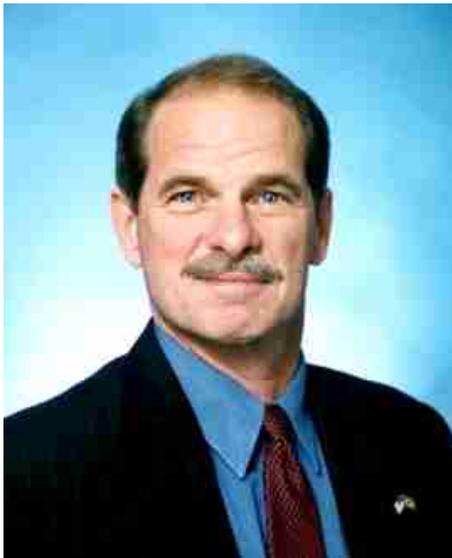


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With The First Deployment Of Their *NANO Neutralization System* In 2010 Underway, Continuing Pilot Programs, And A Distribution Agreement With The Desmet Ballestra Group To Reach Worldwide Vegetable Oil Refineries, Cavitation Technologies, Inc. Is Well Positioned For Future Growth



**Clean Technology
 Nanotech
 (CVAT- OTC: BB)
 (WTC – Stuttgart/Berlin/Frankfurt,
 Germany)**



R. L. Hartshorn
Chief Financial Officer

BIO:

Mr. Hartshorn has been the Chief Financial Officer and member of the Board of Directors of Cavitation Technologies, Inc. since September 26, 2008. He previously served as a consultant to the company

beginning in 2007. He brings a global perspective having worked more than 20 years in a number of leadership roles in both the Financial Services and Information Technologies industries. He served 15 years in a variety of leadership and operational positions in international banking serving as a VP with Chase Manhattan and other banks in Europe, New York, and Latin America. He also held sales and sales management positions for 8 years with two public companies in the IT domain including seven years as Marketing & International Sales for a software and advertising company. Overall, Mr. Hartshorn's operational experience includes 13 years with a sales quota and seven years with P&L responsibility. He has been involved in the start-up of four business units and a turnaround. He speaks German, Portuguese, and Spanish. He earned a B.S from the *U.S. Naval Academy* and an MBA from *The Thunderbird School of Global Management*.

Company Profile:

We are a "GreenTech" development stage company that designs and engineers NANO technology based systems designed to serve growing, global liquid process application markets such as vegetable oil refining, renewable fuels, petroleum refining, water-fuel emulsions, and food & beverage. Our mission is to improve the environment while offering clients the potential to reduce operating costs and increase the yield of their liquid process applications. Our short-term goal is to commercialize our *NANO Neutralization™ Systems* used to refine vegetable oils derived from oilseeds such as soybeans which are converted into edible consumer food products. We intend to license systems through a global distribution network to a target market of major vegetable oil refining plants that process approximately 150,000 metric tons/day of

vegetable oils.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Hartshorn, what is the grand vision for Cavitation Technologies?

Mr. Hartshorn: Our vision is to become a leader in the markets we serve including food and energy. There is tremendous stress worldwide on limited resources including food and energy. Urgent solutions which provide more efficient use of limited resources and are environmentally friendly are required. For example, current energy production processes are really quite inefficient and wasteful. We believe that great advances can and will be made in the production and use of energy. The issue surrounding food we think will be the focus of immense innovation. Food may very likely play a more important role than petroleum in the social, economic and political development of countries in the coming years. CTi's contribution to these challenges includes new technologies that are bringing solutions to these and other liquid process applications. Specifically the NANO technology embedded in our proprietary intellectual property offers potential innovation in three areas of liquid process applications. 1 - reduction in the use of energy and chemicals; 2 - improvement in yield and/or quality; 3 - a continuous process that is scalable to high volumes.

CEOCFO: What is the technology?

Mr. Hartshorn: The technology is proprietary *NANO Reactor™ Technology* that uses a continuous flow-through NANO technology process that occurs in our NANO Series of reactors. The process promotes changes in the molecular structure of the fluids that flow through the reactor by creating in some cases particles smaller than one micron; that is,

nano particles. During the process, these particles are bonded at the molecular level. The process happens very quickly, often in NANO seconds. The process results in a potentially low-cost, high-quality finished product.

We have one issued US patent along with 8 US and 9 PCT international patent applications pending. CTi also received the "CE Marking" from the European Union. We plan to continue to apply for new and improved patents on a regular basis.

CEOCFO: What are you working on today with the technology?

Mr. Hartshorn: Our mission is to deliver technologies that manage resources more efficiently and potentially help increase yield while improving the environment.

One of our solutions is in vegetable oil refining where we offer a product that provides end users the potential to reduce operating costs and increase yield while helping to improve the environment. For example, the vegetable oil refining industry processes oilseeds from soybeans and other plants converting them into cooking oil for consumption. This is an industry that for the past ten years has grown consistently at about 4.5% p.a. to about 130 million metric tons in 2009. The market size is estimated at \$70 billion p.a. Our technology provides vegetable oil refiners the potential to significantly reduce the use of chemicals and increase the yield of oil produced in the process. We do this through our *NANO Neutralization Systems* which use our proprietary *NANO Reactor™* Process to help refine vegetable oils. Our systems also have a potential positive environmental impact by reducing both harmful emissions and contaminated fluids produced by current vegetable oil refining methods.

CEOCFO: Is your equipment in use today or still in the process of being rolled out?

Mr. Hartshorn: Yes, our system is being used in one vegetable oil refining facility and being rolled-out in others. We successfully completed pilot testing in a soybean oil refining plant. The first commercial deployment of our *NANO Neutralization System* occurred in 2010. The general manager of that facility commented that the system was straight-forward and simple and that they were very pleased with the performance of the technology.

We recently delivered and received payment for another system.

CEOCFO: Are there competing systems?

Mr. Hartshorn: Yes, we compete with current technology. Some of our competitors are well known and have longer operating histories and stronger financial capabilities than we do. We compete by offering solutions that have demonstrated the ability to potentially reduce operating costs and improve yield vis-à-vis current technology. We differentiate ourselves by the design, processes, and applications described in our patent applications.

CEOCFO: What about your biodiesel?

Mr. Hartshorn: Biodiesel was the initial inspiration for our company. We have a commercially available system called the *Bioforce 9000 Nano Reactor System* that performs the transesterification process that produces crude biodiesel. Given the

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current challenges facing the biodiesel industry, we have focused our resources where they can be most productive and that is in the vegetable oil refining market. Once the biodiesel market recuperates, we expect to be a market leader providing technology for the production of this renewable fuel.

CEOCFO: How are you bringing your products to the marketplace; is it through a distributor and licensing agreements?

Mr. Hartshorn: After considerable testing and evaluation of our technology in various vegetable oil refining plants, we concluded that our *NANO Neutralization System* has the potential to become commercially viable on a large scale. Now we are in the process of rolling out the technology to the vegetable oil industry on a worldwide basis. Our target market is major global vegetable refining plants. To reach this market, we plan is to distribute globally. We recently signed a *Technology License, Marketing & Collaboration Agreement* with the Desmet Ballestra

Group. This is a European-based conglomerate that is a global leader in the design and delivery of advanced processing systems for the vegetable oil extraction and refining industry. They are our exclusive global marketing arm for the commercialization of our proprietary technology. We granted them a worldwide license to design, install and integrate our systems into vegetable oil refineries. Desmet has built a strong network in the vegetable oil refining industry supplying equipment and technology to refining plants since the 1940's. They have immediate access to a large portion of our target market, and they are in the process of rolling out a global marketing and commercialization program that will make our *NANO Neutralization System* available to vegetable oil refineries worldwide. The CEO of Desmet North America commented that he thinks our technology has the potential to be the biggest improvement that the refining industry has seen in decades.

CEOCFO: Would you tell us more about the industry?

Mr. Hartshorn: The vegetable oil refining business is dominated by large agricultural processors. Given that this is a commodity business where economies of scale are critical, those businesses that tend to thrive are the low cost producers. It is our intention to help clients through our technology remain or become low cost producers.

The vegetable oil refining industry is large and growing. In 2009, it produced nearly 130 million metric tons of oils produced from the seeds/fruits of soybeans, canola, cotton, peanuts, coconuts, olives, sunflowers, palm and palm kernel trees. The estimated annual global sales volume exceeds \$70 billion. This food-related industry has grown each of the past ten years in spite of the economic downturn. As the world population continues to grow, we expect this growth pattern to continue, and we plan to play a leadership role in the expansion of this market.

CEOCFO: Is the investment community and the green community starting to pay attention?

Mr. Hartshorn: Not to the level we'd like. As we continue to achieve milestones, however, we expect to attract more investors as well as the green community. We think potential investors, partners and others will be attracted to us because of the potential use of our technology in

large, global, growing markets such as vegetable oil refining and crude oil yield enhancement. Others may be attracted to the potential positive environmental impact of our technology.

CEO CFO: Why should potential investors pick Cavitation Technologies out of the crowd?

Mr. Hartshorn: In addition to the attractions just mentioned, potential investors should understand that our technology offers the potential to rapidly and significantly improve yield and reduce operating costs for end-users. Not just in the vegetable oil refining business, but in other

large, growing, global markets that have liquid process applications such as renewable fuels, crude oil refining, water/oil emulsion, alcoholic beverage enhancement, and the extraction of algae oil. We have done research in these areas, and we have reason to believe that our technology has potential large scale commercial applications in these markets. Fundamentally, we believe an investment in CTI offers significant potential for growth.

CEO CFO: Final thoughts, what should people remember most about Cavitation Technologies?

Mr. Hartshorn: We are an innovative company that offers opportunity along with risk. We understand it takes time to develop the science and technology along with the management, marketing, and finance team to bring innovation to the market. We are in the process of building a team of partners, investors, and others who understand this and want to contribute to our success. This is a very exciting time for us. We have invested a number of years of hard work, and it is now beginning to show results in revenue. We firmly believe this is just the beginning and that our technologies will be well received around the world.



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