State of California AIR RESOURCES BOARD

EXECUTIVE ORDER D-704

Relating to Exemptions under Section 27156 of the Vehicle Code

HH2 Energy Inc. HH2 Hydrogen Generator Device

Pursuant to the authority vested in the Air Resources Board by Section 27156 of the Vehicle Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: That installation of the HH2 Hydrogen Generator Device, manufactured by HH2 Energy Inc. (23100 Valerio Street, West Hills, California 91307), has been found not to reduce the effectiveness of the applicable vehicle pollution control systems, and therefore, the HH2 Hydrogen Generator Device (HH2) is exempt from the prohibitions in Section 27156 of the Vehicle Code for installation on 1960-2012 model year passenger cars equipped with gasoline or diesel engines. The installation of the HH2 device on light-duty trucks and medium-duty vehicles is not granted under this Executive Order.

The HH2 device consists of an acrylic water reservoir, various electrical components, electrical wiring and connectors, an electrolyte (sodium citrate), and vinyl supply hoses for the hydrogen gas and oxygen gas.

This Executive Order is based on previous Cold-Start CVS-75 Federal Test Procedure tests, Supplemental Federal Test Procedure tests, and On-Board Diagnostic II System tests conducted by HH2 Energy Inc. with the HH2 Hydrogen Generator Device.

If evidence provides the Air Resources Board with reasons to suspect that the HH2 device will affect the durability of the emission control system, HH2 Energy Inc. shall be required to submit durability data to show that the durability of the vehicle emission control system is not, in fact, affected and/or that the add-on or modified parts demonstrate adequate durability.

This Executive Order is valid provided that installation instructions for the HH2 device do not recommend tuning the vehicles to specifications different from those of the vehicle manufacturer.

Changes made to the design or operating conditions of the HH2 device, as exempt by the Air Resources Board, which adversely affect the performance of the vehicle's emission control system, shall invalidate this Executive Order.

Marketing of the HH2 device using identification other than that shown in this Executive Order or for an application other than that listed in this Executive Order shall be prohibited unless prior approval is obtained from the Air Resources Board.

Exemption of the HH2 device shall not be construed as exemption to sell, offer for sale, or advertise any component of the kit as an individual device.

This Executive Order shall not apply to any HH2 device advertised, offered for sale, sold with, or installed on a motor vehicle prior to or concurrent with transfer to an ultimate purchaser.

This Executive Order does not constitute any opinion as to the effect the use of the HH2 device may have on any warranty either expressed or implied by the vehicle manufacturer.

No claim of any kind, such as "Approved by the Air Resources Board," may be made with respect to the action taken herein in any advertising or other oral or written communication.

In addition to the foregoing, the Air Resources Board reserves the right in the future to review this Executive Order and the exemption provided herein to assure that the exempted add-on or modified part continues to meet the standards and procedures of California Code of Regulations, Title 13, Section 2222, et seq.

THIS EXECUTIVE ORDER DOES NOT CONSTITUTE A CERTIFICATION, ACCREDITATION, APPROVAL, OR ANY OTHER TYPE OF ENDORSEMENT BY THE AIR RESOURCES BOARD OF ANY CLAIMS OF THE APPLICANT CONCERNING ANTI-POLLUTION BENEFITS OR ANY ALLEGED BENEFITS OF HH2 ENERGY INC.'S HH2 HYDROGEN GENERATOR DEVICE.

Violation of any of the above conditions shall be grounds for revocation of this Executive Order. The Executive Order may be revoked only after a ten day written notice of intention to revoke the Executive Order, in which period the holder of the Executive Order may request in writing a hearing to contest the proposed revocation. If a hearing is requested, it shall be held within ten days of receipt of the request and the Executive Order may not be revoked until a determination is made after a hearing that grounds for revocation exist.

Executed at El Monte, California, this ______ day of March 2013.

Annette Hebert, Chief

Mobile Source Operations Division