

Cavitation Technologies, Inc.

Changing the World - One Industry at a Time

Investor Presentation

October 1, 2010

Cavitation Technologies, Inc.

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October 1, 2010

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OVERVIEW OF CAVITATION TECHNOLOGIES

- Specializing in proprietary industrial applications
 - * Patent pending solid state technologies
 - * For the blending and separation of particulates in liquids

- Works on a nano-molecular level for the following industries
 - * Edible oil refining
 - * Waste water purification
 - * Food and Beverage
 - * Chemical
 - * Petroleum
 - * Renewable fuel
 - * Other Industries

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MANAGEMENT

- Roman Gordon, Chairman and CEO
- Igor Gorodnitsky, President
- R.L. Hartshorn, CFO
- James “Jim” Fuller, Executive Director
- Varvara Grichko, Director of Chemical and Analytical Department
- Kirk Wiggins, Director of Sales and Business Development

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OVERVIEW OF CAVITATION TECHNOLOGIES

➤ Key Factors

- * Cost Savings
- * Environmental Benefits
- * Reduction of Chemical Usage and Waste Products
- * Recession Proof

➤ Countless Industrial Applications for socially responsible cost savings benefits

➤ Clients range in size from multi-billion dollar to medium and smaller multi-million dollar companies

➤ Founded in 2007, reverse merger in 2008, \$17M Market Cap.

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TECHNOLOGY

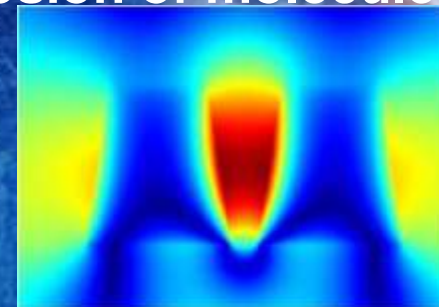
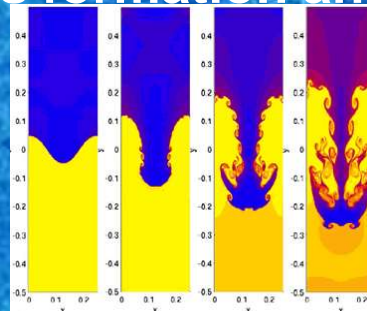
➤ CVAT

- * Passes liquids under pressure through a solid state cavitation Reactor

➤ Reactor

- * Interior pressure zones excite the molecules in the liquid
- * Process Chemicals are made more effective, less is required
- * Blend or separate particulates
- * Destroys bacteria and viruses

Picture below shows formation and implosion of molecules in liquid



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CURRENT MARKETABLE PRODUCTS

- ***Green D Plus*** - Technology For The Edible Oil Industry
- ***HydorFuel*** - Technology For The Transportation Industry
- ***XLR8*** - For The Beverage Industry
- ***BioForce 9000*** - For The Renewable Fuels Industry

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INITIAL TARGET MARKETS

Thousands of public and private corporations in industry

- * Edible oils
- * Petroleum
- * Food and Beverages

Industry leaders that can benefit significantly from the CVAT process.

- * Coca Cola and Pepsi
- * Cargill
- * ADM
- * Caterpillar
- * Solar Turbines
- * Cenex Harvest States
- * Louis Dreyfus
- * Glencore
- * Bunge

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COMPETITION

- Our competition is well known and established
 - * They offer older and comparably inferior technologies
 - * Higher operating cost and less environmentally friendly.

- These companies include
 - * Alfa Laval
 - * Westfalia
 - * GEA
 - * IKA
 - * Silverson
 - * and others...

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SUCCESS STRATEGY

- Near Term Multi-Billion Dollar Industry Focus
 - * Edible oils
 - * Petroleum
 - * Beverage

- Market penetration through strategic partnerships

- 4,800 Clients of Desmet Ballestra, alone, could realize our sales goals

- Once established, we will pursue
 - * Wastewater
 - * Oil extraction
 - * Others that use chemicals in their processes.

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STRATEGIC PARTNERSHIPS

- Desmet Ballestra Group
 - * Founded in 1946
 - * 4,800 plant lines
 - * 1,300 employees
 - * 17 global and 8 representative offices
 - * Annual sales that approach 1 billion US.

CVAT leverages their sales force and technical staff

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RECURRING REVENUES

- Initial business model
 - * Use a Profit Sharing Model priced at 40% of savings
 - * No out of pocket capital cost for end user
 - * Quick and easy installation

Financing for Clients

- * 3rd party leasing companies or
- * Internal financing when IRR reaches 100% per year

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2010 SUCCESSES

- Carolina Soya, 200 Ton per day soybean oil refinery, Estill SC
 - * Eliminated Acid Usage
 - * Reduced Caustic Usage
 - * 2% Increase in Oil Yield, > \$1.2M additional revenue/year

- Cenex Harvest States, 200 Ton per day soybean oil refinery, Mankato MN
 - * Eliminated Acid Usage
 - * Reduced Caustic Usage
 - * > 2% Increase in Oil Yield, > \$1.2M additional revenue/year

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CAROLINA SOYA TESTIMONIAL

Carolina Soya LLC

353 Third Street West, P. O. Box 818, Exill, South Carolina 29918

(803) 835-2711

August 30, 2010

Mr. Kirk C. Wiggins
Director of Sales and Business Development
Cavitation Technologies, Inc.
10079 Canoga Avenue
Chattsworth, CA

RE: CTI Nano Refining System

Dear Kirk:

This is a follow up to the report to you July 20th. We now have almost two additional months of operation of the Nano Refining System, so further assessment of the impact of the unit on our refining plant is appropriate. As I outlined in my July letter, the background concerning our refining process adds to the interpretation of my comments concerning our experience with the system, so I will again restate it.

The soybean oil refinery was constructed during the year 2006 and started up March 2007. The process design is Delmet and produces refined-bleached oil (RBO) from crude soybean oil transferred over from our solvent extraction plant. The system design is:

- Step 1 -Inbound crude oil is heated; acid is added (phosphoric) and mixed by a high shear mixer then goes to an agitated oil acid reaction tank.
- Step 2 -The soybean oil is cooled, then caustic is added and the mixture goes through a high shear mixer, heated and then to the centrifuge.
- Step 3 -Oil and soap are separated in the centrifuge with the soap pumped to storage. The oil moves to a silica slurry tank, then to a silica reactor and onto a silica filter and to a surge tank.
- Step 4 -The oil is pumped to a bleacher then to one of two bleach filters and finally to a bleached oil surge and to storage.

The Nano Refining system was installed after the caustic addition in step 2, with a bypass of the high shear mixer. The flow and equipment in step 1 was left intact but oil heating and acid addition were eliminated. The equipment and process after the Nano Refiner were left as is, including all of steps 1 & 4.

We have kept the Nano Refining system on line since the April start up and have, by now, accumulated an additional two months of operating results to add to our evaluation of its impact on the overall refinery performance. These operating results are:

- We have eliminated acid addition in the normal processing of the inbound soybean oil.
- We have seen a significant improvement in the refined oil yields (crude in to RBO out). I can document a consistent 2% improvement in yields.

As stated before:

- We have seen less oil loss in the soap.
- We have seen longer silica filter cycles.
- While we were uncertain in our July letter, we now know that we have longer bleach filter cycles.

Two additional months of operation has confirmed that the Nano Refiner system is essentially maintenance free and easy to operate. We have now incorporated it into our highly automated process as an integrated automated component of the refining process.

In sum, the Nano Refining System has been and will be a significant processing improvement for our refinery. Scott and I are both pleased with its performance.

Sincerely,


Paul E. Hankey Jr.
General Manager

cc: Scott Weatherford
Complex Manager

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SOME 2011 OPPORTUNITIES

- Cenex Harvest States, 720 Ton per day soybean oil refinery, Mankato MN
 - * Eliminated Acid Usage
 - * Reduced Caustic Usage
 - * > 2% Increase in Oil Yield, > \$4.3M additional revenue/year

- Perdue Farms, 500 Ton per day soybean oil refinery, Salisbury MD
 - * Eliminated Acid Usage
 - * Reduced Caustic Usage
 - * > 2% Increase in Oil Yield, > \$2.9M additional revenue/year

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EXAMPLE CUSTOMER SAVINGS

CTI - NANO NEUTRALIZATION 500 TPD CAPACITY

CAPEX ESTIMATE

\$ 263,077	DB PRICE TO PROCESSOR
\$ 50,000	installation estimate
\$ 313,077	ESTIMATED TOTAL CAPEX

ESTIMATED CHEMICAL & UTILITY SAVINGS

MONETARY SAVINGS	ITEM	QTY SAVED	VALUE / COST	SOURCE
\$ 7,714 /month	phosphoric acid (85%)	400 ppm	\$ 1.65 /kg (dry basis)	due to physical NHP conversion
\$ 1,100 /month	sodium hydroxide (50%)	718 ppm	\$ 0.40 /kg (dry basis)	due to less phosphoric acid to neutralize
\$ 1,513 /month	steam	104 kg/hr	\$ 22.00 /metric ton	from less oil heating in acid pre-treat
\$ - /month	electric	0 kwh	\$ 0.06 /kwh	from more or less absorbed power
\$ 4,125 /month	silica	200 ppm	\$ 1.50 /kg	due to lower soap in oil after centrifuge
\$ 707 /month	oil in spent silica	43 kg/day	\$ 600 /metric ton (differential)	due to less spent silica
\$ 15,158 /month	TOTAL MONTHLY SAVINGS EXCLUDING CENTRIFUGE SEPARATION YIELD IMPROVEMENT			

ESTIMATED YIELD SAVINGS VALUE

OIL YIELD SAVINGS	ITEM	TOTAL SAVINGS	MONTHLY CTI FEE	PROCESSOR		5-YEAR	CTI
				NET SAVINGS	CAPEX PAYBACK	PROCESSOR NET SAVINGS	5-YEAR Profit Sharing Revenues
\$ 82,500 /month	1.0% oil savings	\$ 97,658 /month	\$ 39,063 /month	\$ 58,595 /month	0.4 years	\$ 3,202,625	\$ 1,281,050
\$ 90,750 /month	1.1% oil savings	\$ 105,908 /month	\$ 42,363 /month	\$ 63,545 /month	0.4 years	\$ 3,499,625	\$ 1,399,850
\$ 99,000 /month	1.2% oil savings	\$ 114,158 /month	\$ 45,663 /month	\$ 68,495 /month	0.4 years	\$ 3,796,625	\$ 1,518,650
\$ 107,250 /month	1.3% oil savings	\$ 122,408 /month	\$ 48,963 /month	\$ 73,445 /month	0.4 years	\$ 4,093,625	\$ 1,637,450
\$ 115,500 /month	1.4% oil savings	\$ 130,658 /month	\$ 52,263 /month	\$ 78,395 /month	0.3 years	\$ 4,390,625	\$ 1,756,250
\$ 123,750 /month	1.5% oil savings	\$ 138,908 /month	\$ 55,563 /month	\$ 83,345 /month	0.3 years	\$ 4,687,625	\$ 1,875,050
\$ 132,000 /month	1.6% oil savings	\$ 147,158 /month	\$ 58,863 /month	\$ 88,295 /month	0.3 years	\$ 4,984,625	\$ 1,993,850
\$ 140,250 /month	1.7% oil savings	\$ 155,408 /month	\$ 62,163 /month	\$ 93,245 /month	0.3 years	\$ 5,281,625	\$ 2,112,650
\$ 148,500 /month	1.8% oil savings	\$ 163,658 /month	\$ 65,463 /month	\$ 98,195 /month	0.3 years	\$ 5,578,625	\$ 2,231,450
\$ 156,750 /month	1.9% oil savings	\$ 171,908 /month	\$ 68,763 /month	\$ 103,145 /month	0.3 years	\$ 5,875,625	\$ 2,350,250
\$ 165,000 /month	2.0% oil savings	\$ 180,158 /month	\$ 72,063 /month	\$ 108,095 /month	0.2 years	\$ 6,172,625	\$ 2,469,050

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Major Vegetable Oils: World Annual Production 2001 - 2008 (Million Metric Tons)

PRODUCTION	2005-06	2006-07	2007-08*	2008-09†	Savings and revenues with CTI Technology	CTI Profit Sharing Revenue
Soybean	34.52	36.39	38.30	38.79	\$150,505,200	\$60,202,080
Palm	35.81	37.34	41.12	42.90	\$166,452,000	\$66,580,800
Sunflowerseed	10.42	10.60	9.79	11.33	\$43,960,400	\$17,584,160
Rapeseed	17.16	17.14	17.93	18.71	\$72,594,800	\$29,037,920
Cottonseed	4.56	4.88	4.96	4.96	\$19,244,800	\$7,697,920
Peanut	4.97	4.46	4.78	4.94	\$19,167,200	\$7,666,880
Coconut	3.40	3.32	3.49	3.60	\$13,968,000	\$5,587,200
Olive	2.59	2.91	2.84	2.97	\$11,523,600	\$4,609,440
Palm Kernel	4.38	4.45	4.78	5.05	\$19,594,000	\$7,837,600
Totals	117.81	121.48	127.99	133.24	\$516,971,200	\$206,788,480

Based on a per tons savings of \$ 3.88 USD

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FIVE YEAR PROJECTION

	Annual Growth Rate	2011	2012	2013	2014	2015
Green D +	250%	\$5,250,000	\$13,125,000	\$32,812,500	\$82,031,250	\$205,078,125

Fiscal year runs July-June, above figures are for the calendar year

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FAQS

- Developer Of Cutting-Edge Nano-Cavitation Technologies
- 8 US Patents Pending, 4 PCT International Patent Applications.
- Est. 2007, Public 10/ 2008; OTC.BB: CVAT; Berlin: WTC
- Market Capitalization \$17M
- Paid in Equity and Capital - \$10M

Cavitation Technologies, Inc.

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