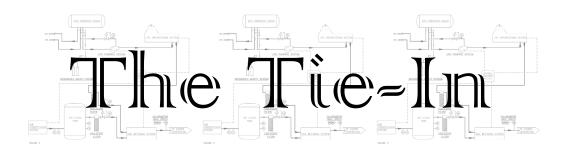
April 30, 2010 Volume 8, Issue 1



CASE SOLVED

Crisis Averted

Ely Energy shipped two 100 MMBTU/h SNG systems to a South Asia country in April and a third system is scheduled to ship in May to help avert a natural gas shortage crisis in the country.

Aqua-Pak Blending Skid



Per official estimates by the country's Petroleum Secretary, the country had a shortfall of 1 BCFD this past winter, with expected shortfall of 2.1BCFD by 2011, and 6.5BCFD by 2020.

Ely Energy was commissioned to build and ship three 100MMBTU/H SNG systems to the country. These systems will be tested before additional systems, also at 100MMBTU/H, will be commissioned. These smaller systems will be placed strategically around the country for high demand locations.

Each system includes Ely Energy's AQUA-PAK[™] SNG blending skid, which integrates Ely's AQUA-GAS® vertical vaporizer with their Active Flow Control (AFC TM) SNG blender. The systems also include Tank Transfer Unloading units, unloading pump, LPG duplex pump set, and control and regulation accessories. The skids were shipped plug-andplay ready with only four connections—the LPG input line, the SNG output line, supply air, and the input power.

These initial systems were designed, built and shipped within three months, one month ahead of schedule.

Ely Energy is in discussions with the country's natural gas company to supply a 1,000 MMBTU/H SNG system. This City-Gas system will be used to supply natural gas to the entire city.

Ely Energy, Inc.

Special points of interest:

- Case Solved
- Ely Energy Update
- Oklahoma Bandits
- Have You Seen It?

Tips to a Healthier System

Ely Energy recommends a glycol water solution be used in its vaporizers. The consistent composition of this solution will help to ensure a smooth running system for years.

Typical Chemistry*:

• Glycol (wt%): 35%-50%

• pH: 9.0-9.5

· Color: Clear without particulates

• Oil: None

Proper water chemistry prevents corrosion and should be analyzed 2 to 4 times per year. Please refer to Ely Energy's service manual for more information or contact Ely Energy's service department to request more information on our annual service program.

*NOTE: the exact chemical and water composition should be determined in coordination with your glycol supplier. Semi-Annual analysis and correction of pH, solid concentration, and nitritle level will minimize corrosion of the system. Please request Ely Energy Tech Bulletin 17—Water-Glycol Chemistry for additional information.

Ely Energy Update

Joe Ragosta was named CEO of Ely Energy, Tulsa Oklahoma. Joe assumed overall management, strategic and operational responsibility for Ely Energy. Joe holds a PhD and MSc in Chemistry from Cornell University and two decades of industrial experience. Most recently, Joe was President of OSECO, (a Halma Company, United Kingdom), a manufacturer of products for the pressure relief markets. Prior to Oseco, Joe was GM and senior VP of Graver Technologies (Glasgow, Delaware), a manufacturer of water, chemical,

pharmaceutical and food product purification equipment.

Shih-Shin Chou was named Director of Sales & Marketing. Shih-Shin will be working with both domestic and international customers and representatives to grow the market penetration of Ely Energy's products. Prior to joining Ely Energy, Shih-Shin held various sales and marketing management positions in the industrial automation industry.

Ely Energy has implemented lean

manufacturing in its facilities. The entire staff has completed the lean 101 training. Twelve lean projects have been completed since.

To support growing demand, Ely Energy added a 8600 sq. ft. manufacturing facility in March 2009, with a 15 ton crane. In addition, an electrical draftsman and journeyman electrician have been added to the team to support the production requirements.

Oklahoma Bandits wins RCBY Preseason Tournament



Ely Energy is proud to be a sponsor of the Oklahoma Bandits, who play in the O'Brien Competitive baseball league. The team plays 20 games in the season that runs from March to June. The Bandits also enter tournament plays to further hone their skills and to qualify for the World Series.

With their win of this tournament, the Bandits have

qualified for the World series, which will be played in Kansas in July.

Bill Pepper, Ely Energy's Production Manager, is head coach of the Bandits. Bill has coached most of the current roster of players since 2006. "The skills of the team are exceptional. I am confident we will be able to go all the way," added Bill.

Have You Seen It?

Active Flow Control (AFC™) Blender

Originally designed as a blender to accurately blend LPG vapor and air to form Synthetic Natural Gas (SNG), Ely Energy's Active Flow Control (AFCTM) Blender is a leader in gas mixing technology.

The AFC employs not only a feedback sensor but also a feed forward sensor to provide accuracy of less than +/- 1% variation in output gas blend.

In addition to blending LPG vapor and air to form SNG, the AFC can also be used to blend other combustible gases such as Biogas and LPG or ammonia vapor and air. With an intelligent control system, the AFC can be configured to meet any gas blending requirements.

For more information, please contact Ely Energy's sales representative.

Feature	Benefit
Designed to withstand vibration over 1g and thermal shock	Robust, high operation time
Digital flow control	One-touch self tuning with minimal air consumption and wear
Network communication	Easily connects to existing communication network such as Profibus, Ethernet, and serial
Intelligent Process Control	HMI screens allows real time information presentation as well as system control
Explosion Proof Design	Class 1, Div 1, Group D rated
600 millisecond response time	Accurate control of output gas blend to +/- 1% variation

Ely Energy, Inc., with origins in 1898, is the global leader in design and manufacturing of gas vaporizers, blenders, and process systems. Ely Energy's LPG Vaporizers and Blenders form the heart of Synthetic Natural Gas (SNG) systems worldwide. In addition to SNG systems, Ely Energy's is also a leading manufacturer of ammonia injection systems used in SCR deNOx processes.



Quality • Reliability • Efficiency



11385 E. 60th PI Tulsa, OK 74146 USA

Phone: 918-250-6601 Fax: 918-254-5412 E-mail: sales@elyenergy.com



Active Flow Control (AFC™) Blender

Visit us at www.elyenergy.com

Upcoming Events

- World LPG Forum
 Madrid, Spain—September 28 October 1, 2010
- Power-Gen 2010 Orlando, FL—December 14 -16, 2010