mid last year. Which also came from Bill Charneski.



A leading provider of water treatment solutions.

He is kind of ever-present. Was it [Zelig? A movie](#) where he shows up in all kinds of interesting places? He's responsible for a lot of good stuff.

So now that we knew we had to fix that adoption problem, what we did was: 1. Find a technology that was easy for the water industry to adopt, which is basically a package. What Modular Water Systems is, is just, "Here, it's a black box, a modular Water System In A Box™." That was much, much more adoptable for the water industry because the core techniques are unchanged. It's still filtration, it's reverse osmosis, it's various things that are conventional.

The processes of Modular Water Systems are conventional, but the complete Modular package with these special ultra-rigid materials, that's what's new. That, the water industry has no problem with. That's fine — some of you older investors may remember [Compaq back the '80s](#). All they did was come out with the luggable computer which became known as the laptop. But they didn't invent new computing stuff. They just put it all in a package you could carry around. It became a multi-billion dollar company. That's a very successful way to go.

We found our slot. If you Google Modular Water Systems today on the internet you'll find that we own most of that Google page even though a modular water system generically is a well-known thing. In fact, there are other vendors who do it, but we manage to have hit a nerve. We trademarked it, and in fact we just trademarked "Water System in a Box." We really have that terminology.

Having done that, we then: 2. Went, okay, let's turn back to the licensing network with the technologies. Now, remember that for many years [Jean-Louis Kindler](#) was the President of OriginClear Technologies, and he did a lot of development of the network. Brilliant guy. Very, very savvy.

About a month ago, he accepted a job as CEO of a bioenergy company. Actually, a technology that he had helped launch a quarter century ago, and now is in its fourth generation. He remains on the Board and he's being very, very helpful, but we had to assure some continuity. Bill having completed the most recent project of recruiting a ton of sales reps for us, we figured okay, Bill, this is your next assignment.

So, Bill went out on a worldwide tour recently. He'll be telling you all about it. Found out who were the performers and what the possible action was. Without further ado, I'd like to let Bill take the microphone.



A leading provider of water treatment solutions.

Bill: All right, thank you Riggs. I just got back two weeks ago I guess from a tour through the Far East. We started in China in a couple locations. We went to two of our suppliers there along with our [OriginClear Hong Kong Managing Director, Stephen Jan](#). He and I went to China, to Beijing to visit two of our vendors and have some discussions about the future with them. Then, I went on to Malaysia and Kuala Lumpur and met with [OriginClear Water Solutions](#).

They handle Malaysia, that part of the far east. They've got a lot of projects going on. They are an interesting company. They're in some ways similar to Progressive [Progressive Water Treatment, Inc] in that they are a system integrator, can build systems, and they wanted to integrate our technology into their systems. They've got quite a few projects going on in the far east. Interestingly enough, there were three or four of them that are in the surgical glove business where we're removing organic contaminants and ammonia from the waste water. Malaysia actually is the largest producer of surgical gloves in the world which is interesting.

From there, I went and met with the folks in India, [Permionics is our licensee in India](#) and that part of the world. They are actually a membrane manufacturer. They are a system integrator. They see where the EWS (Electro Water Separation) & AOx (Advanced Oxidation) technology would be very complementary to the membrane business. It was a very productive trip. I learned a lot about each one of the licensees, their capabilities, and the projects they have going on. Having some active discussions with each of them, and regarding each of the projects, and how we can make sure that they're implemented with the best designs, and are going to be the most successful. It was an excellent trip.

Today, I'm going to look in at the other part of the world, continue to support the Far Eastern guys, but looking at some licensees that we have in Oman, and Spain, and other places. There's a lot of opportunity out there. It's kind of interesting that the licensees are the ones who have the contact with the end-use customers, with the consulting engineers, with the general contractors. They are the key to doing business in those other areas of the world where we had no contact otherwise. It's a good opportunity for us to expand on an international basis. I think you'll be hearing more about that in the near future.

Riggs: Yeah, Bill. I think that what we're learning is that it's a challenge being a licensee, you have to have, obviously, commercial capabilities, but also be very technological and have good engineering. Who would you say is probably our strongest licensee out there today?



A leading provider of water treatment solutions.

Bill: I think it's the folks in Malaysia, Osmocell, our partner in the Malaysian Joint Venture, OriginClear Water Solutions. These are two ex-General Electric guys, been in the membrane business for 20 some years, know their science, and they know how to build systems, they know the customers in their area. They've lived in that area for those 20 some years. They've just got a ton of stuff going on right now.

I might add that one of the other things that we're doing while we're overseas, particularly in China and India is that we're looking for sources of supply of components that might be used by Modular, and for Progressive which could save them a fair amount of money and improve their supply chain.

Riggs: Bill, the supply chain side is really an interesting benefit we hadn't thought about earlier which is, hey, we've got the network. For example, our Indian partner is bidding a job in Ecuador. In fact, is bidding jobs in the USA. This is a very global network, and India in particular is really, really good at building high quality subassemblies because their labor costs are so low. But at the same time, their workforce is so well educated. I think that's a super exciting side of it.

Bill: The international side of it has really started already in that Permionics, our Indian licensee, has customers here in the US that have come to Progressive Water and said, "Hey, you're local, why don't you build these project for us?" There's already a lot of cooperation taking place between our licensees and our subsidiaries.

Riggs: What I love is how well OriginClear Hong Kong is supporting licensees. I think that's going to be a real strength. We're looking at systems that it's building for India, for a variety of places. They've always done a good job of being a profit center. Now, I think they're going to expand nicely.

The agriculture area has a very strong player in [Depuporc in Spain](#), the third largest pork producer in the world is Spain. They're very strong. We've got continued prospects.

There's an interesting story. Back in the day, Bill went to Oman to negotiate a deal to clean up the water for [PDO \[Petroleum Development Oman\]](#), the national oil company there. I remember doing a CEO update showing a picture of you with the licensee or some prince or something like that. Then, boom, the oil business crashed, prices went to \$25, \$35 a barrel. All spending stopped. The interesting story is we came back last year, and PDO looked at us and went, oh, you're still around. The fact that we were still around seven, eight years later was to them a major plus. The fact that you survive



A leading provider of water treatment solutions.

means a lot to people like that who rely on relationships. That relationship I think has got good prospects.

We also have interesting stuff happening in Taiwan. And Thailand, right? We just had some stuff light up in Thailand?

Bill: Yes, we did a big proposal with the National Oil Company in Taiwan and a couple of smaller projects. And the other one was in Thailand. There's a lot of activity.

Riggs: Good, good. In fact, a lot of the revenue that is being projected for this division is building whole systems for the licensees. It turns out that these licensees have trouble building things from scratch because they have their own stuff they build. They are commissioning construction mainly by Hong Kong. Hong Kong's doing an excellent job of building these things. There's really no tariff issue because India's not levying a tariff on China right now. When China ships a unit to India for resale purposes, then we get a nice chunk of it because of course we're selling wholesale.

Then on top of it, we get to sell the components to the licensee for his customer, and finally we get the royalties. That's kind of a good one, too.

Now in terms of equity participation, we have today our 100% ownership of OriginClear Hong Kong, and we have our 15% stake in OriginClear Water Solutions, OWS, Malaysia. Then, we've got a small stake in [that French company Ennesys](#), that has a bio-water cleanup system. Then we have just straight licensees.

That's a look at how it's been going in the core technology side. What we're also going to be doing is adding to our conventional products. For example, [our product called AgriSkid™](#) for the agricultural industry is currently composed of conventional components. Now, we know that we have a [superior technology to oxidize water](#) (AOx™). We have proven that we can generate very large amounts of the unstable molecule which is the hydroxyl radical. That is the most potent zapper and works in tandem with chlorine.

The plans are to improve the AgriSkid product with Advanced Oxidation, and that will make us uniquely more powerful at disinfecting the manure effluent. We proved AOx in 2017 in the Permian with a [licensee who was disinfecting wells](#) at the time very successfully in combination with his own technologies, and that went to commercial scale. It is proven that we can disinfect very, very effectively. That's a third way. First way is licensees with the combination of component sales, whole system



A leading provider of water treatment solutions.

manufacturing, and royalties. Secondly, is the outsourcing helping us with US bound companies buy better than for example buying from Dow Chemical. Then thirdly, it is taking this "skunk works" technology, and feeding it in to our complete products.

Bill is in charge of all that. We've given him the responsibility now of building the revenues for that division while at the same time we really go to town on the Water System in a Box concept over in Modular Water.

That's the picture on this Thursday the 23rd. It's a real pleasure having you guys again. I will be on pause next Thursday. Coming back the Thursday after. I'm, as always, very, very happy with the performance of the team, and how you guys, the investor base is so helpful for us and so productive. So often you guys come up with suggested application ideas or networks and so forth. Things that are very shall we say insightful from a non-water industry point of view, and it's often very, very helpful.

All right. If you have any questions about this CEO briefing, about the offerings we have, et cetera, just call Ken at extension 201, Devin at extension 116. The number is 323-939-6645. If you'd like to talk to Bill, either one of them will get you in touch. Again, thank you very much. This has been a pleasure. I hope you all have a great Memorial Day weekend, and I will catch you again the week after next. Goodbye.

Important Disclaimer

The securities referred to in this advertisement may be sold only to accredited investors, which for natural persons, are investors who meet certain minimum annual income or net worth thresholds. These securities are being offered in reliance on an exemption from the registration requirements of the Securities Act and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. The Securities and Exchange Commission has not passed on the merits of or given its approval to the securities, the terms of the offering, or the accuracy or completeness of any offering materials. The securities are subject to legal restrictions on transfer and resale and investors should not assume that they will be able to resell their securities. Investing in securities involves risk, and investors should be able to bear the loss of their investment.



A leading provider of water treatment solutions.