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News **Today's Newspaper** **My Online Journal** **Multimedia & Online Extras**

Home
News ▾

- News Main
- U.S. Business
- Europe
- Asia
- World News
- Economy
- Politics & Campaign
- Earnings
- Health
- Law
- Sports
- Media & Marketing
- News by Industry
- Journal Women
- Columnists

- Technology ▶
- Markets ▶
- Personal Journal ▶
- Opinion ▶
- Leisure ▶
- Travel ▶

- Small Business ▶
- Autos ▶
- Careers ▶
- Education ▶
- Real Estate ▶
- Smart Money ▶

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- My News
- My Email
- Keyword/Symbol Alerts
- My Desktop Alerts
- My Account

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Ecosphere Technologies Signs \$50 Million Purchase Option With Bledsoe Capital

STUART, FL, May 21 / MARKET WIRE/ --

Ecosphere Technologies, Inc. (OTCBB: ESPH), a diversified clean technology and water engineering services company, today announces that its wholly-owned subsidiary, Ecosphere Energy Solutions, Inc., has granted an option to **Bledsoe Capital** to form a new company, owned by Bledsoe Capital and Ecosphere Energy Solutions on a 50/50 basis, to acquire an exclusive worldwide license for the use of the Ecosphere Ozonix technology in the energy business. Upon exercise, Bledsoe is committed to \$50 million for the purchase of an exclusive license, of which \$10 million would be paid upon closing to Ecosphere Energy Solutions and the balance of which would be used to fund the working capital of the new company. Upon the successful completion of Ecosphere's 90 day pilot program with a major energy company in the **Barnett Shale** area of Texas, Bledsoe Capital may exercise its purchase option.

The exclusive application of Ecosphere's technology is for the treatment of industrial waste waters generated during the exploration, production, refining and distribution of energy from natural resources. The terms of the purchase option require Bledsoe Capital to form a new Delaware, limited liability company with Ecosphere Energy Solutions as co-owner and to pay \$10 million as a licensing fee. The remaining \$40 million of capital commitments will be used to facilitate the building of additional Ecosphere Ozonix equipment, as well as to fund marketing and operations, to take advantage of new opportunities in the energy business. The agreement also provides for Ecosphere Energy Solutions to build the equipment for the new company.

Additionally, Bledsoe Capital recently completed the funding of the first \$1 million of a \$5 million credit facility that will allow Ecosphere to build equipment for its first water recycling pilot program in the Barnett Shale. Construction has already begun to build the initial Ecosphere's Ozonix mobile water treatment plant capable of treating 7,000 barrels (294,000 gallons) of water per day.

Dennis McGuire, Founder and CEO of Ecosphere Technologies, stated, "Bledsoe Capital has performed extensive due diligence on our Ecosphere Ozonix technology and the natural gas energy market since first signing the original Letter of Intent. I am very pleased that they have recognized the value of our Ecosphere Ozonix technology and its application in the energy business and agreed to be our strategic partner."

Adrian Goldfarb, CFO of Ecosphere Technologies, stated, "The \$5 million credit facility provided by Bledsoe Capital Group provides the working capital Ecosphere needs to implement its water recycling pilot programs with our initial energy customers. Furthermore, the \$50 million option, if exercised, will enable the Company to rapidly expand its operations and capitalize on additional opportunities using its Ecosphere Ozonix technology without further dilution."