



ROBIX

Oil Spill Clean Up Technology and Equipment And Wastewater Treatment Products



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Interview conducted by:
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CEOCFO: Mr. Hansen, would you tell us about Robix?

Mr. Hansen: Robix is a technology provider, solving problems on the waste of oil during oils spills, the waste of oil during production and services in the oil field and the cleaning of water in all of those situations, both in catastrophe and oil production.

CEOCFO: How do you approach the problems in a more efficient manner?

Mr. Hansen: Our approach is mechanical on the oil lift rather than using chemical dispersion and surfactant based solutions, which is basically just pushing the problem downstream. This is a recovery on a mechanical basis.

CEOCFO: Has that approach been tried before?

Mr. Hansen: It has in some measure. Centrifuges had been used in the BP spill but because of the viscosity changes of oil in sea water at cold temperatures, weathering through time, there were challenges to that technology. Our technology has been proven before and worked in commercial and testing situations and proven itself. We just revived that methodology in our company since 2010.

CEOCFO: Are people more interested in non-chemical today? Is it a better time for the technology in addition to being effective?

Mr. Hansen: Exactly. There is more market acceptance. There is a push happening around the world and it would be nice to know that every country is equally concerned about the protection of the ecosystem worldwide. The climate change issues are at the table of most countries where accords take place and some countries are more advanced than others. We find that in the oil spill business there are certain countries that are more advanced and have been accepting mechanical approach rather than a chemical approach more so.

CEOCFO: How do you work with oil companies? What is the scenario?

Mr. Hansen: We do not directly engage with the producer of the oil or the company that would be potentially the spiller. We engage with the provider of other services to those oil companies, services such as maintenance and environmental services in general. We provide our equipment to them where they can give the oil company a value add. On a standby situation, our equipment would act much like a fire truck in a fire hall or, in this case, a service company that is providing services to an oil company. Mid point is the general environmental services of the industry. It is quite common for the industry to accept a general environmental stewardship by a subcontractor not directly to the oil company.

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CEOCFO: Are you providing personnel or strictly equipment?

Mr. Hansen: We like to do it strictly on equipment. We have to provide some personnel on our water division because the IP is more protected, not by patents but by an internally known process, so you cannot really have external hands on that. With the oil side, we choose partners that have operators, and on the water side, we have to use our own operators.

CEOCFO: On the oil side, do you worry about how they treat the equipment and are there ways they can mess it up so that it is not as effective as it could be or is it a somewhat simplified process?

Mr. Hansen: This equipment had some diminished value in the 90's and it was shelved by a major Japanese company. The reason was they did not follow the training instructions. They thought they would improve the value of it by doing some changes and that operatorship was changed in such a way that it diminished the value. They were not getting the same recovery numbers as we achieve now. It is through training and sticking to the training and methods that work. It is in terms of the robust nature of the equipment, it is really hard to damage. It is diesel engines running a hydraulic system which moves drums. For an operator to damage that, it would take a lot more force than a human could apply.

CEOCFO: Would you tell us about the recent contract with *Petróleos Mexicanos (Pemex)*?

Mr. Hansen: It is a contract for us to supply as a sub-contractor. We are not directly contracted to Pemex. It is a contract to a special purpose vehicle which we are a part of because we have supplied the equipment and our operator partners supply the operators and that equipment goes into a Pemex facility. That contract with Pemex recently is the one we just announced last Friday and it is a contract for a P- series delivery, which is produced water at an oil facility, not to spilled oil in an open water situation. It is not a catastrophe we are fixing, we are cleaning produced water. The water that is produced in Mexico and goes through a waste stream is as much as 70% oil and 30% water. They have to knock the water out prior to going through a refinery so that the oil is dry enough for the refinery to accept it. The water content needs to be knocked out for them to do that. We use our proprietary system that is designed quite similarly to the original design of the clean ocean vessel.

CEOCFO: Would you tell us about your *Formation Fluid Management Inc.* acquisition?

Mr. Hansen: That was an interesting scenario that developed over time. We were asked by a customer to demonstrate our efficacy in lifting the oil. Then they asked an ancillary question: if we could clean the water as well. My direct answer was no, not at this point, but in Canada, many technologies exist and I will look around for one. When we looked around for one, we found an opportunity and the opportunity was a great technology, a business plan that was not working in favor of the company or basically weak, and we decided to make a play for them. We acquired it and it is now called our water division.

CEOCFO: Are you concerned about the ups and downs in the oil industry or are the services you provide needed no matter what?

Mr. Hansen: Protection of our waters from oil disasters is an ongoing business that is not affected so much by the price of oil. It is like having a fire truck in your fire hall to protect your municipality - quite similar. It is protection that is necessary all the time. In the oil production business, the lower price causes the oil companies to pay more attention to waste and that is where we are better off because we get more attention.

CEOCFO: What has changed in your approach over time?

Mr. Hansen: The biggest thing we have learned is adoption of technology, especially if it is quite innovative. Adoption of technology is an uphill climb. We have learned that we have to do a lot more education and we have to approach it for much more than just direct customer sale relationship. We approach it from an environmental stewardship angle which is many times pressed for action by governments. We do lobbying to governments, especially in cases where pipelines are needing to be approved and environmental stewardship is an acute concern by both the environmental movement at large and by governments wanting to satisfy both economic and environmental concerns.

CEOCFO: Where do you anticipate growth or interest in the next couple of years?

Mr. Hansen: It is coming from global scenarios. It is coming from countries that are looking to improve the protection of their waters. Ships bump into each other and spill oil very often. Terminals are subjected to spills of oil by accident very often. It is many of the countries around that world that are looking for the ways and means to protect that and that is where our interest is coming from.

CEOCFO: What is *Robix C* series?

Mr. Hansen: The C stands for "catastrophe," so it is a vessel that acts as a collector of oil when it is on the surface of the water. An oil spill naturally goes to the surface of water in most scenarios and there are some where it will hang in

subsurface, but this design is more up to two feet from the surface and it uses two counter-rotating drums that collect the oil on the basis of one physical principal called oleophilic, where oil has an affinity to metal as it is phobic to water. The other physical principal has been dubbed the “Bernulli” effect. It is basic fluid dynamics where velocity and pressure differential will cause the fluid to lift because the drums are placed close together and they are counter rotating, so they draw the oil up off the surface more efficiently than just one drum by itself.

CEO CFO: *How are you able to operate in up to eight foot waves when others cannot?*

Mr. Hansen: That is a ballast design. If you understand Marine, stability is improved by a catamaran design, so this is a catamaran hulls barge and the ballast in the tanks acts two fold. First it is water ballast to allow the vessel to sit submersed enough so that the drums are in the oil slick in the water, then the ballast turns from water to oil. By the oil going into the ballast tanks, collecting and displacing the water, so the vessel stays stable on that basis.

CEO CFO: *What is involved in maintenance of your equipment?*

Mr. Hansen: There is very low maintenance. The hydraulics are quite low maintenance. The diesel engines are probably the highest part of the maintenance but that is a standard on most equipment that runs on diesel generation and those can be lifted off and replaced quite quickly. The rest is very few mechanical moving parts, so it is a robust, low maintenance vessel.

CEO CFO: *Robix is a public company. What has been the interest from the investment community as well as the industry?*

Mr. Hansen: It is gaining traction now because of our advancements in Mexico specifically. It is gaining a lot of market interest. The capital market’s interest is in that it is a clean tech story and clean tech is getting much more interest from the capital markets. From a customer base, it is because we are an innovative solution. The second part of it is getting the turnkey or the full scale solution from lifting away oil to cleaning the water, to engineered standard. That is an innovation that is now getting traction.

CEO CFO: *Why pay attention to Robix Environment Technologies today?*

Mr. Hansen: High growth and innovative solution, a real solution for oil spills and produced water.



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