

February 2012



## NEXT ALTERNATIVE: READY TO FUEL THE WORLD

Next Alternative is on a mission to promote Emulsion-Fuel, what it calls Next-Fuel, on a major scale. This amazing alternative fuel has a host of benefits that cannot be denied. NAI's Next-Fuel for open flame applications is a mixture of 60% diesel and 40% water and a miniscule amount of stabilizing agent used to bond the fuel for strength. NAI uses a ratio of 75%/25% for combustion engines. These formulas produce a fantastic new fuel that is cleaner, more efficient and costs much less to manufacture than pre-processed fuels.

Lately, NAI has been putting out a lot of information regarding its progress with Next-Fuel. First of all, it has banished some supposed stereotypes associated with Emulsion-Fuel. Many believed that the amount of water within the mixtures would cause wear and tear on engines. Not so! In-house NAI studies, as well as outside studies have disproven this. As the water becomes emulsified, the microscopic particles are on the inverse phase of the liquid and do not actually come into contact with the engine. Another notion was that since the water dilutes the formula, you had to burn twice as much to produce the same amount of straight diesel. After further research, the process has shown to be so cohesive and efficient that this myth has also been disproved.

Another bit of information coming from NAI pertains to the reason that its Emulsion-Fuel formula is so much stronger than others. NAI is one of the very few entities to use nanotechnology within the fuel. The introduction of Carbon Nano Tubes disperses the water particles within drops of oil. When used in a combustion engine, this creates water vapor explosion that scatters fuel particles into a heavy steam - thereby generating a water/gas reaction. The reaction takes place instantaneously and evenly and as a result, the combustion is much more efficient - reducing fuel consumption and emissions output.

With the amount of attention that Emulsion-Fuel is garnering and the continual revelations concerning its myriad of uses and applications across a broad array of industries, Next Alternative predicts that the fuel will soon be a publicly traded commodity. NAI fully expects that Emulsion-Fuel will take its place alongside crude oil as a trading option. Because the fuel is cleaner and cheaper, investors will certainly want in on such a viable opportunity that could also result in less reliance on foreign oil.

Finally, NAI intends to target and penetrate the Emulsion-Fuel market on a global basis. As the company already has a universal presence with offices in Canada, the United States, Germany and France - with more office to come, it is ideally positioned to interface with a vast spectrum of governments, companies and institutions across the globe.

Because of the extensive and undeniable possibilities that Emulsion-Fuel holds, is going to be a major focal point for Next Alternative in 2012.

## NAI to Open 3 New facilities

In order to accommodate a projected spike in growth this year, Next Alternative is in the process of scouting locations in Vancouver, Northern Alberta and in Florida as potential locales for three new facilities.

The facilities will be used for research, manufacture and distribution of Emulsion-Fuel. NAI plans to have the Vancouver location open by next quarter. It is projected that this plant will pump out 1 million litres of Emulsion-Fuel each year for several clients on the BC coast. Alberta and Florida plants should be operational by year's end.

NAI wants to be prepared to meet this additional demand and after investigating where that demand will most likely be coming from, these locations were determined to be ones that will serve the company and its clients best.

The company's Battle Creek, Michigan plant will continue to be used for battery research, testing and production.



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News Around the Industry

## NAI Set to Commence Tests on Fleet of Smart Cars

Next Alternative is pleased to report that come spring, it will begin burning its Next-Fuel within the diesel engines in Mercedes Smart Cars.

By powering the cars with Next-Fuel, NAI expects that the vehicles will run smoothly, emit less greenhouse gas emissions and be much cheaper to operate.

The implications on the transportation industry are huge and present a very exciting opportunity as research and testing continues.

## It's Getting Cleaner in California!

According to EV World, the State of California recently adopted one of the nation's most aggressive clean air rules. In an effort to become a leader in the electric vehicle industry, the California Air Resources Board passed a broad set of rules that aims at doubling the overall fuel economy standards from the current 27.3 miles per gallon to 54.5 miles per gallon by the year 2025. The rules were passed by a 9-0 vote.

Yet, even more so, this provides a road map for the growth of the electric car industry... which hopes to reflect one in every seven new cars sold within the state. The vote was cited as an historic chapter in California's history with the automobile. Environmentalists too, applauded the new legislation which strives to cut carbon emissions by 52 million tons each year - the equivalent of taking 10 million cars off the state's roads.

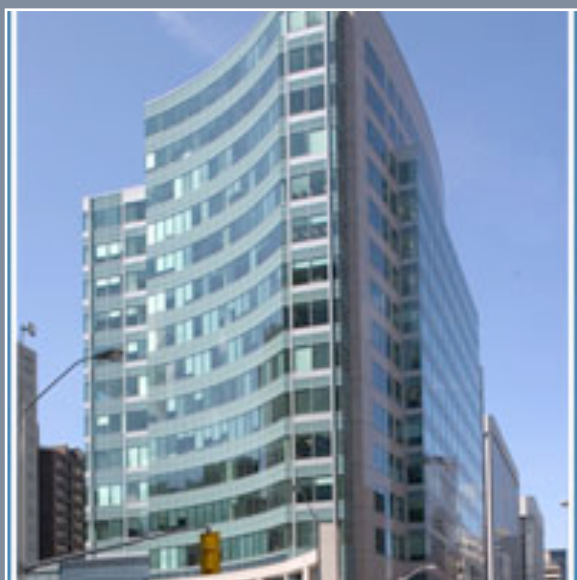
## ABOUT NEXT ALTERNATIVE

Next Alternative Inc. is a break-through company paving the way in the global effort to discover alternative means of energy.

Understanding the need to reduce the demand for fossil fuels, Next Alternative is pioneering new methods that provide eco-friendly solutions. Poised on the cutting-edge of new green technologies, Next Alternative strives to develop and offer products that meet the challenges of our new economy.

With the belief that this new market will propel achievements within world transportation, Next Alternative stands as an innovator - bringing existing technologies together and melding them to meet future demand.

Next Alternative is a new publicly traded company on the Frankfurt stock exchange.



### Next Alternative World headquarters

Next Alternative, Inc.  
World Exchange Plaza  
45 O'Connor Street  
Suite 1150  
Ottawa, Ontario K1P 1A4

Tel: 613-755-4023  
Fax: 613-237-9145

## Lithium Ion Batteries Set for Next Round of Testing

NAI is happy to report that its Lithium Ion (LIX) batteries are at least six months ahead of schedule. We are finishing up the last round of Beta tests and will soon be sending final samples for regulatory approval.

Lithium Ion batteries are lighter in weight, occupy less space, provide more power and energy and have a longer life than nickel-hydrate batteries currently used to power hybrid electric vehicles. Plus, tests have shown that even under a severe charge and discharge cycle at high temperatures, the capacity of the LIX cell remains stable with no storage loss even after 2,500 cycles. This means that the LIX system can provide a battery with at least 10-15 years of life. The cell will charge in 10 minutes and takes a four cell pack to produce a 14.8 volt battery.

The implications of these tests are profound and we believe that beyond the automotive sector, these batteries will impact and have major benefits for the military, aviation, storage and many other industries as well.

We look forward to sharing with our supporters the final findings after approval has been secured.

Stock Quote - Feb 01, 2012  
Frankfurt Exchange: .04 Euro  
XETRA Exchange: .04 Euro  
CNSX: Coming Soon