



ARC SOUTHERN ANNOUNCES PLASMA GASIFICATION LICENSE AGREEMENT WITH ADAPTIVEARC

HOUSTON, TEXAS, July 9, 2009 • ARC Southern Energy LLC (ARC SE) is delighted to announce that it has executed a license agreement with adaptiveARC, Inc, a renewable energy company based in San Francisco, CA to license, build and operate gasification plants. adaptiveARC has breakthrough proprietary technology for the gasification of biomass such as municipal solid waste, medical waste, refinery waste, and sewage sludge to produce electricity and other commercial materials. ARC SE has the expertise of developing industrial processes, project management, financing, sales and marketing. In this agreement, ARC SE will actively pursue the development of environmental projects in the waste-to-energy market utilizing the adaptiveARC technology for the period of exclusivity. The parties will form a joint venture to execute projects on build-operate-own basis.

"After considering the merits of all available plasma arc gasification technologies, we found that the technology being developed by adaptiveARC promises to be cutting edge and innovative where it will be more efficient, and cleaner than other available technologies." said Abdullah Ali, President of ARC SE. "We are excited about our agreement with adaptiveARC as they bring this disruptive innovation with incredible opportunities; practical and viable technology backed by personnel with deep technical background and we are sure that this will address the waste-to-energy challenges of the world."

Plasma arc gasification is a proven process operating in more than 25 countries around the world. It cleanly converts waste such as MSW, sewage sludge, refinery sludge, coal and medical waste into synthesis gas (syngas), which can be used to produce electricity and other commercially marketable products.

adaptiveARC is a revolutionary waste-to-energy company whose innovative Cool Plasma Gasification™ changes the way that waste is managed and energy is created. Portable, modular, and scalable, adaptiveARC's gasification plants cleanly and efficiently convert biomass, agricultural, municipal, coal and even toxic waste into clean energy such as electricity, biofuels and hydrogen for fuel cells.

adaptiveARC's Cool Plasma Gasification™ technology is a breakthrough in biomass gasification. It is the cleanest on the market and most cost-effective to date." said Kris Skrinak, President of adaptiveARC, Inc. "Our technology has been proven at our pilot in Monterrey Mexico since 2005 and is in commercial operation in Mexico City. We will

now provide the same demonstration and validation within the United States. This partnership enables the final step in years of development of this technology.”

Under the terms of the license agreement, ARC SE will have exclusivity in a broad area of the southern United States including Texas and Louisiana and a variety of vertical markets. The partners will work together on projects outside the United States as well with a focus on Europe and the Middle East.

About ARC Southern Energy LLC

ARC, a Houston, Texas based renewable energy development and carbon origination company, has consolidated a broad range of experienced key personnel. Our company experts' combined landfill, project management and financing experience is over 100 years. We bring a unique combination of experience and knowledge that is unmatched in this arena. Using the latest technology, and with a thorough understanding of financing options (including significant federal grant opportunities currently available) Arc Southern will be a true partner in the development, construction and successful operations of waste-to-energy projects. ARC Southern Energy, LLC is based in Houston. For more information, please visit www.arcsouthern.com

About adaptiveARC

adaptiveARC's Cool Plasma Gasification™ technology provides waste solutions to local communities while generating clean energy for the entire planet. Portable, modular, and scalable, adaptiveARC's gasification plants convert biomass, agricultural, municipal and toxic waste efficiently into multiple forms of clean energy. Unlike other costly systems that scrub and filter the harmful by-products of conventional gasification, adaptiveARC's Regenerative Cleaning™ eliminates all toxic by-products at the source providing the cleanest, and most economical, waste-to-energy solution on the market. adaptiveARC is based in San Francisco, California and has presence in Europe, Asia and Latin America. For more information, please visit www.adaptivearc.com