Analysis Report

Date: 19.11.2008

Ref. no: 08-21693 Pages: 1 (2)

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Oil Analysis

Appendices: 7

Reason

On assignment from IPCO Power, FRAS Technology performed microscope analysis of particles in oil

Method of analysis

Each sample was prepared by applying a drop of oil between two glass plates. The samples were then inspected by an Olympus BX60 microscope using transmitted light and a 1000x magnification objective. To investigate cat-fines in particular, Scanning Electron Microscopy (SEM) was employed.

3 mL of each sample was diluted in 80 mL petroleum distillate. 2 mL of this solution was filtered through a 0.8 μ m membrane filter. 30 mL was filtered first through a 5.0 μ m and then a 0.8 μ m filter. All three filters for each sample were inspected by a Zeiss Evo 50 scanning electron microscope equipped with x-ray spectroscopy for element identification.

Samples

The following 2 samples were analyzed:

| Sample number | Sample date | Machine, Equipment | Sample point |
|---------------|-------------|--------------------|-------------------------|
| 4944 | 23.09.08 | SCH BR 230908 | Directly before Reducer |
| 4945 | 23.09.08 | SCH AR 230908 | Directly after Reducer |

Date of analysis

Week 43-46, 2008



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Results

Light microscope:

Both samples appear to contain the same types and quantities of particles. Some flaky particles that were black in appearance (i.e. they are solid) were observed. These particles have a feret max (max diameter) of 5-10 µm. Several transparent particles, which appear to have been embedded with smaller solid particles were also observed. There were also several very small solid particles (feret max of < 1µm), and spherical structures, that are most likely air bubbles, that were observed.

Scanning electron microscope:

A few spherical shaped structures containing AI + Si (cat fines) were found in both samples. It does not appear that the composition or the structures of the cat-fines of the two samples are different.

Summary

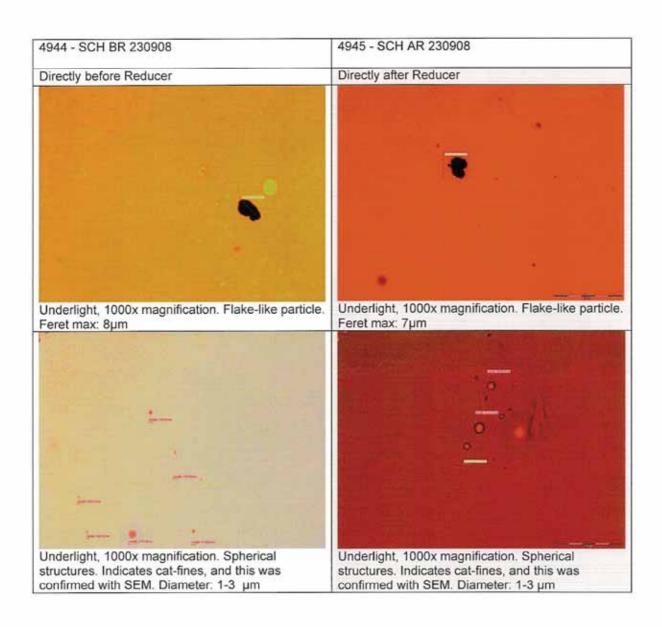
Based on our findings using the optical microscope, both samples contain the same particle structures. To inspect the shape and surface structure of such small particles, optical microscopes are not suitable. To investigate the presence and structure of cat fines in particular, Scanning Electron Microscopy was used. By detecting secondary electrons from the specimens, spherical shaped particles composed of Al+Si (i.e. cat-fines) were found in both samples. There is not any difference in the cat-fines between the two samples taken before and after the Reducer.

Performed by Tormod Lundberg *Verified by* Sølve Fierdingstad

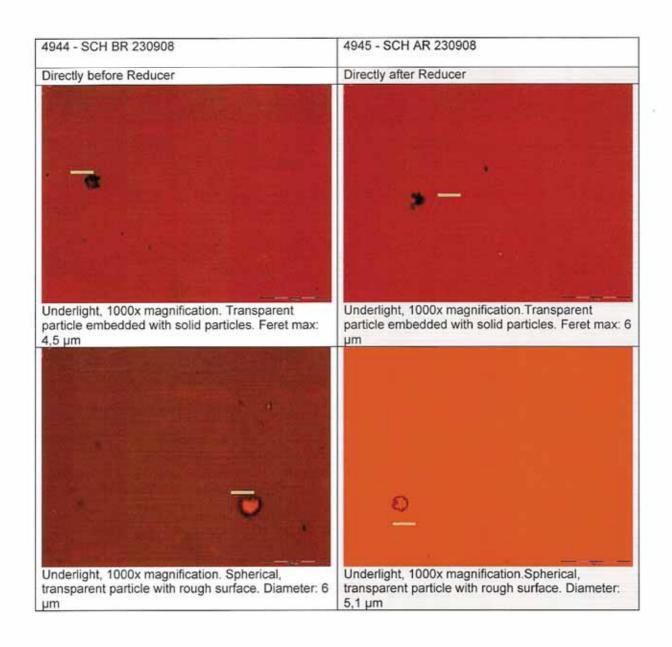
Attachments: The findings in this document has been reviewed and approved John Olav Nøkleby, Senior Principal Engineer in Det norske Veritas (DnV) and Board Member of FRAS Technology. Please see enclosed letter.



Date; 28.10.2008



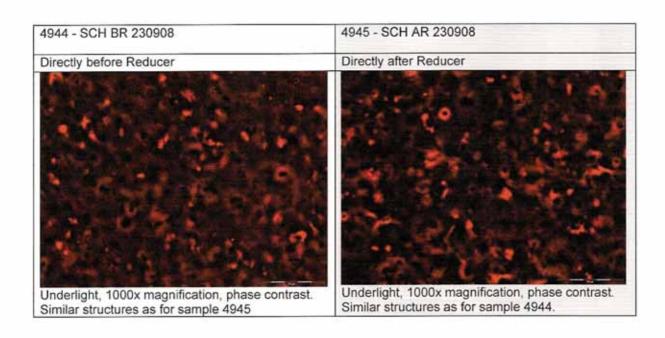
Date: Ref. no: 28.10.2008 08-21693



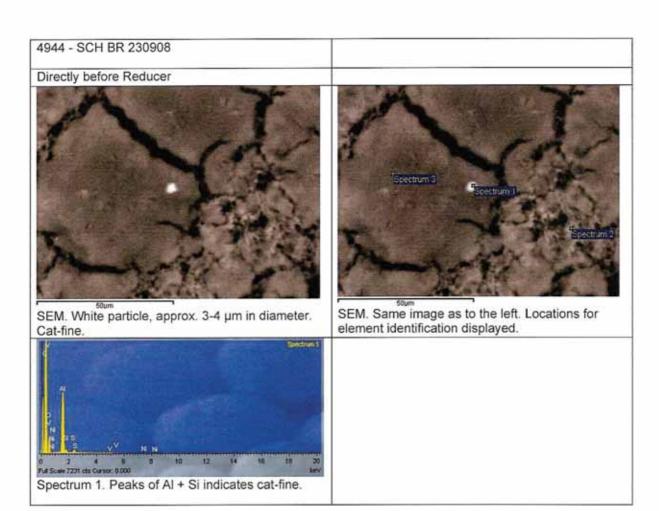
Date: 28.10.2008



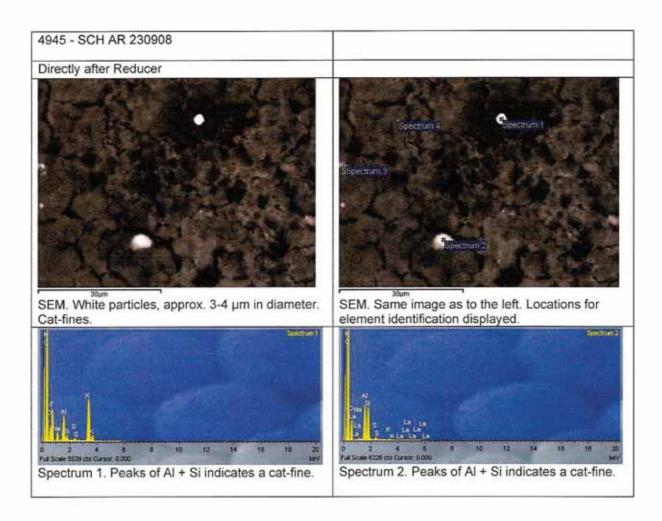
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Date: 28.10.2008



Date: Ref. no: 08-21693

Oil Samples on Arrival:



Ås, 18.11.2008

TO WHOM IT MAY CONCERN

I have reviewed FRAS report, ref.no.08-21693. It is evidenced in the report that spherical, solid particles with diameter 3-4 microns, and with main constituents Al and Si, have been found present in the oil sample. Most likely the particles are oxides of Al and Si respectively. If so, they are very hard and abrasive particles that could be harmful for sensitive components of the piping system through which the oil flows.

The exact origin of the particles cannot be concluded from the analyses. Al and Si oxides are found in sand including sand blasting agents, in grinding tools and other places. It is, however, also known that oil refineries use particles of Al and Si as "catalytic fines", particles used to enhance the refinery process. "Catalytic fines" are supposed to remain within the refinery, but it is known that they is some cases accidentally have been delivered with certain oil products. The appearance, shape, size, and chemistry of the particles shown in the report, are all consistent with the hypothesis that they originate from a refinery's "catalytic fines".

Best regards,

John Olav Nøkleby

Senior Principal Engineer, Det norske Veritas

Board Member, FRAS Technology