

**REGI U.S., Inc.**

## Unique Rotary Engine in Advanced Development

*Revolutionary lightweight, highly efficient Radmax® engine targets \$200 billion annual market*

With final testing underway of its "ultra-fuel-efficient" RadMax® rotary engine, REGI U.S., Inc. (OTC BB: RGUS; Frankfurt: RGJ) says it is very close to providing a much-needed answer to offering a power source that should reduce emissions and the consumption of fossil fuels.

"Our RadMax® design can generate three times the horsepower with our RadMax® engine that has half the weight of standard engines," says REGI U.S. President John Robertson. "The RadMax® design is not only more powerful than current reciprocating engines, but also is less expensive to assemble and maintain," says REGI U.S. President John Robertson.

That belief may not be far off the mark, considering that the RadMax® runs on virtually any fuel, from gasoline to diesel, natural gas, propane, ethanol, biofuels and hydrogen – and should run both much cleaner and more efficiently than existing engines powering today's vehicles. Then there are the myriad other uses that appear to be natural markets for the RadMax® – airplanes, generators, hybrid cars, power generators, agriculture, landscaping, marine, construction, power tools, pumps and compressors for both heat and air-conditioning.

The market worldwide for engines is estimated at more than \$200 billion annually. When the company is successful in completing licensing agreements, there is a clear potential for significant revenue. And with greatly increased patent control, that revenue could grow exponentially in the coming years.

"Industry is under a lot of pressure from the Environmental Protection Agency to lower pollution," says

Robertson. "There'll be a lot of big companies that would love to have a more efficient engine to satisfy EPA requirements and reduce the dependency on oil from the Middle East."

### Final Testing of RadMax® Diesel Engine

Robertson says REGI U.S. is in one of the milestone phases in its development as a company. With the successful completion of preliminary testing of its 125 horsepower advanced version of the RadMax® engine, REGI U.S. is now entering final development testing stage that Robertson says will be followed quickly by development of

a commercially marketable engine.

REGI also has completed fabrication of a prototype RadMax® pump that is capable of processing about twice its internal volume every revolution. A production unit would be half the size and weight of any competitive unit. Design and demonstration of a working model RadMax® compressor now under development is expected to have the same efficiency as the RadMax® pump, and will be half the size and weight of any competitive centrifugal compressor.

"The pump and compressor market in the U.S. alone is \$18 billion annually," says Robertson.

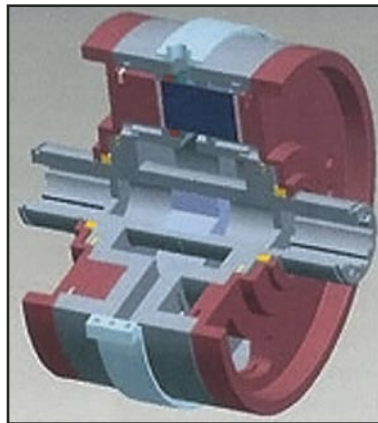
### Proprietary Technology Features Revolutionary Engine Design

REGI U.S. owns the U.S. rights to the RadMax® rotary engine technology which is capable of boosting power to weight ratio by some 600% – a dramatic departure from existing engine designs virtually unchanged since the piston engine was invented in 1876.

What makes the RadMax® rotary engine so different is a light weight and a sleek design that has only two moving parts – the vanes (up to 12) and a rotor – making it both extremely efficient and very quiet. In comparison, there are 40 moving parts in a typical four-cylinder piston engine. The revolutionary design produces a total of 24 continuous power impulses on each rotation of a vibration-free crank shaft. This is significantly better than the three impulses per revolution of the Wankle rotary engine used in Mazda cars.

"We now have an agreement with an experienced engineer to perform the comprehensive development program

#### RadMax®/Direct Charge engine



The RadMax® rotary engine can increase energy performance by as much as 600% over traditional piston-driven technology by generating 3 times the horsepower with half the engine weight. It also has multi-fuel capabilities.

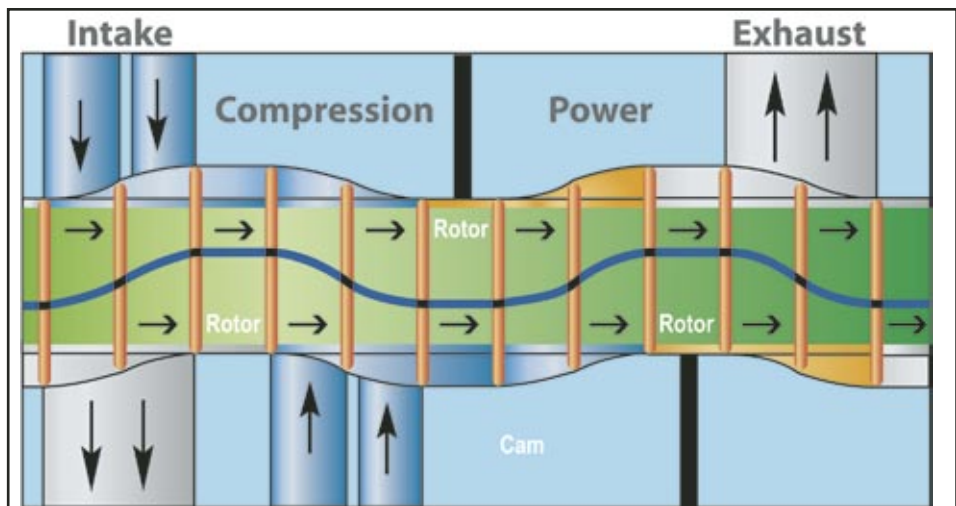
required to produce a commercial engine for potential end users – and we have signed several non-disclosure agreements with major Fortune 500 companies interested in the RadMax<sup>®</sup>,” says Robertson.

REGI U.S.’s goal is to license its technology and to participate in joint ventures to manufacture specific RadMax<sup>®</sup> applications. The company began working on developing the RadMax<sup>®</sup> engine several years ago with its parent, Reg Technologies, which owns the worldwide rights to the rotary engine technology. REGI U.S. owns the U.S. rights and has completed an agreement for the rights to the RadMax<sup>®</sup> technology, the RadMax<sup>®</sup> trademark, as well as all study notes, drawings and parts list from Radian Inc., developer of the 42 hp engine and the 125 hp. RadMax<sup>®</sup> engine. Development work on the RandCam<sup>®</sup>’s original patents have used up nearly 10 years of patent-life, according to Robertson. The RadMax<sup>®</sup> patent, when approved, will give the company an additional 20 years to generate revenue – and greatly enhances future rewards for investors.

“This gives us a new, improved version of our rotary engine design – and the potential for another 20 year patent. This is a very important agreement for the company,” says Robertson, who leads both companies. He has extensive experience managing public companies and a high success rate in raising capital through both private placements and public offerings.

### RadMax<sup>®</sup> Engine Has Wide Range of Uses

The RadMax<sup>®</sup> can be used in any application where piston engines are used today. “Most people don’t realize



### RadMax<sup>™</sup> Engine Technology – Unrolled

**Intake** - The fuel/air mixture is injected through the intake port in the end housing, in to a “compartment” created between two vanes, the rotor and the outer housing walls.

**Compression** - As the fuel/air mixture is swept along the cam the space between the vanes gets smaller, causing compression.

**Power** - Under high enough compression (diesel) or with either a glow or spark plug, the compressed fuel is ignited. As the fuel burns, it expands, driving the rotor forward.

**Exhaust** - The exhaust exits through the exhaust port in the outer housing, as once again, the chamber narrows and the exhausted fuel is driven out of the compartment through a port in the end housing.

**This cycle takes place on both sides of the rotor for an incredible 24 power strokes per one revolution.** This lets the RadMax<sup>™</sup> engine generate 1 hp/ 1 lb, as compared to a conventional internal combustion engine’s 1 hp/ 6 to 7 lb. Also note that the rotor and the vanes on the RadMax<sup>™</sup> engine replace the 40 moving parts on a conventional engine, including timing gears, connecting rods, pistons, cylinders and valves.



### The market for RadMax<sup>™</sup> engine technology is enormous.

Consider that wherever an engine is required, the RadMax<sup>™</sup> offers a more efficient, less expensive solution. Then consider that the **diesel engine market** in the U.S. alone is **more than \$20 billion** and the worldwide diesel engine market is about **\$60 billion**.

And that...

- Sales of **Unmanned Aerial Vehicles**, the most dynamic sector of the aerospace industry, are expected grow to about **\$8.9 billion** by 2014.
- **Hybrid vehicle sales** will reach **\$14-\$15 billion** this year and grow by **15% annually**.
- The worldwide **motorcycle market** is now about **\$15 billion** and growing up to 25%.
- **Portable power, micro power, pumps and compressor markets** total **\$25-30 billion**.



how many motors we use in everyday life. Everything from a weed trimmer to a jet engine needs a motor," says Robertson.

REGI U.S. has built prototype engines for air pumps for fuel cell applications and for lumbar seats in automobiles, as well as an air conditioning compressor for buses. The company also has completed the design and fabrication phase for a diesel engine for unmanned aerial applications and plans to develop a RadMax® generator for hybrid car applications. The RadMax® addresses the power needs of many large markets, from the military and homeland security to transportation, power generation, agriculture, landscaping, marine, construction, power tools, and pumps/compressors for both heat and air-conditioning.

One of those users could be U.S. military contractors for possible unmanned aerial applications. Robertson says initial discussions with the defense industry yielded definite interest in the RadMax®'s sharply reduced maintenance needs, high performance, increased loads and extended ranges.

As RadMax® rotary motors are introduced to commercial markets, their durability, improved performance and reduced service and warranty returns should yield substantial market demand and therefore significant future profits for REGI U.S.

## Investment Considerations

"The RadMax® technology is a truly revolutionary rotary power concept unlike any other existing technology," says Robert Grisar, Vice President of Engineering for the RadMax®/Rand Cam™ technology. "RadMax® devices are designed for simplicity, efficiency and power. The compressor/pumps are capable of 48 compressions, expansion or pumping actions per revolution, which makes the RadMax® the lightest weight and most efficient compressor/pump ever designed."

Attention to REGI U.S.'s RadMax® has grown significantly during the past few years, prompting a feature article in the April 2007 issue of *Forbes* magazine. The company also exhibits at investment seminars and trade

## RADMAX™ – A REVOLUTIONARY ENGINE TECHNOLOGY

**Power:** Calculated at 30% working volume efficiency compared to Wankel engine's 10% working volume efficiency – the piston engine is only 4% efficient by volume (working volume)

**Fuel Economy:** Better than the existing heavy-duty diesel engines in the marketplace today

**Vibration-Free:** Balanced at all speeds and loads due to multiple power impulses for every rotation

**Reliable:** Simplified design, no wearing surfaces, and minimal moving parts (only rotor and vanes)

**Quiet-Running:** High firing frequency (24 combustions per revolution) eliminates exhaust and intake noise compared to 3 power impulse in the Wankel rotary engine



shows. These venues are attended by leading global media companies, investing and trading experts, increasing REGI's exposure.

Two independent research firms recently issued "buy" recommendations for REGI, concluding that the company's RadMax® technology represents "uniquely strong investment potential" and offers an "upside potential that substantially outweighs downside risks".

REGI is well financed, with a \$10 million equity line of credit from a New York-based investment banker. The company plans to continue focusing on prototype development for specific applications, leaving marketing, manufacture and distribution to its licensing partners. Additional demonstration prototype pump compressor and heavy fuel engines are scheduled to be released before year end.

"The rotary engine has enormous military and civilian commercial applications," says Robertson. "We like to think that wherever there is a motor there is a market for RadMax® engine. We believe we can

offer a major increase in performance and energy efficiency and a major reduction in servicing costs."

REGI recently formed a wholly-owned U.S. subsidiary to facilitate securing U.S. military contracts for custom versions of its proprietary RadMax® products. Possible uses include UAV applications battery chargers, air-conditioner compressors and military vehicles.

RadMax Technologies, Inc., a Washington corporation led by President James Vandenberg, is an attorney specializing in securities and acquisitions. The new company will also supply research and development funding to tailor RadMax® products to meet specific military requirements.

"The launch of this new subsidiary for U.S. military applications allows the company to compete for funding from the U.S. government departments and agencies and remain in full compliance with the ITAR (International Traffic in Arms Regulations)," says REGI U.S. President and CEO John Robertson. "The U.S. military funding will help accelerate the growth and development of the RadMax® technology."

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OTCBB : RGUS



## REGI U.S., INC.

**OTC BB: RGUS**

**Frankfurt  
Stock Exchange: RGJ**

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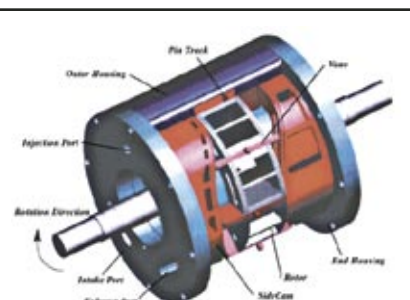
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Shares Outstanding:  
27,008,208 million

Active Float: 12 million

52 Week Trading Range:  
Hi: \$2.18 • Low: \$0.85



The RadMax Direct Charge engine, an internal-combustion engine built around a revolutionary rotary design, has two to three times the power and weighs half as much as a Wankel engine of the same size.

## Quick **FACTS**

### RadMax® Rotary Engine Tested for Military Applications

REGI U.S. owns the U.S. rights to the RadMax® rotary technology with its sister company, Reg Technologies., Inc., which owns the balance of the worldwide rights. Reg has been involved in the research & development of the RandCam technology since 1987. The company recently formed a subsidiary to facilitate seeking military contracts for RadMax® products. The companies' goal is to license the RadMax® technology and/or to participate in joint ventures to manufacture specific RadMax® applications.

REGI U.S. - Radian MILPARTS built a 42 hp diesel engine for unmanned aerial applications. Preliminary testing of a 125 hp advanced version of the RadMax® engine was recently completed and is now in final stage testing for manufacture and/or licensing. To date, Reg Technologies has designed and built an air pump for fuel cell applications as well as an air pump for lumbar seats in automobiles. REGI has also created a compressor for air conditioning units for buses. The company also plans to develop a RadMax® generator for hybrid car applications.

The RadMax® Direct Charge engine is an internal-combustion engine built around a rotary design. A RadMax® engine would have two to three times the power and weigh half as much as a Wankel engine of the same size. Simplicity, power, and efficiency are key design priorities in the development of the RadMax/Direct Charge Engine, a truly revolutionary form of rotary power.

#### **Highlights:**

- Once testing on the RadMax® Engine is completed, REGI U.S. would license the technology for several applications, producing a solid revenue stream from license fees and a royalty on future license agreements.
- REGI has formed a U.S. subsidiary to facilitate securing military power equipment contracts.
- The market for the REGI U.S. RadMax™ technology is huge, estimated at more than \$200 billion worldwide.