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NEWS RELEASE

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AUTOMOTIVE FUEL TANKS – ARE THEY AT A CROSSROADS?

Over the last five years, plastic has become the material of choice for fuel tanks in Europe and North America. In Japan, vehicles are now showing a significant shift from steel to plastic. The drive to plastics in Europe and North America has been due to a number of factors including lower production costs. In Japan, design flexibility and global design preferences have been important contributing factors to this change in material. Exhibit One shows the breakdown of plastic and steel in these three regions.

In North America and Japan, plastic fuel tanks are made primarily from high density polyethylene (HDPE). In order to prevent fuel permeation, a barrier material (EVOH) is used together with adhesive layers and a regrind layer. In Europe, a number of constructions are used including monolayer HDPE for many diesel-based vehicles, fluorinated HDPE and multilayer constructions.

The emergence of extremely low emission vehicles has resulted in a small but significant selection of steel for new vehicle fuel tanks. California, and more recently some of the North Eastern states, have been developing legislation that will require the automotive OEMs to have a percentage of extremely low emission vehicles. Initially, the drive was for zero emission vehicles, which excludes internal combustion engines, but difficulties in commercializing electric vehicles led to the emergence of a separate category of vehicles referred to as Partial Zero Emission Vehicles or PZEV. The PZEV category comprises vehicles that are most like today's conventional gasoline vehicles amongst the different ZEV vehicles.

PZEV refers to a vehicle that cannot be certified as a ZEV but qualifies for a partial credit. This credit is given to a traditional gasoline vehicle that meets the following criteria:

- The vehicle is certified to the 150,000 mile super ultra low emission vehicle (SULEV) exhaust emission standard.
- Fuel-based evaporative emissions are below 54 milligrams per 24 hours.
- The vehicle meets the applicable on-board diagnostic requirements for 150,000 miles.
- Aspects of the vehicle, such as the emission control system and emissions, meet 15 years or 150,000 mile durability, whichever occurs first.

As a result of these requirements a number of OEMs have been developing fuel systems with extremely low permeation levels. For plastic fuel tanks there have been concerns with emissions from permeation, microleaks and other sources even with advanced technologies for reducing these levels. It is interesting to note that there have also been issues with steel due to corrosion concerns.

Exhibit Two shows that there are now a number of approved PZEV vehicles on the road. The exhibit lists the material selected for the PZEV and non-PZEV categories. We note that currently all PZEV vehicles have steel tanks.

The production of PZEV vehicles is still quite low. It is expected that in 2004 approximately 200,000 of these vehicles will be sold in California. By 2007, we expect about one million of these vehicles to be sold in California and the North East states.

It is clear that we have a dichotomy. On the one hand, plastic fuel tanks have shown solid growth in recent years. Yet for PZEV vehicles, steel has been the material of choice. However, The ITB Group expects that within three years, there will be a number of plastic PZEV fuel tanks on the market. These tanks will include at least one program from a European, Japanese and a North American automotive OEM.

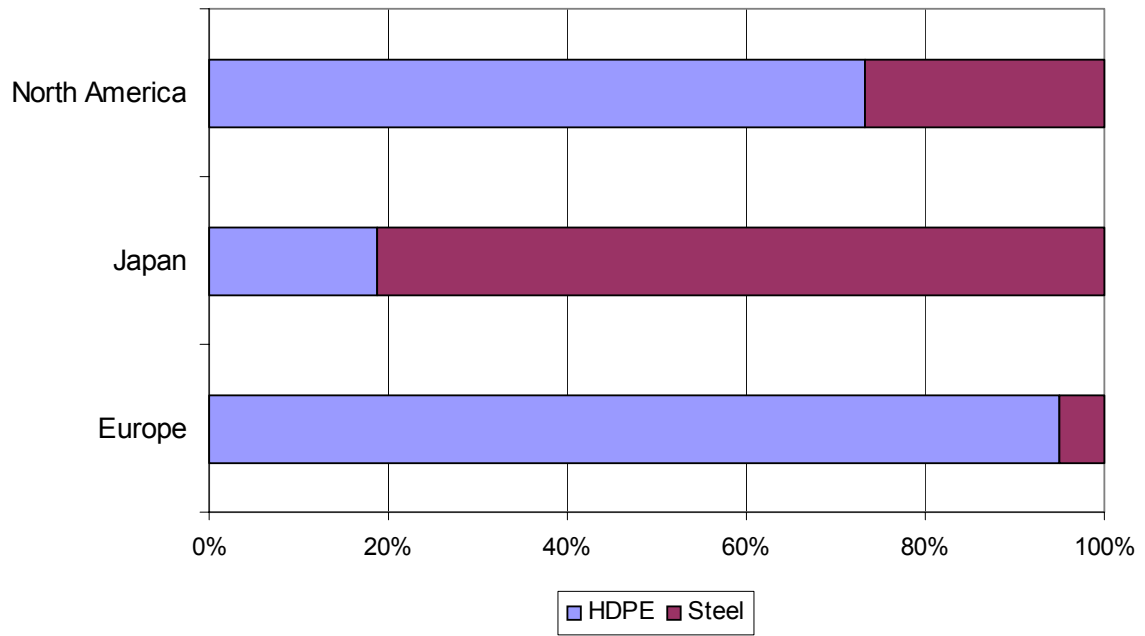
The majority of fuel tank suppliers have considerable in-place investment for the production of plastic tanks. Hence, there is a financial incentive to develop suitable plastic PZEV technologies. Refinements in many aspects of plastic technologies are resulting in the emergence of valid PZEV plastic tanks. Although too early to tell, the

key issue will be the cost of these tanks versus comparable PZEV steel tanks. Attention to small details while ensuring efficient mass production of the tanks will be crucial to the success of plastic PZEV tanks.

The ITB Group, Ltd. (Novi, Michigan) has completed a new report analyzing the global fuel system market. This 280 page report considers industry dynamics, evaporative emission regulations, trends in fuel compositions, system design, fuel tank and fuel line technical and market developments, and evaporative emission control system developments. Descriptions and analysis of key engineering, material and process deployments by vehicle in Europe, Japan and North America is provided.

Exhibit One

Fuel Tank Material's Breakdown



Source: The ITB Group, Ltd.

Exhibit Two

**Current PZEV Vehicle List and Fuel Tank Materials
(April 2003)**

OEM	Vehicle	PZEV Material	Non-PZEV Material
BMW	325i	Steel	Plastic
DaimlerChrysler	Sebring	Steel	Steel
Ford	Focus	Steel	Plastic
	Escape*	Steel	Steel
Honda	Accord	Steel	Plastic
Hyundai	Elantra	Steel	Steel
Mazda	Mazda 3	Steel	Plastic
Mitsubishi	Galant	Steel	Steel
Nissan	Altima	Steel	Plastic
	Sentra	Steel	Steel
Subaru	Legacy	Steel	Steel
Toyota	Prius	Steel	Hybrid (plastic/steel)
	Camry	Steel	Steel
Volkswagen	Beetle/Bora	Steel	Plastic
Volvo	V70/S60	Steel	Plastic

* Not yet in production

Source: The ITB Group, Ltd.