COMPANY-SPONSORED INVESTOR RELATIONS REPORT

Special Situations Analyst

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"Your Key to Emerging Winners"

April 4, 2007

REGI U.S., Inc. (OTCBB: RGUS)

Radical New Rotary Engine Now in Advanced Development for A $200 Billion Annual Market.

- **Revolutionary RadMax® design generates three times the horsepower with just one-half the weight of regular engines, uses virtually any fuel and has just two moving parts.**
- **With hundreds of potential applications in the $200 billion/year market for engines, technology controlled by REGI U.S., Inc. is in final testing stages before licensing and manufacturing with state-of-the-art diesel engine, pump and compressor.**

Could the solution to the global energy crisis have been right under our noses all along? Is it possible that a new technological solution – a radically new and different type of engine, an engine that's ultra fuel-efficient – could emerge? The consensus is that a lighter-weight engine requires less fuel, and less fuel means reduced pollution problems and less dependence on oil from the Middle East.

Look no further than REGI U.S., Inc. (OTC BB: RGUS). After 20+ years of intensive research and development, REGI is in the final testing stages prior to licensing and/or manufacturing of its RadMax® rotary engine. Essentially, whenever an engine is needed, the RadMax® design could become a more efficient solution: water pumps, air compressors, generators of all types, motorcycle and motorbike engines, hybrid auto chargers, boat motors, lawn mowers, perhaps even regular cars and trucks – all-in-all, a portion of the $200-billion annual market worldwide is up for grabs.

- The RadMax® engine is very lightweight – approximately one-half the weight of standard engines.
- It just has two moving parts – the rotor and vanes – comparing favorably with the 40 moving parts in a simple four-cylinder piston engine.

Corporate Information

REGI U.S., Inc.

Exchange/Symbol:	OTCBB: RGUS
Recent Price Range:	US$ 1.00 – 1.10
Shares Outstanding:	25.9 million
Shares Outstanding Fully-diluted:	35.3 million
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- A total of 24 continuous power impulses per rotation, and virtually free of vibration.
- Uses essentially any kind of fuel – gasoline, diesel, natural gas, hydrogen, propane or ethanol.
- Not just more powerful and fuel-efficient than current reciprocating engines, but also less expensive to assemble and maintain.

REGI's RadMax® engine is a unique rotary design. The rotary engine was introduced in 1970 by Felix Wankel and became popular in the 1980s. It was used in Mazda automobiles for a number of years. Today, it is still used in Mazda's RX-8 sports car. However, according to REGI technicians, the Wankel engine initially was insufficiently sealed to prevent fluids from leaking, and to control emissions, and these factors lowered its efficiency. REGI's new RadMax® engine is believed to have solved the issue with its design, which does not have corners to seal, only flat surfaces, and is approaching licensing and manufacturing, pending final tests, now being performed.

Note that the license holders for the Wankel engine received $200 million in license fees from General Motors, Marine Outboard and other manufacturers.

For some sense of value that investment analysis puts on the developments with this company, two separate, independent firms have issued "buy" recommendations on REGI U.S., Inc. in the past year. Khandaker Partners, based in New York, issued a report on REGI U.S., Inc. in May, 2006, with an 18–24-month target price of $13.73/share. Separately, Bridge IR Group, Inc., also based in New York, issued a report last November with a 12-month target price of $5.50/share.

A Second Way to Participate

REGI U.S., Inc. holds the U.S. rights to the RadMax® rotary technology. Reg Technologies Inc., the parent company of REGI, holds the worldwide rights to the technology. Reg Technologies is a public company listed on the TSX Venture Exchange in Canada, symbol: RRE, and on the OTC BB: REGRF, which trades in the range of C$0.50/share with 22.6 million shares outstanding and 24.5 million shares outstanding fully diluted.

With performance from current testing, RRE will also be an active investment vehicle for the technology, and for applications of the technology globally.

How the RadMax® Engine Works

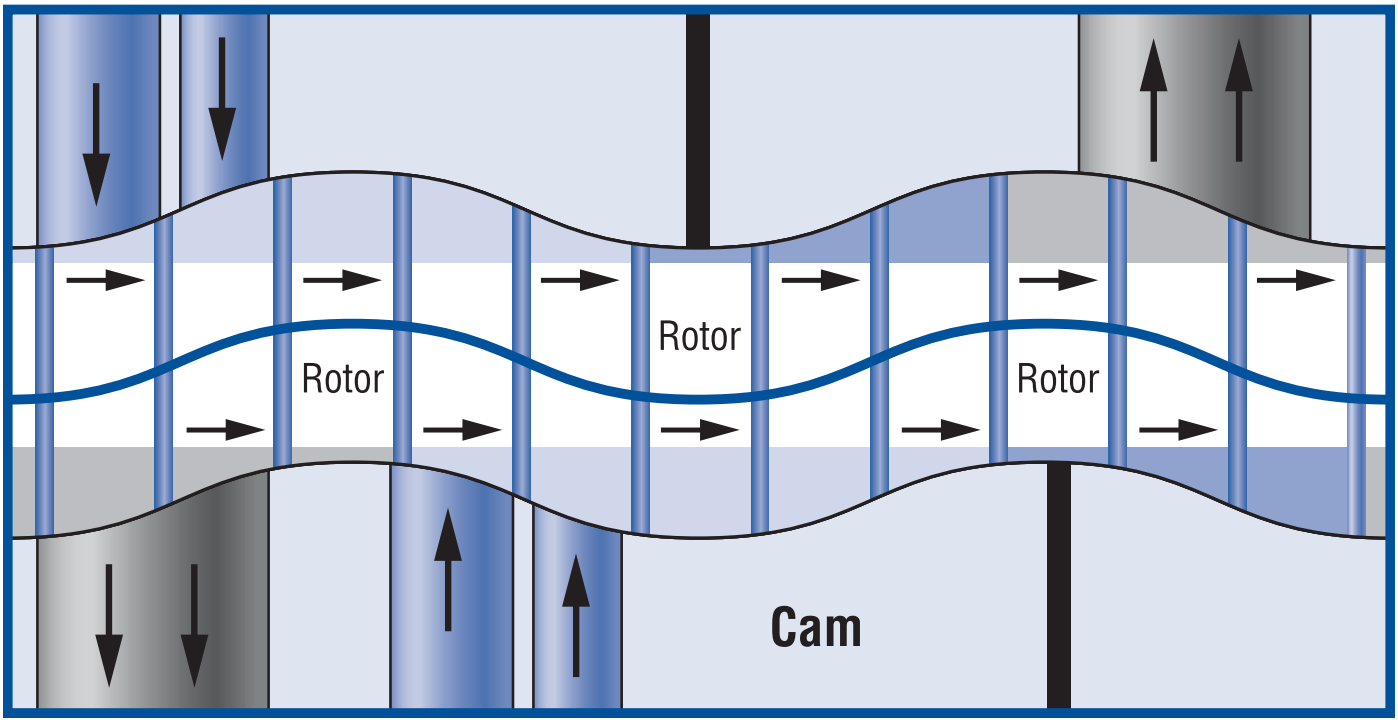
The RadMax® engine is an internal-combustion engine based on a rotary design. It is comprised of a disc-shaped rotor and driveshaft, which turn the housing, or stator. Up to 12 vanes mounted parallel

to the shaft slide up and down along the outside of the rotor as they follow a track along the inside of the stator housing. Combustion chambers from between the rotor, stator walls and vanes, and their volumes change as the vanes move during rotation. The design can use up to 12 vanes, which generates 24 combustion events per rotation – divided amongst four combinations of intake, compression, ignition, and exhaust. (See illustrations, pp. 3, 4 and 5.)

With a high-firing frequency of 24 combustion events per rotation (also phrased as "generating 24 power impulses"), the engine can generate 1 horsepower per 1 lb. of engine weight, according to the company's engineers. By way of comparison, the conventional rotary diesel engine, with its 1 power impulse, generates 1 horsepower per 6 to 7 lbs. of engine weight. The RadMax® engine effectively has a potential 600% increase in power-to-weight ratio.

This engine also has a high compression ratio of 20:1, so it can burn a variety of fuels, including diesel. Compression ratio compares the amount of space in the combustion chamber when it's open with its size at combustion, when the space is the smallest. Conventional engines average a

RadMax® Diesel Engine Schematic



RadMax® Engine Technology – Unrolled

Intake – The fuel/air mixture is injected through the intake port in the end housing, into 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 sparkplug, 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® engine generate 1 hp/1lb., as compared to a conventional internal combustion engine's 1 hp/6-7lb. Also, note that the rotor and the vanes on the RadMax® engine replace the 40 moving parts on a conventional engine, including timing gears, connecting rods, pistons, cylinders and valves.

compression ratio of approximately 10:1; some diesel engines are 20-22:1. The power of the RadMax® engine is calculated to have a 30% working volume efficiency compared to traditional engines' 8% efficiency, which indicates that its fuel economy can outperform the heavy-duty diesel engines on today's market.

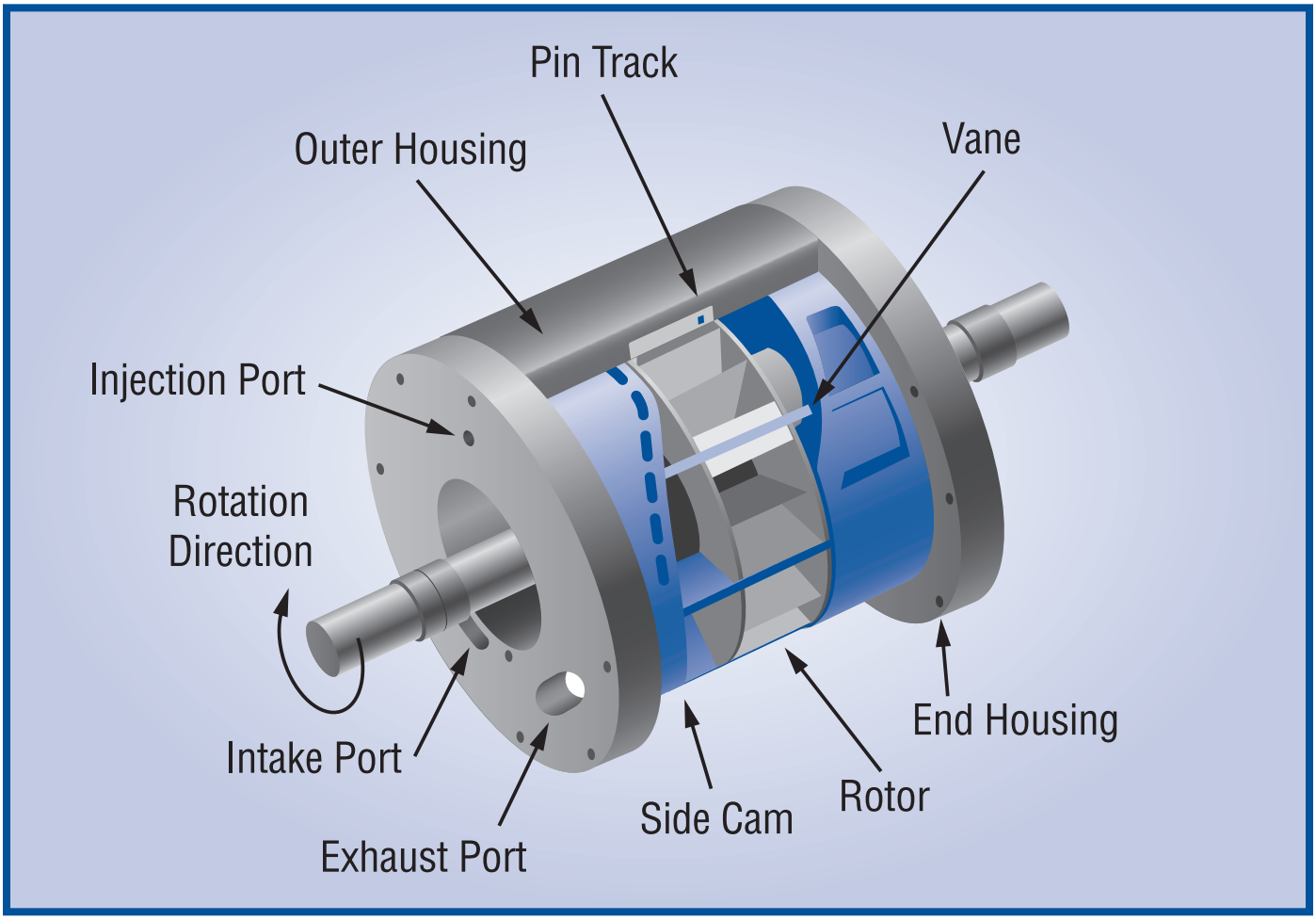
The mass production cost benefits alone can make this engine affordable to the public since there are no pistons or valves which make thousands of abrupt changes per minute in the conventional engine. Rather, parts replacement is very simple as there are only two moving parts, the vanes (up to 12) and the rotor. In fact, engineers at REGI have calculated that the engine is expected to cost up to 25% less to manufacture than conventional engines on a mass production basis.

Multi-Fuel Efficiency with Less Pollution

Due to the previously mentioned variable compression ratio of the RadMax® engine, it can run on electricity, diesel, gasoline, natural gas, as well as propane, ethanol, biofuels or hydrogen, choices that could reduce emissions and consumption of fossil fuels.

With gasoline prices fluctuating unpredictably, with growing concern over oil dependency, and with ever-increasing demand for low-pollution vehicles,

Cross-Section of RadMax® Engine



The patented 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.

the RadMax® engine may provide the right technology at the right time.

Further, since all of the components are spinning in the same direction, the engine vibrates minimally, and is extremely quiet.

Projects in Advanced Testing

REGI U.S., Inc. is at the advanced development stage of completing the tests required for an operating engine.

1. RadMax® Pump and Compressor – On January 3 this year, the company completed a statement of work agreement with an engineering, prototyping, and manufacturing services company, which commenced a 16-week Phase I program aimed at building a prototype RadMax® pump. As of this month, the 125-horsepower prototype pump fabrication has been completed, with assembly and testing already underway. The new prototype will be used in demonstrations for potential customers and investors.

Pending results, the Phase II program involves further work on the RadMax® **compressor** model, to accompany the 42-horsepower engine and Rand Cam™ compressor prototype that has already been designed and concept-tested.

2. RadMax® Diesel Engine – The RadMax® 125-horsepower diesel engine is being evaluated, including the use of computer modeling, for performance, force and wear. Results from the performance tests will be available soon – in two to four weeks. The engine is also being scaled so that it can be produced in other engine sizes.

The company also announced in March that radial shaft seals have been integrated in the 125-horsepower prototype engine in order to eliminate leakage between rotors and cams. Leakage, as caused by sealing issues, has led to lesser efficient fuel performance in the initial Wankel rotary engine, and plays a critical role in limiting that engine mainly to racing and sports vehicle applications.

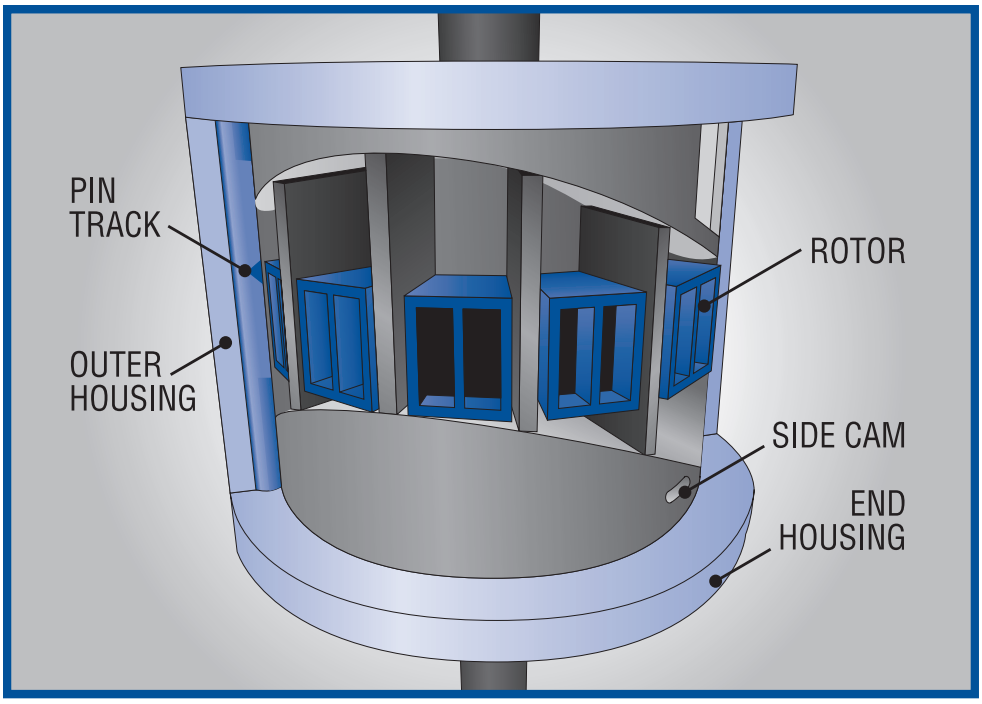
Lynn Petersen, V.P. of Marketing, has commenced JV negotiations with several major Fortune 500 companies.

3. Military Applications – REGI is in negotiations with military contractors regarding the use of the RadMax® diesel engine to power unmanned air vehicles.

As for larger sizes, like the RadMax® 125-horsepower engine, various other applications are being discussed including, but not limited to, battery chargers, air-conditioner compressors and military vehicles. Clearly, given positive performance tests, there are immediate applications for both small and larger engines for military applications.

4. Near-Future Plans – The next stage involves further performance and durability testing on the

Inside the RadMax® Engine



The Radmax® 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.

"The diesel market in the U.S. alone generates sales beyond $20 billion annually. By introducing a new diesel engine that saves on fuel and reduces pollution, the company has a potential for significant sales."

RadMax® pump prototypes and further validation testing on the shaft seals.

The RadMax® pump, compressor and heavy fuel engine demonstration prototypes will be progressively scheduled for release from the second quarter of 2007 onward through the first quarter of 2008.

REGI's plan is to focus on prototype development for specific applications while leaving marketing, manufacturing, and distribution to its licensing partners. This plan will help the company maintain the leader position in the technology, while taking advantage of the economies-of-scale of the larger partners.

The Marketing Opportunity: Global Applications

The target market for REGI's RadMax® technology is vast, estimated by several sources at more than $200 billion annually worldwide.

1. Worldwide Military Market

During the final stages of development of the 125-horsepower advanced version of the RadMax® engine for military and commercial applications, several defense contractors have expressed interest in the engine. The president of REGI, John Robertson, stated the company is in discussions with several major defense contractors and Fortune 500 companies regarding applications of the lightweight RadMax® engines for military and commercial applications.

The unmanned aerial vehicle or UAV market is growing rapidly. Industry observers estimate that the UAV market will grow three times from $2.8 billion in 2005 to $8.9 billion in 2014, or, according to Forecast International, up to $13.6 billion by 2014.

2. U.S., Asian and European Diesel Engine Markets

The diesel market in the U.S. alone generates sales beyond $20 billion annually. By introducing a new diesel engine that saves on fuel and reduces pollution, the company has a potential for significant sales.

All Asian countries suffer from the noise and air pollution caused by low-quality diesel trucks. In addition, diesel engine cars still account for a small portion of Asian car output. Because energy costs are rising and pollution is increasingly regulated, the demand for better diesel engines is serious throughout Asia.

In Europe, diesel engine cars account for 40% of the total car market, and 50% in Germany. Analysts from Bridge IR Group estimate the total worldwide diesel engine market to be around $60 billion.

3. Commercial Aerospace Market

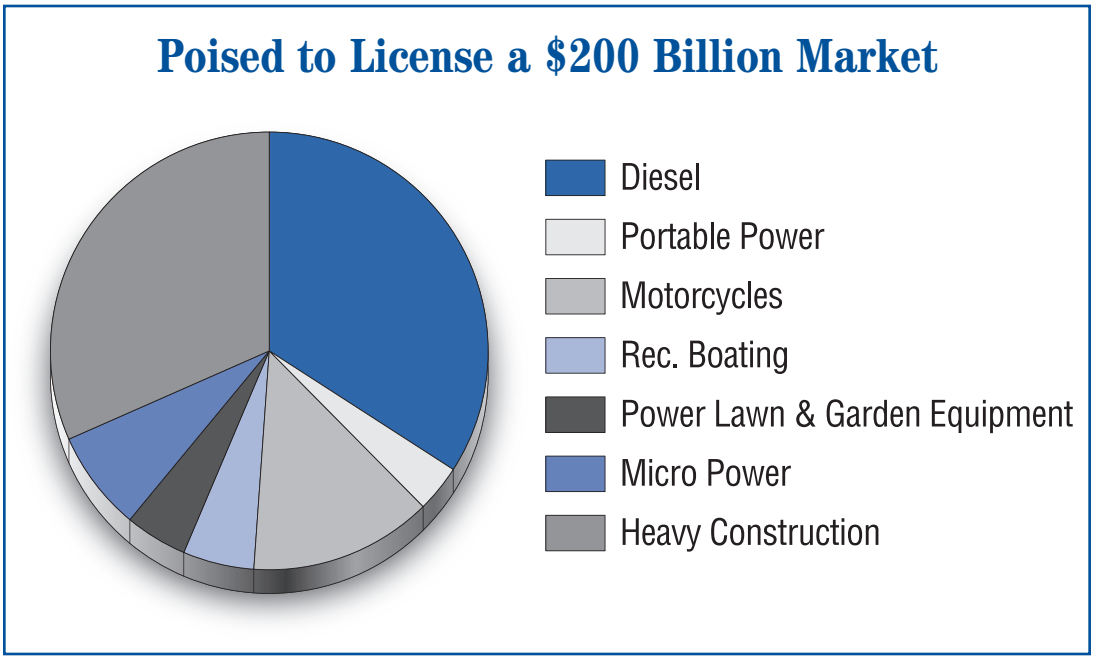
In a design competition sponsored by NASA's Langley Research Center in 2002, the Ikelos aircraft, powered by a prior-generation RadMax® engine, was selected second in the category of Technology Innovation. NASA and the FAA are currently developing the "Small Aircraft Transportation System" for air travel in the U.S. This new system proposes to employ a new generation of small inexpensive jets to provide low-cost air taxi service among America's 5,000 rural and suburban airports. With legitimate concerns regarding congestion at major airports, a low-cost commuter aircraft "taxi" from smaller regional airports into busy areas offers a realistic and efficient solution. The RadMax® engine would be a natural for most small aircraft applications.

4. Hybrid Electric Vehicle Market

Based on interest from manufacturers, the company is developing a RadMax® generator for hybrid car applications. Seventeen hybrid-electric automobiles are available in the U.S. market now, with sales of approximately 200,000 units in 2006. According to J.D. Power-LMC, that figure is expected to grow to 38 hybrid models with sales reaching 535,000 units for a total of 3 percent of U.S. sales by 2010.

5. Motorcycle/ Motorbike Market

Reg/REGI will also target the worldwide motorcycle market which generates sales annually of approximately $15 billion. This market is particularly robust in south Asia, including China, where motorcycles and motorbikes dominate the roads. Here, fuel economy is king, and the RadMax® technology could greatly improve their world.



6. Miscellaneous Commercial and Residential Markets

Air Conditioner Compressors – REGI has already built an air conditioning compressor for use in commercial buses and was tested for one of the world's largest manufacturers of air conditioning systems in the transportation industry. Tests will be conducted on the new RadMax® design for performance and air consumption prior to installing a working prototype for bus air conditioning, and based on successful tests, license and joint venture agreements will be negotiated.

Power Generators – for residential use, the RadMax®, which runs on propane or natural gas, can also provide a backup power source, especially where power outages or health and safety issues are a concern.

Motors are necessary for countless applications: Wherever power needs to be generated on a higher level than can be supplied by batteries and wherever power needs to be mobile as opposed to stationary, engineers can find a need for the RadMax® engine technology. From weed trimmers to heavy construction equipment, and from air and steam expanders to personal power generators, the RadMax® engine is believed to have a potential market: agriculture, landscaping, marine, construction, power tools, transportation and far more.

Management

John Robertson, *President and CEO*: Mr. Robertson has many years of experience as founder, president, CEO and a director of numerous development-stage public companies in a variety of industries, including mining, oil and gas, and technology. His involvement with the company dates back to 1992.

James Vandeberg, *Chief Financial Officer*: Mr. Vandeberg is an attorney in Seattle, Washington. He specializes in corporate finance with an emphasis on securities and acquisitions. He has served as counsel and corporate secretary for two NYSE companies. Mr. Vandeberg is a member and former director of the American Society of Corporate Secretaries. He graduated from NYU Law School in 1969 where he was a Root-Tilden Scholar and holds a BA degree in accounting.

Brian Cherry, *Vice President*: Mr. Cherry joined the company in 2004 and spearheaded the development of the next-generation RadMax® technology. He has earlier patented prior versions of the technology in 1996. He is currently the project manager in charge of developing a RadMax® electric generator for hybrid electric vehicles and for residential uses. Mr. Cherry oversees and prepares submissions of new patent applications for the RadMax® technology.

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Jennifer Lorette, ***Vice President of Administration***: Ms. Lorette has been vice-president of REGI U.S., Inc. since 1994 and became a director in 2001. She has been active in the administration and management of several public companies since the 1990s.

Lynn Petersen, ***Vice President of Marketing for the RadMax®/Rand Cam™ technology***: Mr. Petersen is responsible for managing marketing activities and making presentations for the RadMax® and Rand Cam™ technology to major potential end users. He is also researching, defining and optimizing new business markets for REGI U.S., Inc.

Mr. Petersen has been involved with marketing management for over 12 years. Most recently, he was Marketing Manager for three years at Jetseal, Inc., which manufactures high-tech seals for aerospace, military, semiconductor, and nuclear industries.

Robert Brooks, ***Advisor***: Mr. Brooks began his in-depth study of the Wankel rotary engine in 1963. He has since become recognized as one of the most knowledgeable specialists in the rotary engine field. Mr. Brooks has conducted numerous lectures and seminars on the rotary engine and has carried out specific studies of related subjects for clients in the United States and Europe.

Outlook

Based on the events of the upcoming months, REGI could have uniquely strong investment potential. With positive performance testing, REGI is expected to license the technology for manufacturing and marketing of several applications.

Two investment firms see a very bright future for REGI starting this year. Both Khandaker Partners and Bridge IR Group Inc. believe the upside potential in the shares substantially outweighs the downside risks.

Bridge predicts a 1/4% – 1/2% market share of engine markets in the U.S. is possible within five years, and sets a price target of $5.50/share in 2007 based on achievement of positive performance tests.

Khandaker states that, "We strongly believe that the company has substantial growth potential," and sets targets of 7%–11% market penetration in four markets within 3–5 years. The four markets are diesel engines, motorcycles, hybrid electric vehicles and, with the U.S. military, engines for unmanned aerial vehicles. Khandaker sets a target price of $13.73/share in the second half of 2008, and a market capitalization target of $356 million.

Both of these lengthy analyst reports are available on REGI's website at www.regtech.com.

Note that REGI U.S., Inc. is well-funded to execute its plan. The company has a $10-million equity line of credit arranged by J. H. Darbie and Company Inc., an investment banker based in New York, in November 2006. ▲ SSA

For complete information, call John Robertson, president, at 1-800-661-6465 or email info@regtech.com, and visit www.regtech.com.