



**N-Viro International (OTCBB: NVIC)** uses a proprietary, patented technology to process wastewater biosolids and organic waste from municipal and industrial customer and converts them to environmentally beneficial agriculture and energy fuel products. In our opinion, shares of NVIC could be getting ready to explode as a result of its recent transition from licensor of technology to an operational entity. As a result of NVIC operating its processing facilities independently and in partnership with municipalities and larger corporate partners, we believe revenues and profits have the potential to surpass the \$100 million mark over the next 3 to 5 years.

**History of N-Viro International**

NVIC came public through an IPO led by the brokerage firm, Robertson Stephens and has focused on monetizing its 15 patents through the licensure of its technology. Since NVIC's technology converts wastewater sludge and other wastes into clean, green, renewable sources of agricultural fertilizer and alternative energy products, One might think the world would be beating a path to its door. However, many companies were apprehensive about committing the necessary capital to execute the technology.

Board member Tim Kasmoch began to ask why a company with such an incredible technology could not gain acceptance. Mr. Kasmoch had worked as an executive for a number of years in his family owned fertilizer business. After sharing his ideas with other board members, he was offered the position of CEO of NVIC. His first step was to put together a team to reorganize the company and monetize its 15 patents, primarily focusing in the biofuel area.

Using the technology that had been previously licensed to others, Mr. Kasmoch and his team built two profitable plants. By offering customers a simple solution, NVIC has been able to increase revenues and develop its expanding base of municipal and industrial customers.

**N-Viro Fuel**

N-Viro Fuel is a patented biomass fuel that has the physical and chemical characteristics of coal. N-Viro fuel is created from municipal biosolids and other organic wastes such as livestock manure, food waste and paper pulp sludge by-products. The resultant

product is blended with coal or petroleum product and burned as a coal substitute in coal fired plants. The biofuel provides a cost effective solution that has a positive environmental impact.

**Hundreds of Millions of Dollars Potential**

NVIC recently announced an N-Viro Fuel facility near Youngstown, Ohio, which will mark N-Viro's second owned or operated facility in Ohio, and the third in total. The smart money on Wall Street is able to read between the lines and is taking notice. Not only does NVIC have a 20 year history of getting permits for such facilities in Ohio, but opening the plant in this area opens up new markets to the Company. NVIC has already been in discussions with municipalities in the northeastern area of the state, as well as with many in western Pennsylvania. In our opinion, there is a large demand for N-Viro Fuel, and this new facility will dramatically expand NVIC's footprint and its production. Once it is up and running, management expects this facility to be profitable immediately.

In our opinion, this puts NVIC at least 12 months ahead of larger competitors since this process can be replicated in other states. We believe a larger company with deeper pockets will maximize the value of the chosen sites by creating a partnership with NVIC. This combination of brain and Brawn could result in, literally, hundreds of millions of dollars in revenue for NVIC. The potential is here to earn multiples on your money as the Unites States and Canada look for alternatives to gasoline and diesel fuel. We believe we have uncovered an investment that will make those who listen very rich. And for those who ignore our advice -- well, in a matter of months, they'll be wishing they could turn back the clock.

**N-Viro Soil**

N-Viro Soil is a patented process for the treatment and recycling of bio-organic wastes combined with alkaline by-products produced in other industries. The N-Viro Process has been commercially utilized for the recycling of wastewater sludge from municipal wastewater treatment facilities. N-Viro Soil produced according to the N-Viro Process specifications is an "exceptional quality" sludge product meeting regulatory standards. There are very few

**OTCBB Symbol: NVIC**  
**Current Price: \$2.39**  
**Shares Outstanding: 5.1 million**  
**Market Cap: \$12.2 million**  
**52 Week Trading Range:**  
**52-Week Low: \$1.01**  
**52-Week High: \$3.80**  
**Corporate Offices:**  
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Since December 1989 N-Viro International Corporation has operated the City of Toledo's N-Viro Process facility that treats approximately 150 wet tons per day, or approximately 40,000 tons annually, of anaerobically digested sludge.



N-Viro Fuel was tested at Michigan State University's coal-fired power plant. Fuel made from biosolids and manure were blended with eastern Ohio coal and performed well compared to coal alone. Also, air emissions were below regulatory limits.

publicly traded company in this space. NVIC could capture the lion's share of this growth

The N-Viro Process involves mixing the wastewater sludge with an alkaline admixture and then subjecting the mixture to a controlled period of storage, mechanical turning and accelerated drying in which a blending of the sludge and the alkaline admixture occurs. The N-Viro Process stabilizes and pasteurizes the wastewater sludge, reduces odors to acceptable levels, neutralizes or immobilizes various toxic components and generates N-Viro Soil™, a product which has a granular appearance similar to soil and has multiple commercial uses. These uses include agricultural lime, soil enrichment, topsoil blend, landfill cover and filter, and land reclamation.

### Florida N-Viro

NVIC is engaged in substantial expansion of the Daytona Florida operations of Florida N-Viro LLP after announcing the award of biosolids disposal contract from the city of Port Orange, Florida. The Company is currently negotiating to increase the operations of the Daytona Florida facilities. NVIC recently announced that its Daytona Beach operation has ramped up to approximately 350 tons of biosolids a day, with the capacity to reach nearly 750 tons for the facility. The company also extended its memorandum of understanding with Michigan State University to enter into a long-term arrangement for the design, construction and operation of an N-Viro Fuel facility at the University.

### Michigan State University

Tests were conducted at Michigan State University's coal fired plant by Black & Veatch, one of the Worlds' leading engineering and consulting firms for the coal industry. NVIC and Michigan State University subsequently entered into a term sheet to conduct further engineering and analysis to facilitate the design, construction, and operation of an N-Viro Fuel facility adjacent to the T.B. Simon Power Plant. NVIC's proprietary N-Viro Fuel process would provide a renewable supplemental fuel source, which is cleaner burning than coal.

### Renewable Energy Certificates

N-Viro Fuel qualifies as a renewable energy source under the renewable energy certificate program. Renewable Energy Certificates (RECs), are tradable environmental commodities representing proof that 1 megawatt-hour of electricity was generated from an eligible



renewable energy resource. RECs can be sold or traded and the owner can claim to have purchased renewable energy. While traditional carbon emission trading programs promote low-carbon technologies by increasing the cost of emitting carbon, RECs can incentivize carbon-neutral renewable energy by providing a production subsidy to electricity generated from renewable sources.

### Summary

The world needs a solution for expanded regulatory standards in waste water disposal and power plant emissions. In our opinion, NVIC is the cost effective solution and the industry is ripe for profits.

Coal Burning Power Plants produce 56 percent of the United States electricity and there are 16,800 Municipal Waste Water Treatment Facilities in the United States. NVIC has commitments from two power generators to test N-Viro Fuel, which could result in long-term contracts at other tested facilities. NVIC currently derives its revenues from sludge processing fees at managed fa-

ilities producing N-Viro Soil. However, both the international and domestic market for N-Viro Fuel could be large enough to spawn an industry all its own.

Right now, NVIC appears to be sitting at, or very close to, solid support. This could maximize return while minimizing risk. NVIC bounced off of its 50-day Exponential Moving Average (EMA) of \$2.36. The last time the EMA was touched was on July 9, 2009 when NVIC bounced off of a \$2.03 EMA and moved to \$2.75. On both August 25, 2009 and August 27, 2009 the candle stick analysis shows a very bullish Homing Pigeon pattern. The Homing Pigeon pattern indicates that there is a weakening of the current downward trend.

The stochastics are indicating an Oversold Reversal from extremely oversold conditions-this is usually very bullish and suggests a likely bounce in the near-term. Volume on the recent move up was considerably higher than volume on the way down, this often suggests heavy accumulation and, despite the powerful surge, minimal profit taking. This, too, is very bullish. We believe now is the time to buy NVIC for both short and long term profits.