

Business Valuation of:

EPH Technologies, Inc.

doing business as



EPH Technologies, Inc.

A Leader in Bio-Science Innovations

Summary Appraisal
Determination of Fair Market Value
as of
December 14, 2012

Prepared by



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American Society of Appraisers

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January 21, 2013

Board of Directors

Re: EPH Technologies, Inc.



The American Society of Appraisers

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MICHAEL S. GILBURD, ASA

has successfully participated in the
Society's mandatory Reaccreditation Program
and has complied with its continuing education requirements,
as set forth in the organization's Constitution, Bylaws and
Administrative Rules. Therefore, formal reaccreditation has
been granted by the International Board of Governors and will
remain valid through

April 16, 2016




International President

Chairman of Board of Examiners

Valuation Summary

Subject Company	EPH Technologies, Inc. 4533 MacCarther Boulevard, Suite 237 Newport Beach, California 92660 www.ephtechnologies.com	
Type of Entity	U.S. Corporation filing Form 1120 U.S. Income Tax Return for a C Corporation	
Product or service	Early-stage biotechnology company focused on the development of revolutionary, life- changing Enhanced Extremophile Enzymatic (E ³) products.	
Prepared by	Michael Gilburd, ASA, President ValuCorp International, Inc. 11811 North Tatum Boulevard, Suite 3031 Phoenix, Arizona 85028 www.ValuCorp.com	
Valuation Purpose and Intended Use	Capital markets proposed transaction	
Standard of Value	Fair Market Value	
Premise of Value	Going Concern	
Valuation Date (also referred to as "Effective Date" or "Appraisal Date" or "as of" date; the specific point in time as of which the valuator's opinion of value applies)	December 14, 2012	
Report Date (date of the latest information used in the valuation; the date conclusions are transmitted to the client)	January 21, 2013	
Capitalization Rate	23.46%	
Discount Rate	29.63%	
	<table border="1"><tr><td>Enterprise Value</td></tr></table>	Enterprise Value
Enterprise Value		
Fair Market Value indication – business	\$115,624,428	
Orderly Liquidation Value (net adjusted book value)	(323,618)	
Goodwill and other intangible asset value	<u>\$115,948,046</u>	
Liabilities to be Assumed	<u>\$442,500</u>	

A. Valuation Summary

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Valuation Summary

Type of financial statement Management prepared a financial projections.

Number of complete fiscal years projected 5

The values derived in this appraisal are as follows:

	Value	Weight	Fair Market Value
<u>Asset approaches:</u>			
Net asset book value (10/31/2011)	(\$323,618)	0%	
Excess earnings method	n/a	0%	
<u>Income approaches:</u>			
Discounted future cash flow method	\$115,624,428	100%	\$115,624,428
Capitalization of cash flow method	n/a	0%	
<u>Market approaches - transaction methods:</u>			
National	n/a	0%	
Local	n/a	0%	
Public companies			
not applicable due to the size of the Subject Company	n/a	0%	

Determination of Value

Valuation		\$115,624,428
Ownership	10%	\$11,562,443
Discount for lack of control and lack of marketability (see, Section H)		30.81%
Price of Debentures		\$8,000,000

Typically, majority and minority interest deals with the relationship between the interest being valued and the total enterprise. The primary factor bearing on the value of a minority interest in relation to the value of the total entity is how much control the minority interest has over the entity. The concept of marketability deals with the market for the ownership interest, that is, how quickly and certainly the interest can be converted to cash at the owner's discretion. The concept of liquidity deals with the ability to quickly convert the underlying property in an entity to cash. Together, the control, marketability and liquidity premiums or discounts are multiplicative, and not additive, determining a combined premium or discount.