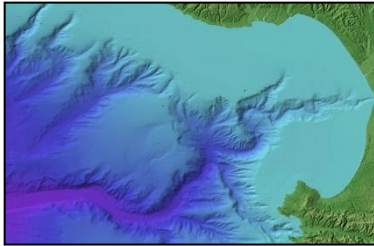


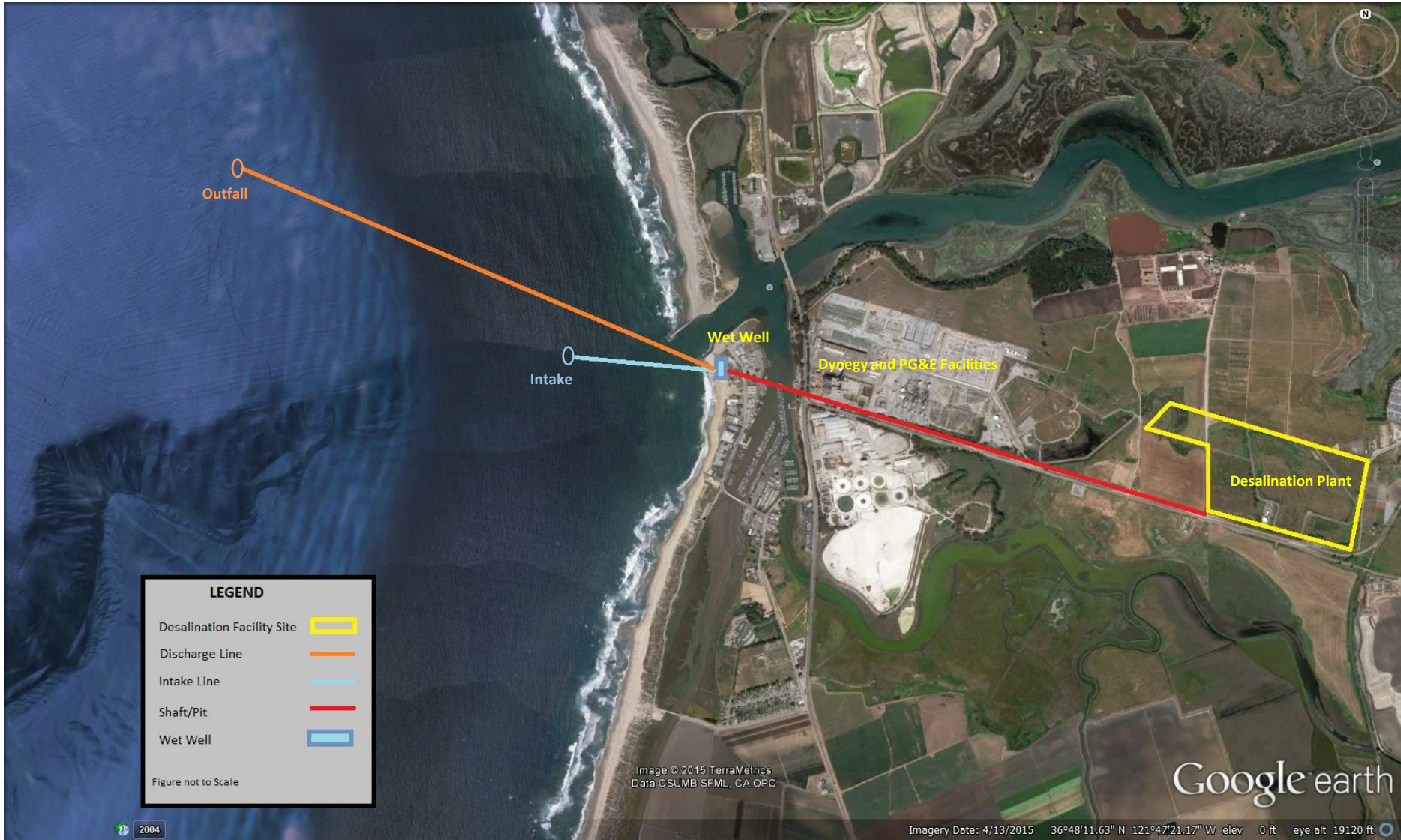


DeepWater



*Unique Solutions from
Oceanographic Resources*

- I. Project Overview and Features
- II. Desalination Process
- III. Potential Off-takers
- IV. Intake/Outfall Strategy
- V. Project Schedule
- VI. Public/Private Partnership Models & Financing
- VII. Risks/Contingencies
- VIII. Q&A



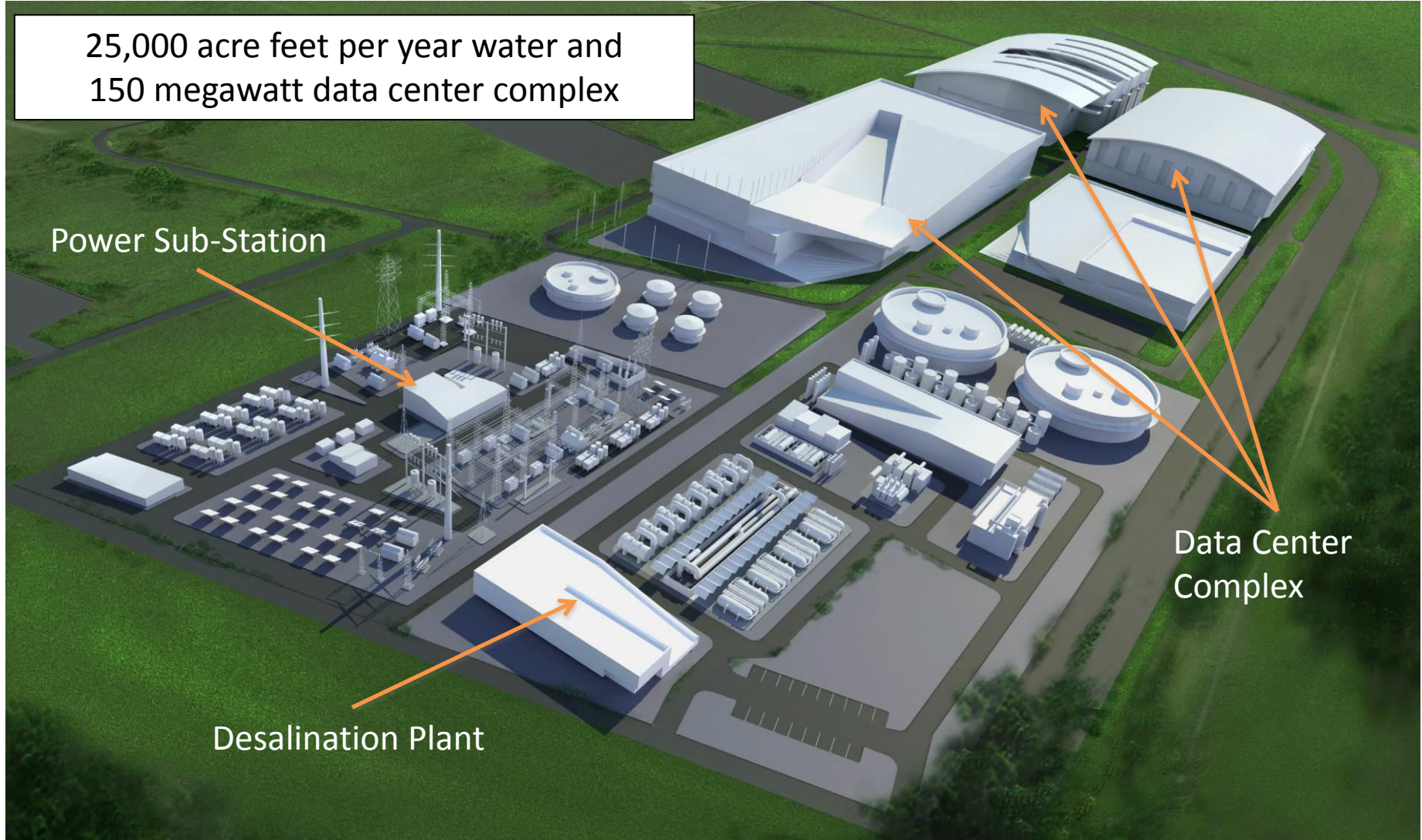
Pipeline Routing

25,000 acre feet per year water and
150 megawatt data center complex

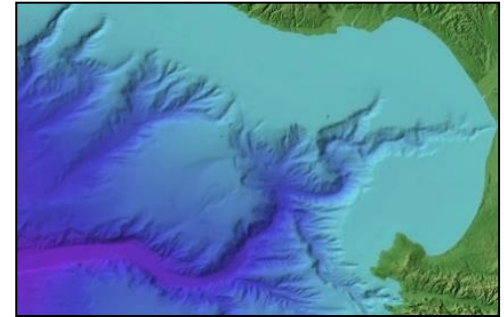
Power Sub-Station

Desalination Plant

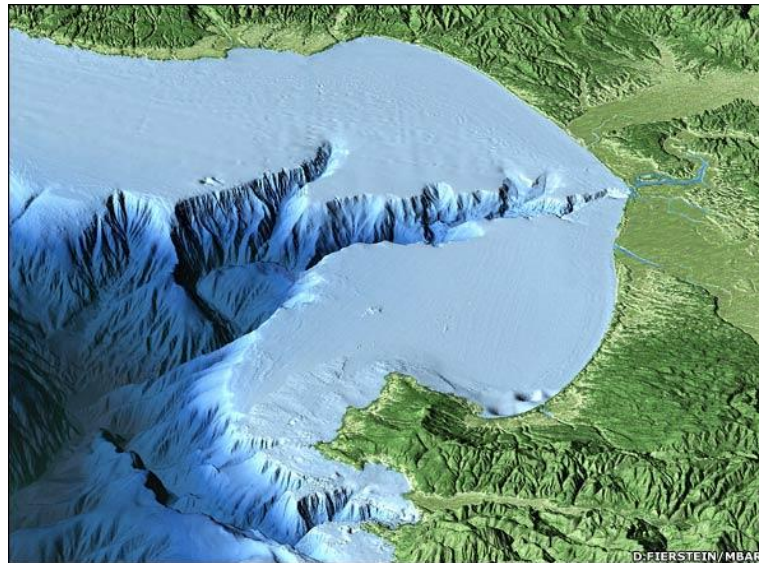
Data Center Complex

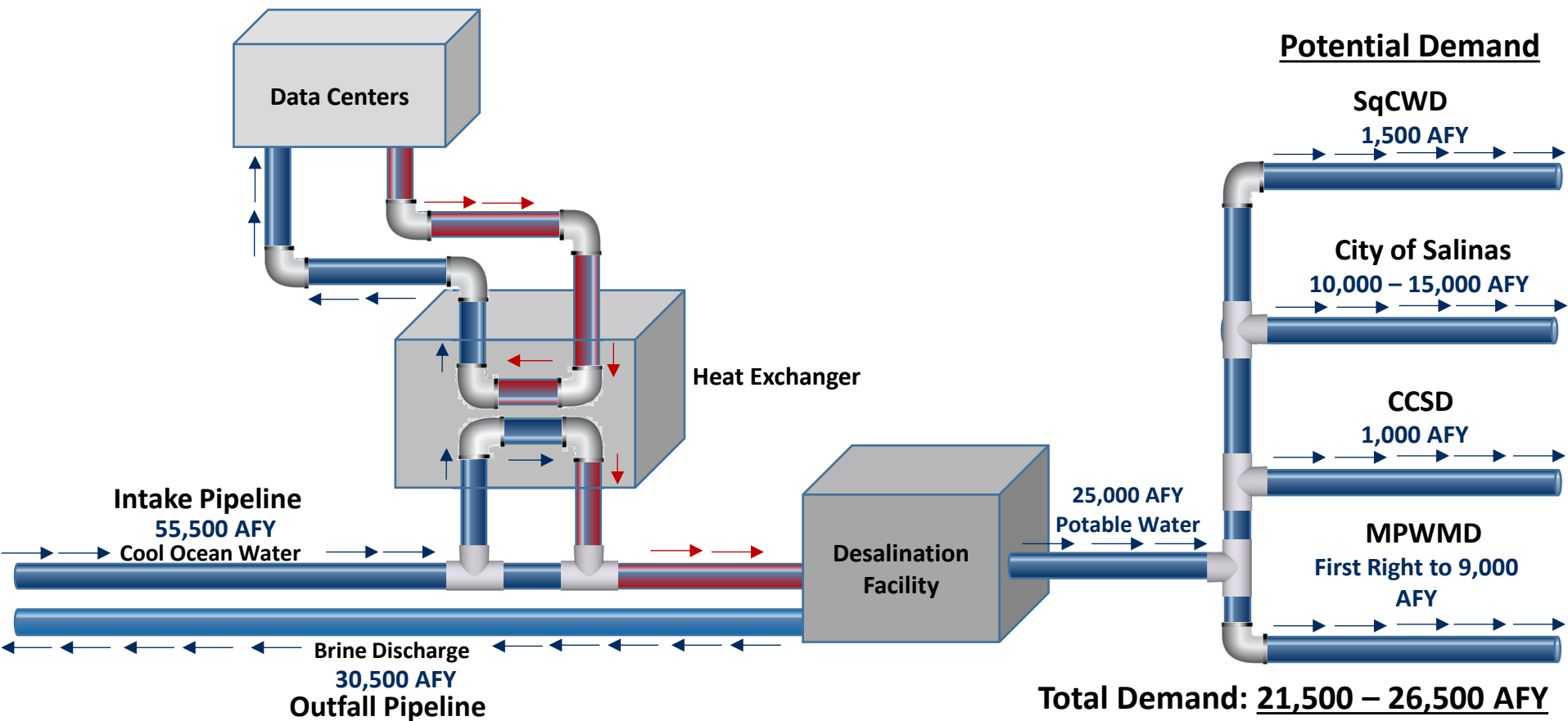


- Access to nearshore Monterey Bay submarine canyon
 - Very pure ocean water column – excellent profile for desal
 - Requires only 800 yards horizontal drilling under bay and seabed
 - minimal disturbance to seabed
- Co-location of data center and drinking water production facility
 - Patented co-location concept and deep water intake and outfall
 - 45% reduction in required energy associated with deep water cooled data center vs. conventional cooling – power usage effectiveness ratio of less than 1.10 vs. 1.55+ for state of art air-cooled facilities
 - Reduced water costs due to:
 - Purity (low turbidity) of deep water column – lower pre treatment requirements
 - “Free” warming of intake water using waste heat from data center – increase efficiency of seawater reverse osmosis (SWRO) process
 - Shared cost of intake and outfall infrastructure
- Significant operational synergies and cost savings from coordinated development and permitting of both projects and their shared infrastructure
- Energy cost savings from power contracts will provide ongoing electrical energy costs at approximately 50% of best commercial rates via the Grid

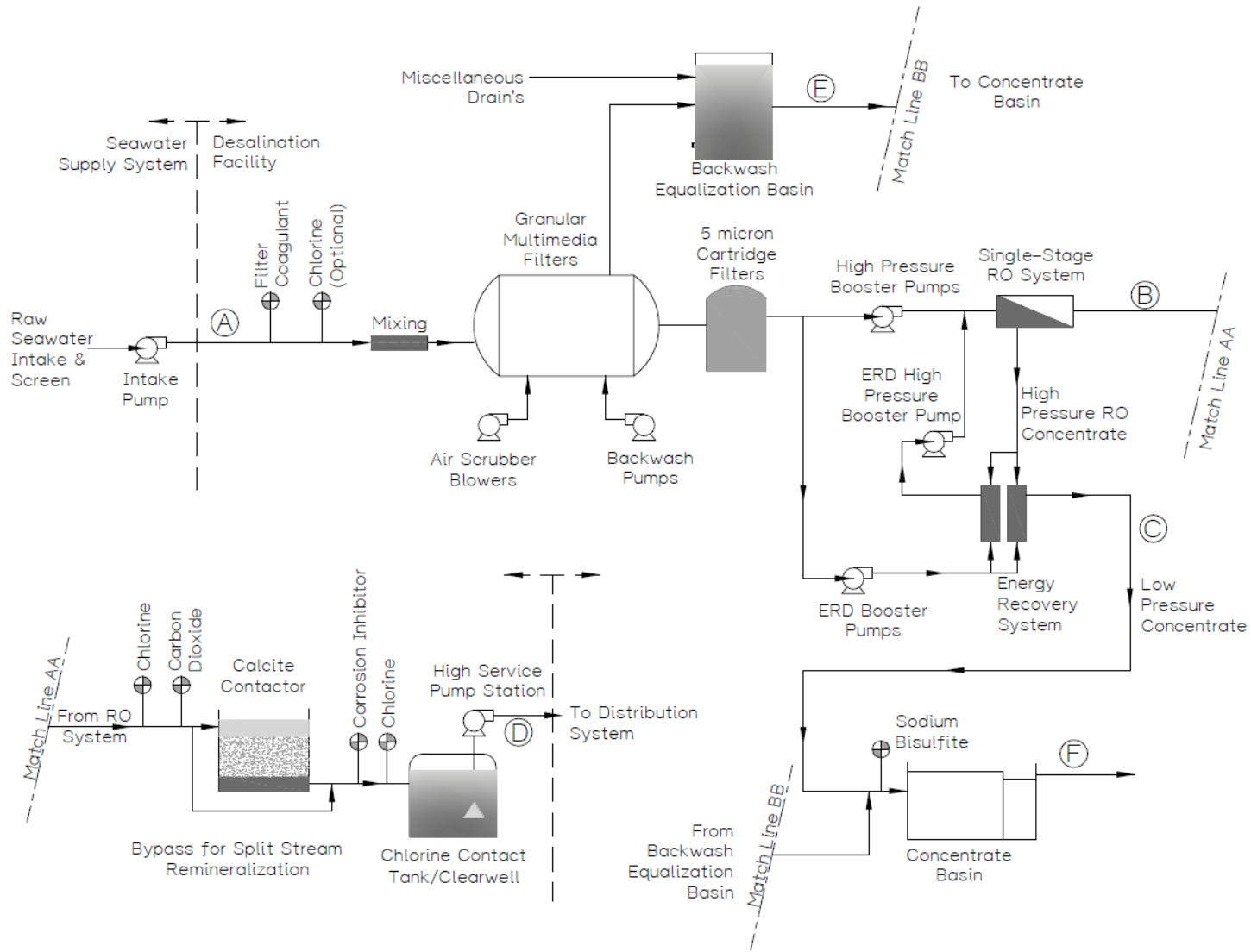


- Integrated Regional Approach
 - Access to IT infrastructure and water are of critical importance to the 3 county region
 - Scale efficiencies via larger facility vs. multiple redundant projects
- Carbon neutral (potentially negative) greenhouse gas impacts
 - Opportunity for self generation of carbon negative back-up power on site through carbon sequestration technology
- Model for environmental and community stewardship

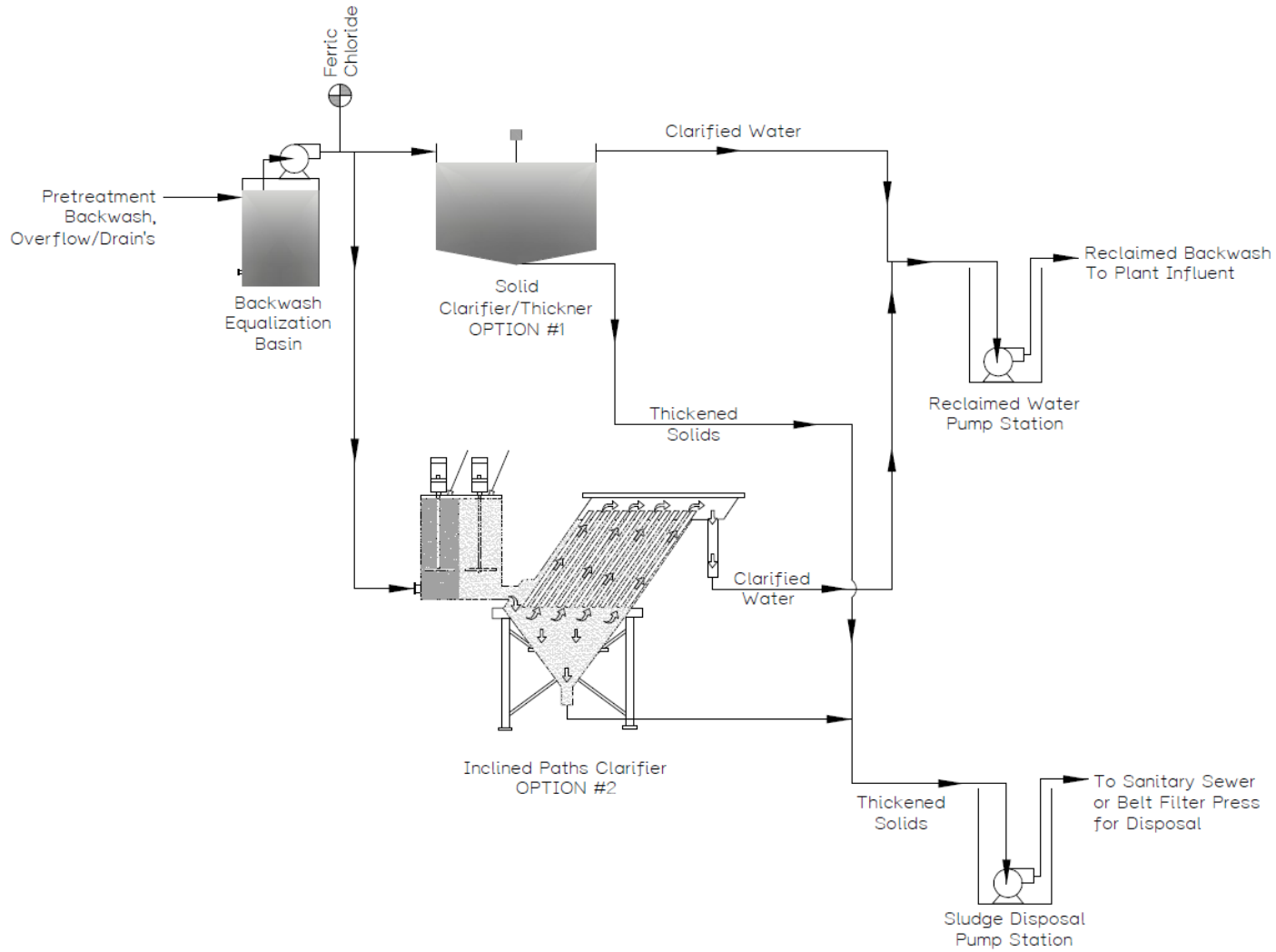








Desalination Flow Diagram



Desalination Flow Diagram (cont.)



Off Taker	Form of Agreement	Quantity
 <p>City of Salinas</p>	<p>Salinas Memo of Understanding Q2 2013 (via Cal Water Services and ACCO)</p>	<p>10,000-15,000 acre feet</p>
 <p>MPWMD www.mpwmd.dst.ca.us</p>	<p>Monterey Peninsula Reimbursement Agreement Q2 2014 (alternate to CalAm Project)</p>	<p>First Right to 9,000 acre feet</p>
 <p>Soquel Creek Water District www.soquelcreekwater.org</p>	<p>Kennedy/Jenks Engineering Study Q3 2014 MOI Executed Q2 2015</p>	<p>1,500 acre feet</p>
 <p>Castroville Community Services District www.castrovillecsd.org</p>	<p>MOI Signed Q3 2014</p>	<p>1,000 acre feet</p>

Intake and Outfall Regulations

- In May 2015, after five (5) years of development and discourse, the California Water Resources Control Board adopted final “Desalination Amendments” as part of its triennial review of the California “Ocean Plan”:
 - The amendments establish California policy governing intake and discharge systems to be used for desalination plants on the California coast
- The policy designates subsurface intakes as the “best available technology” for supply of source water for desalination, and requires that subsurface intakes must first be demonstrated to be "infeasible" before open ocean intakes can be considered:
 - Feasibility or infeasibility to be determined based on multiple considerations including: hydrogeology, site conditions, impacts to marine life, and life cycle costs
 - Final determination of feasibility or infeasibility to be determined by the Regional Water Quality Control boards in consultation with the State Water Resources Control Board
 - The State Water Board, State Lands Commission and Coastal Commission are collaborating to establish a coordinated review process for the project
- DeepWater believes that the Amendment adoption itself has no new or incremental impacts on the MBRWP
 - We have closely tracked the amendment’s development – no surprise as to policy content
 - In anticipation of rulemaking, in 2013 DeepWater initiated and completed independent studies to evaluate feasibility of subsurface intakes at the Moss Landing site
 - The October 2014 hydrogeological study by Ecosystems Management, Inc. concluded in part:
 - **"Based on the available information and literature we have reviewed, the hydrogeological conditions appear unfavorable for the large scale (51.6 mgd) subsurface seawater intake system required to supply the proposed 22.3 mgd of desalinated water production at the proposed site."**

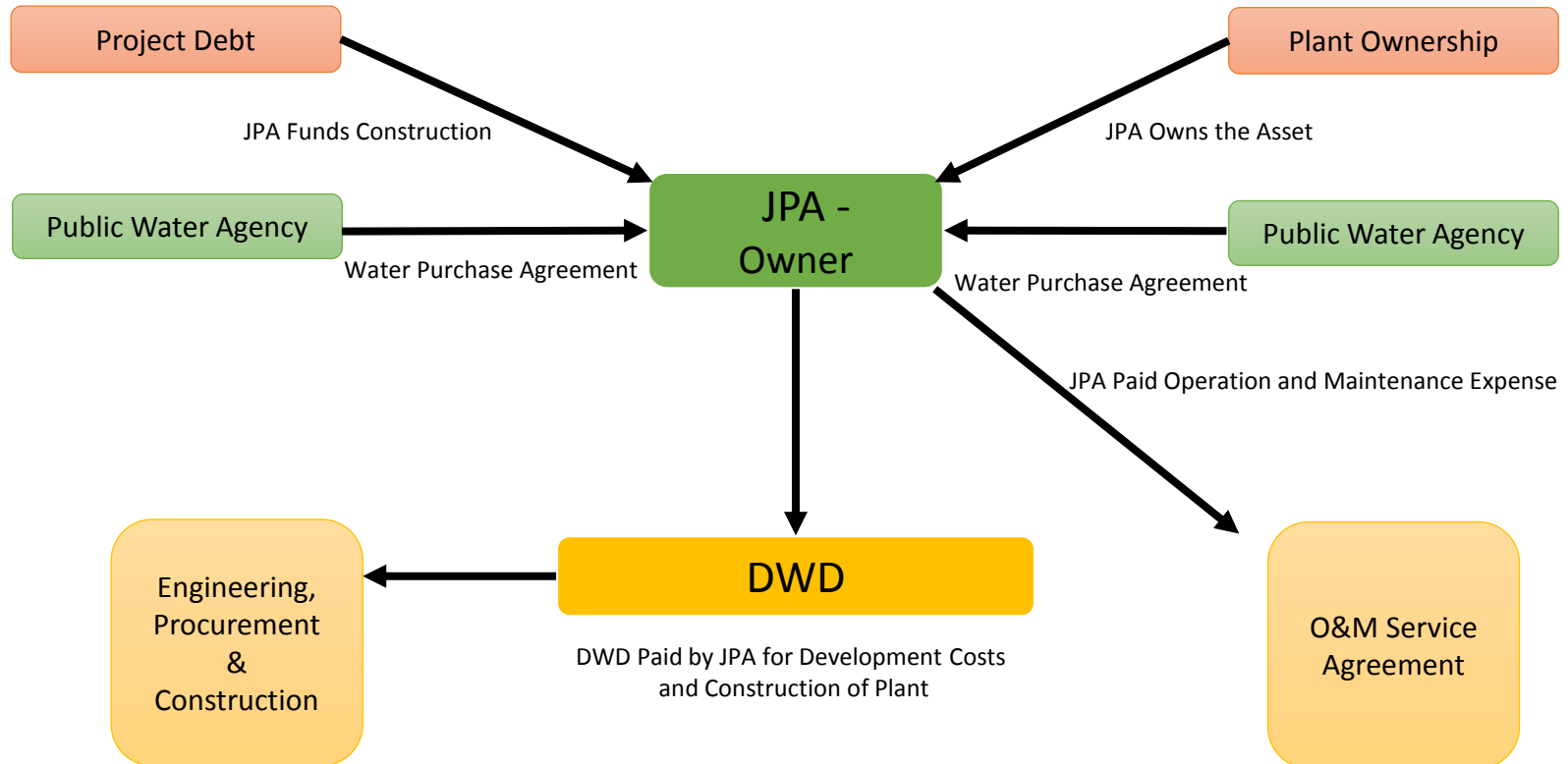
- Required joint EIR/EIS study will address “favorable” environmental impact profile of MBRWP’s deep water approach relative to alternative intake technologies – including “subsurface”
 - Joint Environmental Impact Report/Environmental Impact Statement will be prepared on the MBRWP by the California State Lands Commission under the California Environmental Quality Act (CEQA), and the Monterey Bay National Marine Sanctuary under the National Environmental Policy Act (NEPA)
 - The joint EIR/EIS will analyze the environmental impacts of the MBRWP’s proposed open ocean intake at the edge of the Monterey Bay Submarine Canyon
 - The environmental analysis will include, but not be limited to, the impact of the deep water intake on marine life
 - The joint EIR/EIS will also analyze the environmental impacts of alternative intake technologies, including subsurface intakes
- The “Desalination Amendments” to the California Ocean Plan identifies comingling brine with wastewater as the preferred technology for discharge. If wastewater is not available, multiport diffusers are recognized as the best available technology
- While discharges were originally held to the 5% rule (no more than 5% above ambient salinity at 100 m from nozzle), the policy now prohibits ocean discharges of brine in excess of a daily max of 2.0 ppt above natural background salinity at the same distance.
- Discharge must meet California Thermal Plan requirements for Coastal Waters limiting temperature increases to no more than 20° F

1. Work closely with staffs of the State Water Board, State Lands Commission and the California Coastal Commission to harmonize standards for demonstrating “feasibility” of subsurface intake at Moss Landing site
2. Differentiate DeepWater’s project based on uniqueness of the geology and hydrogeology of Monterey Bay location – a solution that advances the objectives of the Ocean Plan
3. CEQA/NEPA strategy provides path forward if subsurface intake is deemed infeasible
4. Utilize multiport diffusers for brine discharge.
5. Present completed science showing that we exceed the maximum salinity requirements (Scott Jenkins report)
6. Support decision making process with high quality science (reports completed to date)
 - Ecosystems Management Ltd. - hydrogeology study
 - Tenera Environmental - oceanographic studies, intake impact assessment
 - Tenera Environmental – wedge wire screen intake study
 - Scott A. Jenkins Consulting – brine dilution analysis
7. Communicate early and often...

Milestone	2015				2016				2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Q1	Q2	Q3	Q4
State Lands																
Notice of Preparation		→														
ERS/EIS Draft				→												
Public Comments/Review/Final						→	◆									
JPA Formation																
JPA Negotiations			→													
Water Purchase Agreements				→		◆										
Coastal Commission																
Coastal Development Permit						→	◆									
Construction																
Design				→												
Construction								→						◆		



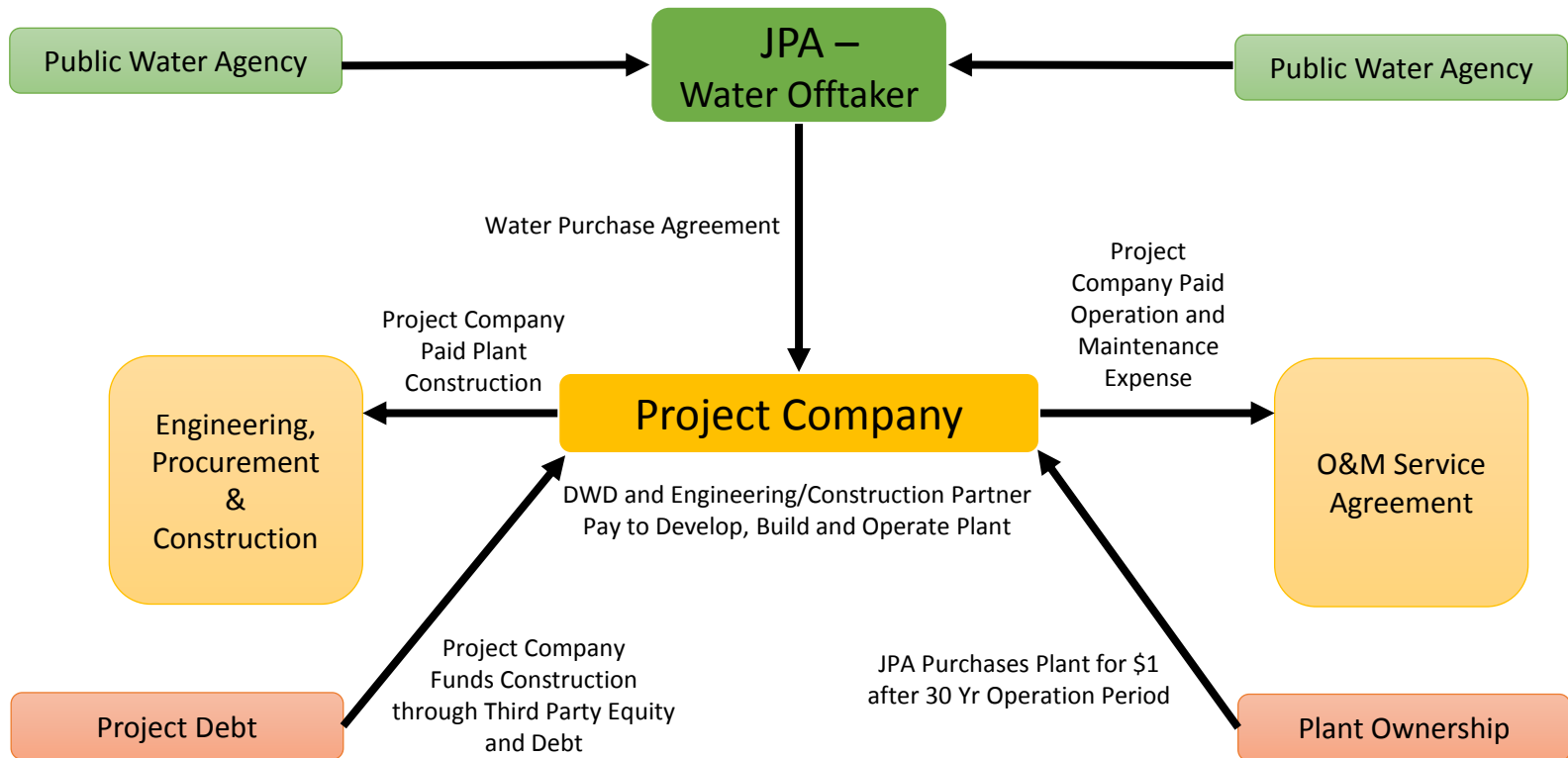
JPA Owned
Desalination Plant









*Transmission capital and Operating Costs are paid by Individual Off-takers or JPA



Project Company Owned
Desalination Plant



*Transmission capital and Operating Costs are paid by Individual Off-takers or JPA

Risks	Contingencies
Environmental Impact Report (EIR) preparation time is excessive	 Numerous scientific and environmental studies have already been prepared and submitted to Cal State Lands Commission (CSLC) and Monterey Bay National Marine Sanctuary (MBNMS) for review during preparation of the EIR/EIS
Project Delay due to preparation of Federal Environmental Impact Statement (EIS)	 EIS is being prepared simultaneously with EIR
Lawsuit challenge to EIR/EIS	 Decision to use CSLC and MBNMS as joint lead agencies to assure adequate and complete review of environmental impacts plus active engagement of community and NGO stakeholders
Delays in obtaining permits for the project	 MOU between permitting agencies to form a joint review panel for the EIR/EIS to avoid duplication and serve as an efficient review process
Open Ocean Intake is difficult to permit	 Perform thorough review of sub-surface options. Completed studies show that Deepwater intakes have a greatly reduced impact over shallow water intakes in absence of subsurface possibilities
Brine Discharge is not mixed with treated outfall	 A brine dilution study analyzing dilution and dispersion of brine and thermal effluent showing discharge meets present and future discharge standards.



Brent R. Contantz, Ph. D.

Manager and Chief Executive Officer

- Serial Silicon Valley entrepreneur
- Founded and led six corporations, most recently Calera Corporation 2007 - 2010
- Inventor on over 100 issued US patents and 100 pending US patents



Dennis R. Ing

Chief Financial Officer

- 30+ years experience in high technology companies in senior management positions
- Former CFO of two public companies Trimble Navigation and HCL Technologies, which he took public in 1999



Grant Gordon

Chief Operating Officer

- Senior level executive experienced in operations, business process optimization, supply chain, and large scale post-merger business integration
- Previously held positions at Sun, Cisco, Apple, SanDisk, and KPMG



David Armanasco

Public Relations/Government Affairs

- 30+ years experience in public relations
- Served as commissioner of the California Coastal Commission from 1996 - 1999
- Held numerous leadership roles for community organizations around Monterey



Jonathan Dietrich, P.E.

Technical Services

- 25+ years experience in process design of water treatment facilities
- Has been engaged in the design, construction, and start-up or commissioning phases for more than 60 desalination projects globally



George Reilly

Chief Development Officer

- 30+ years experience in commercial real estate with a focus on Northern California
- Closed over 20mm sq ft of leases, sales and build-to-suits, including over 5.5mm sq ft with data center clients

Management Team (Cont.)



Ambassador John A. Bohn

Chief Strategist

- Recently completed a 6 year term as Commissioner of the California Public Utilities Commission (CPUC)
- Former U.S. Ambassador and Executive Director of the Asian Development Bank



Ray Harris

Chief Power Officer

- 30+ years experience in energy and utilities industries
- Most recently served three years as President of MasTec, a large construction company traded on the NYSE



K. Scott Jackson

Program Manager

- 25+ years experience in the desalination and advanced technology water and wastewater treatment industries
- Project manager for the first two large capacity seawater reverse osmosis systems built in CA



Kim Adamson

General Manager

- 20+ years experience in engineering and public water treatment
- Served as General Manager of Soquel Creek Water Management District



James G. Heisinger, Jr.

General Counsel

- 35+ years practicing land use, environmental, and municipal law
- Served as contract city attorney for Sand City, CA which recently completed first municipality owned desalination facility on the California coast



Jane Ricci

Business Manager

- 15+ years experience in start up companies in the Silicon Valley
- Management of general business operations in biotech, clean-tech, and social media industries