

ISBRE

*pure and natural...
the world's best drinking water™*



**ISBRE HOLDING CORP.
Confidential Business Overview**



February 2010

DISCLOSURE

THIS PRESENTATION MATERIAL CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE OPINIONS, FORECASTS, PROJECTIONS OR OTHER STATEMENTS, OTHER THAN STATEMENTS OF HISTORICAL FACT, ARE FORWARD-LOOKING STATEMENTS. ALTHOUGH THE COMPANY BELIEVES THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS ARE REASONABLE, THEY DO INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES.

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Osa Valley

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I. EXECUTIVE OVERVIEW

Isbre Holding Corp. (“Isbre” or the “Company”) is a super-premium water company with a unique **bulk water shipping and sales capability**. Isbre (the Norwegian word for “glacier”) owns an exclusive 99-year right to extract up to 5 MM gallons per day from the purest natural water source in the world. Isbre’s source is a glacial aquifer in the Osa Valley, at the end of the Hardanger Fjord on the west coast of Norway. Hydrogeological research and working and monitoring wells have confirmed the quality and quantity of Isbre water. The unique geography of Isbre’s source (adjacent to a deep water port) allows bulk-shipping for bottling in leading bottled water markets, providing superior cost economics and multiple operating efficiencies and advantages. Isbre has identified a site on the Delaware River in Bristol, PA for construction of a U.S. bottling facility.

Isbre’s strategy is to focus initially on the U.S. super-premium water market (this category contains all imported waters). The U.S. is the world’s largest super-premium bottled water market, with approximately \$470 MM in wholesale sales. In contrast to the fractionated European bottled water industry, the U.S. is a homogeneous bottled water market with the greatest demand for super-premium water. Concentrating initially on the U.S. simplifies Isbre’s business model, from marketing and distribution to shipping and production, without sacrificing near- and medium-term growth opportunity. Isbre is well positioned for penetration and rapid growth in the U.S.

Isbre’s strategy is to be the low-cost producer and high-volume distributor in the U.S. super-premium water market.

- **The right water pedigree:** Isbre’s water is the “purest” natural water ever tested. There are two major competitors in the U.S. super-premium market: Fiji and Evian. Fiji and other smaller competitors have taken market share from Evian. While Evian has lost market share (from \$220 MM to \$130 MM in sales in the past 7 years), Fiji has grown from \$13 MM to \$131 MM during the same time period. The newest super-premium growth story, Voss, has achieved about \$30 MM in revenue with a mixed U.S. and UK distribution strategy. Specifically, Isbre water has 4 parts per million (ppm) of total dissolved solids (“tds”). For comparison, Fiji has 230 ppm, Evian has 310 ppm, and Voss has 64 ppm. Consequently, Isbre has a better pedigree in terms of product quality than the two growth leaders in the U.S. bottled water market.
- **The right cost economics – shipping bulk water to the U.S. for bottling:** Bottling away from the source is an innovation in the super-premium category and will immediately make Isbre the most efficient competitor in this market, even at a relatively small market share. Isbre is deploying a staged bulk shipment strategy. Initially, Isbre imported product bottled at the Osa Valley plant. Importing bottled product (from the Osa source to a warehouse in the Northeast) has a landed cost of approximately \$11.00 per case; this is order of magnitude the same cost experienced by Isbre’s competitors. In September 2008, Isbre began shipping water in bulk via flexitanks (food grade plastic containers holding 24,000 liters [6,300 gallons]) to existing U.S. bottling plants with excess production capacity. This approach (“Flexitank to U.S.”) allows Isbre to expand capacity and lower its unit cost while being capital lean. Due to lower U.S. raw material (bottles, caps, cartons, etc.) and labor costs, the Flexitank to U.S. strategy produces U.S. landed cost savings of approximately \$4.00 per case versus the cost of importing bottled product. In 2010, following development of a bottling plant at the Bristol site, including installation of a stainless steel water storage tank and related infrastructure, the Company will be ready to deploy its “Tanker to U.S.” bulk shipment capability. Isbre water will be loaded directly into tanker ships at the Osa Valley source and transported to the Bristol plant for bottling. The Tanker to U.S. strategy will produce an additional \$3.00 per case in savings, **making Isbre far and away the lowest cost provider of any imported water.**

- **A successful focus to-date of building a mass-distribution platform for its super-premium product (high volume, low cost, high price):**

Isbre's focus has been penetrating East Coast high-volume distributors.

Isbre has placement in the three largest Northeast supermarket chains:

- ShopRite. 220 stores. Began in January 2008, has progressed to where the Company is now in 177 stores. Expects to be in the remainder by mid-2009.
- Stop & Shop. 541 stores. Roll out began in late June 2008. Isbre is now in all divisions.
- A & P. 390 stores. Includes A&P, Waldbaums, and Super Fresh. Roll out began in February 2009.

Other notable supermarkets placements include:

- Whole Foods. 17 NJ and NY stores; 95 regional balance pending.
- King's. 26 NJ stores.
- Foodtown. 20 NJ stores; remaining 40 by midyear.
- Giant Carlisle. 140 Southwest PA stores.
- Ukrops. 23 VA stores.
- Kroger. 90 stores (Houston division).
- Fresh Market. 91 East Coast stores.

Other retailers who have approved Isbre and when shipments will commence:

- Duane Reade. 240 stores. 2Q '10.
- Hannaford. 170 stores. 2Q '10.

Additionally, Isbre is sold in over 3,000 "street" accounts (convenience stores, delicatessens, pizza parlors, etc.) and over 250 restaurants and hotels.

Isbre has established itself firmly in the super-premium category, selling retail at \$5.99 per six-pack, which is approximately the same price point as Fiji and Evian. The Company sold 64,000 cases of water in the US in 2008 and 40,000 cases in 2009. Note: As Isbre awaits funding, it had to curtail sales and marketing efforts in 2009.

Bulk shipping combined with broad-based distribution and its superior water pedigree will give Isbre an unassailable position as the low cost competitor in the U.S. super-premium bottled water market, and thus allow it to grow market share efficiently. As noted above, importing bottled product (as all other super-premium waters do) has a landed cost of approximately \$11.00 per case. This cost is reduced to approximately \$7.00 per case using flexitanks, and to approximately \$4.30 per case with bulk tanker shipping. Isbre's unique ability to employ bulk tanker shipping produces a total landed cost of less than 50% of the cost of other imported waters. Consequently, Isbre will be by far the lowest cost competitor in the U.S. super-premium market. As the lowest cost producer in the super-premium category, Isbre will be able to spend more money on marketing on a per-unit basis (including focused promotions to retailers) to rapidly gain market share. The tanker bulk shipment strategy will also permit production flexibility and responsiveness and packaging size and innovation unprecedented in the imported water industry.

Isbre's bulk shipping capability also gives the Company the ability to sell water in bulk. The Company is not aware of any other high quality water location that permits bulk extraction and transport. Consequently, until a comparable capability is developed, Isbre will enjoy a compelling

competitive advantage in the creation and exploitation of an international market for bulk water sales. The profit margin on bulk water sales exceeds 90%.

Offering and Use of Proceeds

The Company is seeking to raise \$14,000,000. Use of proceeds is to finance the remaining docking and infrastructure work in Norway, the construction and equipping of the Bristol plant (retrofit of an existing facility), including a stainless steel holding tank allowing for bulk shipment, the launch of a comprehensive marketing initiative, and working capital. An itemization of the use of proceeds appears in Exhibit I. The Company expects to be EBITDA positive by the end of 2010 and beyond.

Corporate Structure

Isbre Holding Corp., headquartered in Montvale, N.J., is an operating company and holding company. The Company was incorporated in Maryland in 1996. The Company is a pink sheet, non-reporting company trading under the symbol "ISBH". Volume is low and trades are infrequent. The current management team joined in 2006/7. Isbre has registered trademarks in several jurisdictions protecting its award-winning bottle design and the phrase "The World's Best Drinking Water®." A list of Isbre's trademarks appears in Exhibit II. The Company's website is www.isbre.com.

II. MARKET OVERVIEW

The U.S. Bottled Water Market

The U.S. bottled water market is the world's largest market and has grown in volume consistently over the last 20 years (see Table 1). As shown in Table 2, the U.S. market has grown from \$4.2 billion in wholesale sales in 1997 to \$11.7 billion in 2007.

Table 1: US Bottled Water Per Capita Consumption

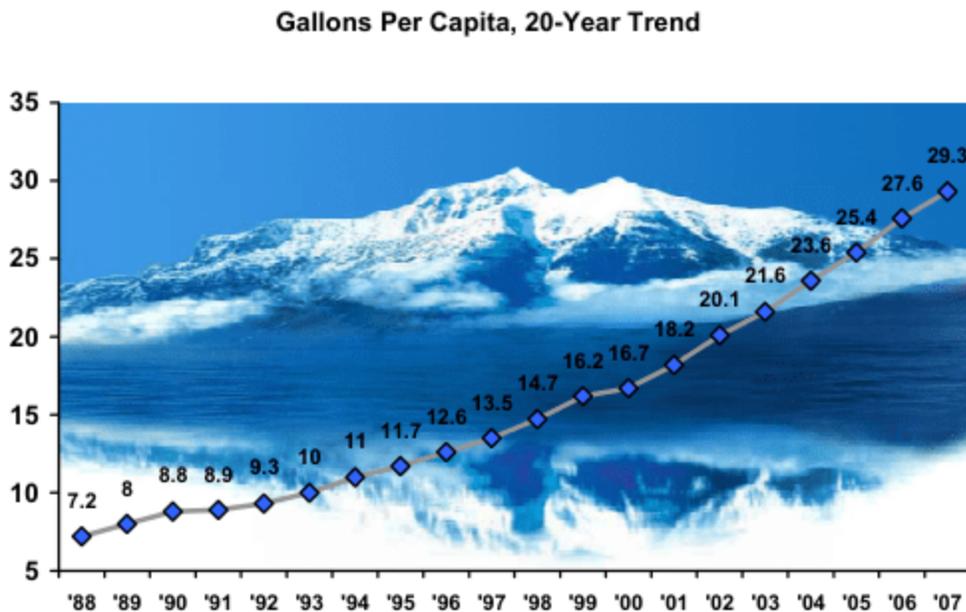
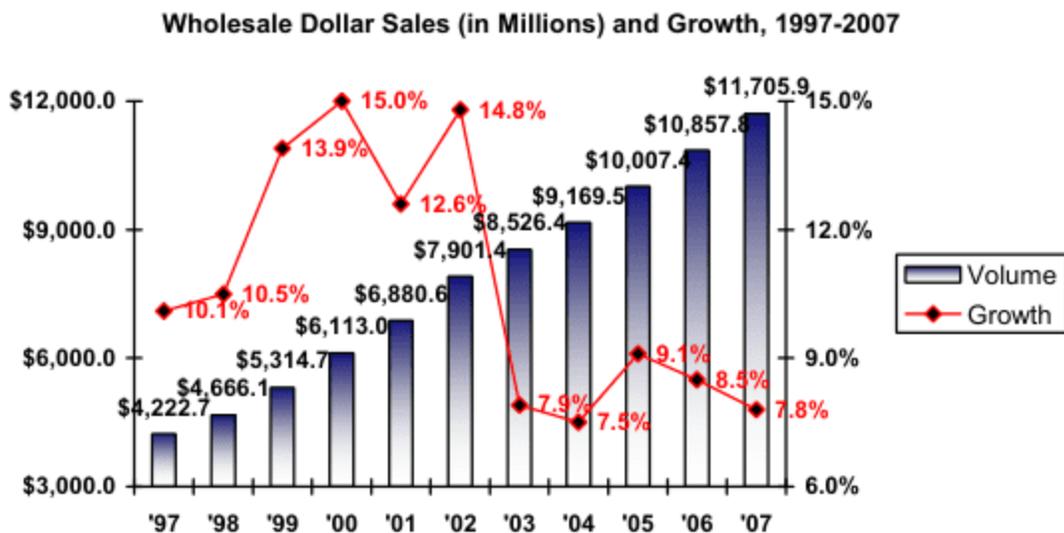


Table 2: Total U.S. Bottled Water Sales



Source: Beverage Marketing Corporation

- Bottled water is the largest beverage growth market in the U.S. (according to Beverage Marketing Corporation, it has 15% U.S. share in 2007 up from 8% in 1999).
- Although it is second to carbonated beverages (which Beverage Marketing Corporation states has a 27% U.S. share), bottled water will become larger in the next 5 years if relative growth rates continue (7 to 8% CAGR vs. carbonated beverages' flat to negative growth rate in recent years).
- The super-premium water market has grown as quickly on a volume basis but has been more robust in maintaining its price per unit of volume than the rest of the market, which has dropped by five percent from 2002-2007.

Table 3 shows the growth of the U.S. bottled water market relative to the growth of the U.S. Super-Premium bottled water market.

Table 3: US Bottled Water to the Super-Premium Water Market Comparison

| | U.S. Bottled Water Market | U.S. Super-Premium Bottled Water Market |
|--------------------------|---------------------------|---|
| 2007 Volume (MM Gallons) | 8,823 | 181 |
| CAGR Volume (2002-2007) | 8.7% | 8.0% |
| 2007 Wholesale Revenue | \$11,550 | \$470 |
| \$ / Gallon | \$1.24 | \$3.35 |
| CAGR \$ / Gallon | (1%) | 2%(a) |

Source: Beverage Marketing Corporation.

(a) Largely due to emergence of Fiji vs. Evian, where Fiji has actually gained market share with a higher price point than Evian, which has kept prices almost flat during this period.

As shown in Table 4, in 2007 the super-premium category increased in volume at a greater rate than the rest of the U.S. bottled water market.

Table 4: U.S. Bottled Water Market (Volume)

| Category | Gallonage (million) | | Market Share | | Growth 2007 |
|---------------------|---------------------|-----------------|--------------|-------------|----------------|
| | 2006 | 2007 | 2006 | 2007 | |
| Domestic | 8,089.20 | 8,636.90 | 98.00% | 97.90% | 6.80% |
| Super-Premium | 164.3 | 181 | 2.00% | 2.10% | 10.40% |
| Total Market | 8,253.50 | 8,823.00 | 100% | 100% | 6.90% |

Source: Beverage Marketing Corporation

Over the longer term, the expectation is that bottled water will continue to grow in popularity in the United States. Convenience has been and continues to be the primary reason for this growth. That said, two factors will militate against sustained growth: (a) the current downturn in the US economy and (b) environmental concerns regarding bottled water versus tap water (energy, plastic, etc). While these concerns may be less relevant to the super-premium bottled water market (as opposed to the premium or "everyday" price sectors), it is prudent to take into account both factors in forecasting near- and medium-term growth.

The Competitive Landscape

The U.S. bottled water market is dominated by the larger beverage companies.

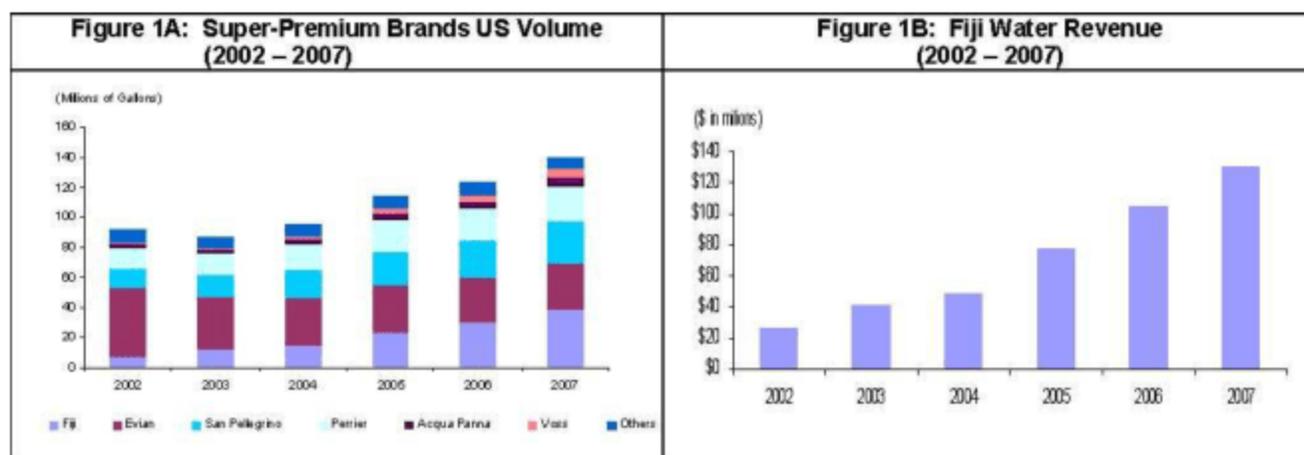
- Nestle Waters (Poland Spring and other regional brands) continues to be the leading bottled water company with market share around 30%.
- Pepsi's (Aquafina) market share is approximately 12%¹.
- While Coke (Dasani) is #3 behind Nestle and Pepsi at about 11%, its growth rate has been higher over the past five years. Coke's market share was 4.4% in 2000 and increased to 10.5% in 2005.

All three companies have gained market share in recent years at the expense of smaller competitors.

While the major beverage companies dominate the mainstream water market, the opportunity for smaller players to acquire meaningful market share in the super-premium segment is appealing (see Figure 1A). In fact Fiji and Voss, both smaller firms, have taken share from Danone's Evian (distributed by Coke), which traditionally had been the top player in this market.

- Fiji is the stellar example of small player growth in the super-premium market (see Figure 1B). In 2006, Fiji passed Evian to become the leading imported water in the U.S. Fiji has more than tripled its revenues since its acquisition by Roll Industries in 2004.
- While Evian has slipped dramatically, it has slowed its revenue shrinkage trend. Both Evian and Volvic have been owned by Danone Group since 1992; however, Volvic is not widely marketed in the U.S.
- Privately-held Voss has grown from almost zero in 2002 to over \$30 MM in revenue by 2007; however, Voss has focused almost exclusively on the on-premise (restaurant/hotel) business. While Voss hopes to grow its supermarket presence, it has not achieved success in 2007/2008 in its pursuit of this channel (which is the largest U.S. channel for super-premium water).

Figure 1: US Leading Bottled Super-Premium Water Brands



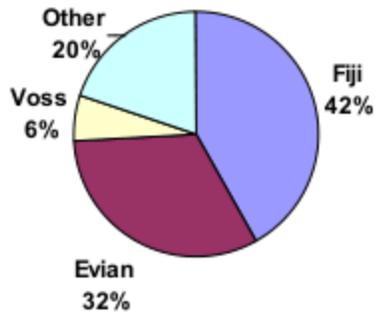
Source: Beverage Marketing Corporation

¹ Increased from 7.4% to 12% during 2002-2005.

Brand Positioning of Bottled Water Players in the US Market

Isbre is focused on the top of the U.S. bottled water market. This is naturally a smaller but also less elastic market. Because of the uniqueness of its water, Isbre is able to enter the market as a high quality provider, despite competing against bottled water companies that are many times its size. Because Isbre is directly competing only against other super-premium brands, its true competition is limited to Fiji, Evian, and, to a lesser extent, Voss (see Figure 2).

Figure 2: US Super Premium Bottled Water Segmentation (2008E)

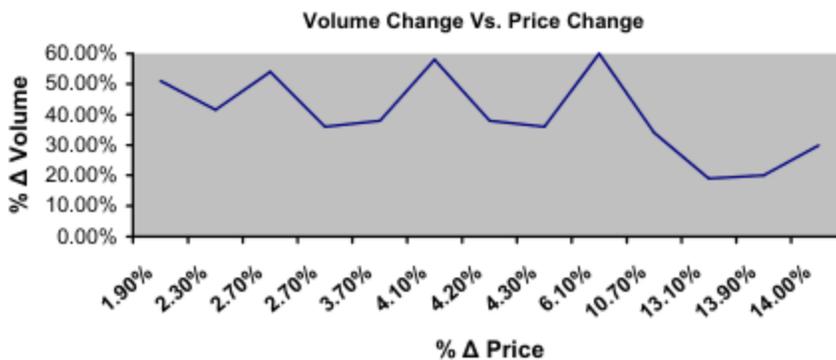


Source: Beverage Marketing Corporation and other industry estimates.

The super-premium market captures the highest price point for bottled water on a unit revenue basis. Fiji and Evian are selling 500 ml bottles at \$5.99-\$6.99 per six-pack. Voss actually sells in the ultra-premium category, with its focus on the glass bottle market in restaurants and hotels.

As in most other retail categories, bottled water sales are very competitive at the lower end of the price spectrum. Price competition lessens as product quality and differentiation play an increased role in consumer choice in the higher cost categories. Figure 3 shows that Fiji, at the higher end of the price spectrum, has been able to attain spectacular sales growth while passing along cost increases. While Evian has been trying to re-capture share through more aggressive pricing, Evian has limited flexibility because of its high cost structure. In fact, the cost structure for Fiji, Voss and all other imported waters does not allow these companies to compete on price.

Figure 3: Fiji Price to Volume Elasticity Analysis



Source: IRI G/D/Mx. % volume change in Fiji water sales positively correlates to % change in price during 2006.

III. BUSINESS MODEL AND GROWTH STRATEGY

Isbre Holding Corp. is a producer and marketer of super-premium bottled water with a unique capability to ship and sell water in bulk.

Exclusive Water Rights

Isbre has secured exclusive private and public rights to its water. Private rights are granted by the Osa Valley landowners under a 99-year water rights agreement. Public rights are granted under a water extraction permit issued by the Norwegian government that allows up to 5,000,000 gallons of water to be extracted per day. Isbre's existing water source is a sub-glacier, artesian spring at the end of the Hardanger Fjord in the Osa Valley, in the municipality of Ulvik, on the west coast of Norway. There are numerous other Osa Valley water sources controlled by Isbre. Isbre controls all of the land relevant to these resources by 99-year easement rights.

World's Purest Natural Water

The water from Isbre's source is the purest natural water ever tested. Hydrogeological research, working and monitoring wells, and environmental studies have confirmed the quality and quantity of the water.

Tests of the Isbre water consistently show that, with total dissolved solids ("tds") of not more than 4 ppm (parts per million), Isbre is significantly lower in tds than other super-premium waters (see Table 5). This means that Isbre's water is free of the mineral, metallic or salty tastes found in water of its super-premium competitors. Isbre has registered with the U.S. Patent and Trademark Office and the European Union the trademark "The World's Best Drinking Water®" (see Exhibit II).

Table 5: Comparison of Isbre Purity to Key Super-Premium Water Competitors (a)

| Brand | Purity Measure (b) |
|-----------------------|--------------------|
| ISBRE | 4 |
| Voss | 64 |
| Volvic | 140 |
| Fiji | 230 |
| Evian | 310 |
| San Pellegrino | 990 |

(a) Lab Tested by Groundwater Analytical, Inc. and Eurofins Norge.

(b) Units = tds in Parts Per Million. tds is the total amount of charged ions, minerals, salts or metals dissolved in a volume of water, expressed as (mg/L), also referred to as parts per million.

Win the U.S. Market

The U.S. is the focus of Isbre's production and distribution plan. This strategy recognizes the uniformity and size of the U.S. super-premium water market. The U.S. opportunity manifests itself in the following ways:

- The U.S. is the single biggest still water market opportunity. Europe may have more overall bottled water sales, but a vast majority of the market are sparkling and mineral waters. Group Danone, the number one player in Europe, uses multiple brands to navigate the different regions in Europe, showing the market's fragmentation.

- U.S. marketing translates more easily across the entire market whereas Europe requires multiple marketing efforts. Germany, Britain, France, Italy, and Spain have regionalized marketing cultures.
- The U.S. has more opportunity to develop scale efficient bottling (e.g., lower labor costs, more spare bottling capacity) and distribution (lower fuel/transportation costs).

Isbre's Plan: Marketing Strategy

In the North American bottled water market, the Company's strategy is to be a super-premium water brand. Isbre's key competitors are Fiji (the top and fastest growing brand), Evian (which has been losing share), and Voss (smaller, growing share).

The roll-out strategy has been planned as a 4 stage process:

| |
|---|
| <p>Stage 1: Establish an all-channel distribution network across the greater New York/Philadelphia Metropolitan Markets (having a combined population of over 25 million people). This stage has been successfully completed.</p> |
| <p>Stage 2: Achieve widespread, multi-channel retail placement in the Northeast Market. Isbre is now available in over 2,000 supermarkets (over 60% of the supermarkets in the region), 3,000 street accounts, and over 300 restaurants, hotels, etc. This stage has also been completed.</p> |
| <p>Stage 3: Drive case sales through chain or location specific price promotions and other promotional events. This stage is underway.</p> |
| <p>Stage 4: Launch a highly focused PR campaign, targeting the most likely Isbre consumer audiences. This effort will be supported with cost efficient, "rifle shot" specific media spend.</p> |

Steps 1 & 2 are well along and Isbre is now ready to initiate steps 3 & 4. Placement alone will not achieve high sales per placement on a widespread basis. The introduction of steps 3 & 4 will allow Isbre to take advantage of existing opportunities to dramatically increase sales. Isbre is perfectly poised to continue its rollout and reap the benefits of the widespread placement success achieved to date.

Isbre's marketing strategy is aligned with establishing its position as a U.S. super-premium water brand. While Isbre is a new entrant, it will leverage the branding successes of Fiji and Voss. These firms have proven the appeal of imported, premium priced bottled water from an exotic source. Fiji, in particular, has demonstrated that a water brand from a pristine aquifer source is able to attract an audience that is growing faster than the overall water market.

This leverage gives Isbre greater ability to optimize distribution, since there is now clearly established, broad-based awareness of and demand for super-premium water (no longer the province of the most expensive venues but now demanded by mass market venues such as supermarkets). Isbre will sell into the demand that these brands have created. At the same time, Isbre will provide a high-end alternative to consumers and retailers alike by investing heavily in an optimized delivery channel. While Isbre will spend on traditional marketing efforts, it will focus on promotional marketing, which is much more tactical. PR and media celebrating the unique selling proposition of Isbre will be introduced into each market as critical placement levels have been achieved. Isbre's efforts will initially be directed towards securing shelf space rather than image creation. These efforts will put Isbre into the right stores in the right places to grow its market presence and share from the bottom up. In addition to distribution focused promotional pricing, Isbre will utilize a full range of marketing activities, including media advertising, marketing

communications, display advertising, point-of-sale material, trade show exhibition and web-site development. Isbre's strategy is to optimize its presence in its chosen outlets while creating a campaign that is unique and attractive to the target consumer.

Isbre's marketing strategy will highlight significant expenditures for promotional costs (see Table 6: approximately 36% of the total marketing budget). Price promotions are a proven method to optimize sales at chain supermarkets, and align Isbre with chain supermarkets, which are the biggest sellers of super-premium water. Promotional costs cover markdown costs at chain stores (or independent retailers) that will be promoted in weekly chain ads and promotional programs for street accounts and on-premise accounts. For example, a typical promotional schedule for a supermarket chain is comprised of two weeks per quarter of reduced retail price promotion, resulting in a significant sales increase. Price promotions are often accompanied by off-shelf display, using either a "winged" or a "full end" display. Winged displays sell 4-5 times more product, while full end displays bring 10-12 times more sales. The costs of these promotions are shared by the retailer and the distributor, as all take a lower margin during promotional periods. As a result of Isbre's unique bulk water transport economies, Isbre will enjoy a powerful cost advantage versus other imported waters, allowing price promotion at reduced but still profitable pricing levels. Super-premium sector competitors will be unable to match these promotions.

Table 6: Isbre Marketing Budget

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Promotional Costs | \$ 687,500 | \$ 1,571,250 | \$ 2,338,678 | \$ 3,331,106 | \$ 4,657,510 |
| Supermarket Slotting Fees | \$ 101,250 | \$ 202,050 | \$ 314,100 | \$ 471,150 | \$ 659,610 |
| Trade Advertising | \$ 308,000 | \$ 764,400 | \$ 974,960 | \$ 1,403,344 | \$ 1,868,682 |
| Promotional Activities | \$ 260,000 | \$ 500,000 | \$ 790,000 | \$ 1,000,000 | \$ 1,210,000 |
| Media | \$ 100,000 | \$ 675,000 | \$ 2,650,000 | \$ 3,450,000 | \$ 4,300,000 |
| Total | \$ 1,456,750 | \$ 3,712,700 | \$ 7,067,738 | \$ 9,655,600 | \$ 12,695,802 |

Illustration 1: Rachael Ray Daytime Talk Show

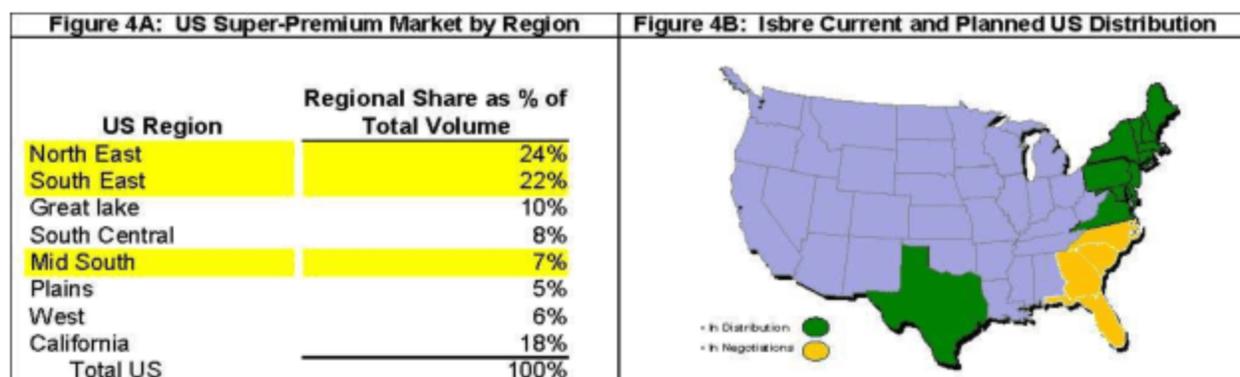


One strategy to gain super-premium market share is via celebrity acceptance. Isbre is the water of Rachael Ray's daytime talk show.

Isbre's Plan: US Distribution Model/Approach

To date, Isbre's distribution focus has been adding and upgrading distributors in the Northeast. It will soon follow with distribution in the Mid-Atlantic and Southeast. Beverage Marketing Corp. reports that 53% of super-premium PET bottled water in the U.S. is sold in these three regions (see Figure 4A). Isbre has active distributor relationships in all Northeast states, and a growing number of Southeast states and Texas (see Figure 4B).

Figure 4: Regional Analysis of US Super-Premium Market



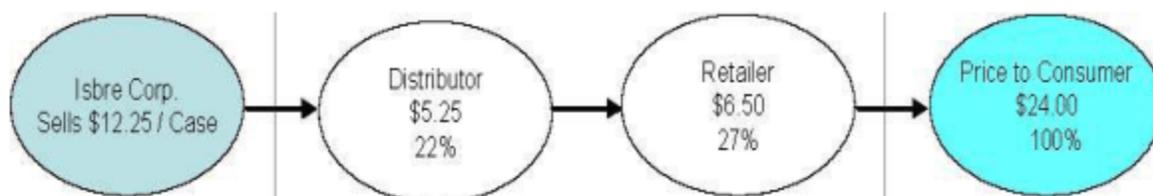
Source: Beverage Marketing Corporation; current Isbre distribution areas are highlighted in yellow.

Isbre’s regional and state distributors (see Table 7) play a role in warehousing, shipping and delivery, selling and shelf space placement. The distributors purchase Isbre and sell to the supermarkets, street accounts, and other retailers. The distributors buy Isbre water for approximately \$12.00 per case and resell it for approximately \$17.00 (on average ~\$5 per case, see Figure 5).

Table 7: Isbre’s US Distributors to Date

| Distributor Name | Location |
|----------------------------|----------------|
| Capitol Beverage Group | DC |
| NKS Distributors | DE |
| Chesapeake Beverage Group | MD |
| DPI Specialty Distributors | Mid-Atlantic |
| Peerless/Crescent | NJ |
| Oak & Boening | NY |
| Spirit & Sanzone | NY |
| Gretz Beer | PA |
| Penn Distributors | PA |
| Haddon House | CT, MD, DE, DC |

Figure 5: Bottled Water Value Chain (% of the Retail Sales)



Isbre has made considerable progress over the last 24 months adding and upgrading distributors and penetrating East Coast markets, and to the lesser extent, the Mid South market (see Table 8):

- Supermarket – on shelf in over 2,000 locations with approvals for another 300 in place and another 1,000 in negotiation.

- "Street Accounts" – on shelf in over 3,000 locations including convenience stores, deli's, gyms, specialty stores, etc.
- Restaurants & Hotels – at over 250 locations.

Within these regions, the Company expects that initially, 70% of its sales will go through supermarkets, and 30% will go through street accounts, restaurants and hotels. This mix will transition to 50/50 as brand awareness increases and alternate channel demand improves.

The Company has achieved placement in the three largest Northeast supermarket chains: ShopRite, Stop & Shop, and A&P.

- ShopRite. 229 stores. Began in January 2008, has progressed to where the Company is now in 177 stores. Expects to be in the remainder by Q2 2010 (ShopRite has 45 different owners requiring an extended roll-out period).
- Stop & Shop. 561 stores. Roll out began in late June 2008. Isbre is in all divisions.
- A & P. 390 stores. Includes A&P, Food Emporium, Waldbaums, and Super Fresh. Rollout began in February 2009. Isbre is in all stores.

Other notable supermarkets Isbre is in or will be rolling out to and the respective timings are as follows:

- Whole Foods. 17 New York and New Jersey stores. 2Q 2009.
- Fresh Market. 91 East Coast stores. 3Q 2009.
- D'Agostinos. 23 NYC stores. 2Q 2009.
- Hannaford. 170 Northeast stores. 2Q 2010.

Drug/variety retailers who have approved Isbre and when shipments will commence:

- Duane Reade. 240 stores. 2Q 2010.

Isbre expects to sell 4 cases per store per week in the supermarket chains by the end of 2009. It expects to achieve that sales velocity when it goes through the full marketing/distribution cycle: store placement, promotion (getting the right high volume location in stores) and media/event spending. Anecdotally, Isbre has been able to achieve that success where it has focused its marketing efforts. In the summer of 2008 on Long Island, with no promotion, Isbre sold 9 cases per store per week in IGA, a 10 store chain in the Hamptons. Additionally, in January 2009, Isbre was introduced into the eight New Jersey Whole Foods stores and experienced exceptional results, averaging over 10 cases per store per week in January and February. Of particular note were the great sales achieved in two specific Whole Foods stores. In the Jericho, NY location, Isbre sold 150 cases in the first 10 days from a major lobby display. At the new store in Paramus, NJ, Isbre sold 50 cases during a four hour demo within two weeks of the store's opening.

Table 8: Retail Placement Summary

| | 1-1-2008 | 6-1-2008 | 8-1-2008 | 11-15-2008 | 6-1-2009 |
|------------------------------|------------|-------------|-------------|-------------|-------------|
| Supermarkets | 50 | 700 | 1500 | 1850 | 2000 |
| Restaurants | 50 | 200 | 220 | 230 | 250 |
| Street | 600 | 2000 | 2200 | 2250 | 2500 |
| Convenience | 50 | 200 | 200 | 215 | 215 |
| Specialty Food Stores | 20 | 50 | 60 | 70 | 110 |
| Hotels | 2 | 20 | 20 | 20 | 30 |
| Golf Clubs | 0 | 8 | 8 | 8 | 8 |

Some of the key restaurants/hotels are shown in Illustration 2:

Illustration 2: Hotels and Restaurants Logos



U.S. Market – Production Plan

Isbre's production plan in the U.S. is based on a phased migration from its Norway-bottling factory to the "Tanker to U.S." production model. **The "Tanker to U.S." model is an end-game, industry changing, low unit-cost model (see Table 9).** In the interim, Isbre will be operating its "Flexitank to the U.S." model, which will dramatically improve near-term economics vs. its Norway production model.

Table 9: Comparison of Unit Profitability

| | ISBRE | | |
|---------------------------|-----------------|--------------------|----------------------|
| | Norway Bottling | Flexitank Shipping | Bulk Tanker Shipping |
| Price to Distributor | \$12.25 | \$12.25 | \$12.25 |
| Transportation Cost | 3.44 | 2.25 | 0.51 |
| Packaging & Bottling Cost | 7.79 | 4.87 | 3.78 |
| Isbre Gross Margin | \$1.02 | \$5.13 | \$7.96 |

Note: Estimate of landed cost of 0.5 liter case.

- I. **Norway Production Model** Isbre formerly owned a bottling facility in Norway at the Osa Valley source (see Illustration 3).
 - Using this bottling method, Isbre began deliveries of bottled water (1.0 liter and 0.5 liter PET bottles, transported by container) to the U.S. in May 2006.
 - Isbre completed the construction of a temporary bottling facility at the Osa source in December 2005. The construction of a permanent facility was completed in December 2006 and expanded in October 2008.
 - In February 2009, the Company entered into a distribution agreement with Norske Glace Limited, a UK company formed to distribute Isbre water in a number of European countries. In May 2009, an affiliate of Norske Glace assumed ownership and operation of the Osa Valley plant. Norske Glace personnel will load Isbre water into flexitanks and tanker ships (see discussion below).

Illustration 3: Osa Valley Bottling Plant



II. Flexitank to U.S. Model – 4th Quarter 2008

Isbre has outsourced production to existing bottling plants in the U.S. It will get the water to these bottlers using an interim bulk shipping approach: transporting the water in flexitanks. A flexitank is a single-use, heavy-duty plastic bag that is installed in a standard 20-foot container and holds 20,000 – 24,000 liters. Flexitanks are manufactured from FDA approved food grade resins and are widely used for transporting a variety of high-value liquids. Isbre has shipped flexitanks from its Osa source to a bottling plant owned by Leisure Time Spring Water, a licensed bottling company located in Kiamesha Lake, NY. Isbre has also made U.S. bottling arrangements with Union Beverage, a licensed bottling company located in Hillside, NJ. Flexitank shipments first will be used for bottling 1.0 liter product but ultimately will be used for all sizes. Flexitank bottling commenced in September 2008.

The Flexitank to U.S. model will reduce the U.S. landed cost per case by approximately \$4.00 due to the reduced transportation and production expense. Further economies are expected as flexitank shipments achieve a larger volume.

III. Tanker to U.S. Model – 2011

Isbre intends to eliminate as much shipping related cost as possible by creating the “Tanker to U.S.” bottling factory model.

It is believed that Isbre’s Osa Valley facility is the only location in the world where high-quality water can be pumped from a natural source directly into tanker ships for low-cost bulk transport. A combination of unique geographic and hydrogeological circumstances gives Isbre the singular ability to enter into sales of bulk water.

The Hardanger is a deep-water fjord; the surrounding mountains form a seabed several hundred feet deep. This waterway is affected by the warm water carried by the Gulf Stream; consequently, the Hardanger does not freeze during the winter months. These conditions combine to allow a large tanker ship to dock within 40 feet of the shore. Water can then be extracted directly from the source and pumped into the ship. Once onboard, the water is distributed through stainless steel pipes to the various stainless steel tanks (compartments) contained within the vessel; the number of compartments will vary according to vessel size. Isbre bulk water is then shipped for bottling locally, generating tremendous transportation cost savings. This bulk shipping capability combined with Isbre’s super-premium water quality gives it the potential to have unrivaled, best-in-industry unit economics relative to all of its super-premium water competitors.

There is no new technology required to transport Isbre’s water in bulk. Many food-grade liquids are transported by tanker ships: olive oil, palm oil, soda syrup concentrate, orange juice, rum, wine, scotch and other beverages. This type of shipping is so routine that an international shipping protocol has been developed for the bulk transport of food-grade liquids.

The Tanker to U.S. model will further reduce the U.S. landed cost per case by approximately \$3.00 for both size bottles.

IV. Unprecedented Profit Margin Opportunity

As noted above, importing bottled product (as all other super-premium waters do) has a landed cost of approximately \$11.00 per case. This cost is reduced to approximately \$7.00 per case using flexitanks, and to approximately \$4.30 per case with bulk tanker shipping. Isbre’s unique

ability to employ bulk tanker shipping produces a total landed cost of less than 50% of the cost of other imported waters. Consequently, Isbre will be by far the lowest cost competitor in the U.S. super-premium market. The tanker bulk shipment strategy will also permit production flexibility and responsiveness and packaging size and innovation unprecedented in the imported water industry.

As the lowest cost producer in the super-premium category, Isbre will be able to spend more marketing dollars on a per-unit basis and engage in retail promotional activity that cannot be replicated by competitors. For example, Table 10 below demonstrates that Isbre's bulk shipment approach will enable it to generate healthy profit margins at price promotions simply impossible for other super-premium waters to match.

Table 10: Half-Liter Six-Pack Margins at Various Price Points

| | @ \$5.99 Retail | @ \$4.99 Retail | @ \$3.99 Retail* |
|-------------------------------|-----------------|-----------------|------------------|
| Retail per Case | \$23.96 | \$19.96 | \$15.96 |
| Cost to Retailer | \$17.50 | \$16.00 | \$13.60 |
| Retail Profit per Case | \$6.46 | \$3.96 | \$2.36 |
| Retailer Margin | 27% | 20% | 15% |
| Cost to Distributor | \$12.25 | \$12.25 | \$12.25 |
| Promo Credit | | \$0.75 | \$1.95 |
| Net Cost to Distributor | \$12.25 | \$11.50 | \$10.30 |
| Distributor Profit per Case | \$5.25 | \$4.50 | \$3.30 |
| Distributor Margin | 30% | 28% | 24% |
| <hr/> | | | |
| Competitor Production Cost | \$11.00 | \$11.00 | \$11.00 |
| Trucking | \$0.50 | \$0.50 | \$0.50 |
| Total Competitor Cost | \$11.50 | \$11.50 | \$11.50 |
| Competitor Margin \$ per Case | \$0.75 | - | (\$1.20) |
| Competitor Margin % per Case | 6.5% | 0% | -10.4% |
| <hr/> | | | |
| Flexitank Production Cost | \$7.00 | \$7.00 | \$7.00 |
| Trucking | \$0.50 | \$0.50 | \$0.50 |
| Total Landed Flexitank Cost | \$7.50 | \$7.50 | \$7.50 |
| Isbre Margin \$ per Case | \$4.75 | \$4.00 | \$2.80 |
| Isbre Margin % per Case | 63% | 53% | 37% |
| <hr/> | | | |
| Tanker Production Cost | \$4.30 | \$4.30 | \$4.30 |
| Trucking | \$0.50 | \$0.50 | \$0.50 |
| Total Landed Tanker Cost | \$4.80 | \$4.80 | \$4.80 |
| Isbre Margin \$ per Case | \$7.45 | \$6.70 | \$5.50 |
| Isbre Margin % per Case | 155% | 140% | 115% |

*Ad costs typically run \$0.50-\$1.00 per case depending on case sales volume during the sale period. For example, the \$3.99 per six-pack major feature ad at A&P (447 stores) would cost \$5,000 and would sell approximately 20 cases per store, equating to a cost of \$0.56 per case.

V. The Time Charter Party Agreement

- Isbre has entered into a Time Charter Party Agreement to arrange for bulk transport of its water from the Osa, Norway source to its Pennsylvania facility with Jo Tankers of Bergen, Norway, an internationally recognized shipping company that specializes in the transport of liquids (see www.jotankers.com for a description of this shipping company).

- The term of the Charter is ten years, commencing in 2009. The first vessel to be utilized under the Charter is the Jo Spirit (see Illustration 4). This vessel (built in 1998, summer deadweight 6,285) carries 20 stainless steel tanks with a total capacity of 1,366,970 gallons.

Illustration 4: Jo Spirit



- The rate of hire for the Jo Spirit is \$12,075 per day. Ordinarily, a “round voyage” between Osa and Bristol would require approximately 28 days, including loading and unloading. Since the Jo Spirit is currently under charter for the trip from the Caribbean to Northern Europe, Isbre will have the advantage of a “back haul” opportunity and incur only about fifty percent of the transportation expense that a dedicated charter would entail. The rate of hire for larger vessels reaches \$22,000 per day (for a DWT 39,273 vessel with 10,000,000 gallon capacity).
- When U.S. production requires greater water delivery, Jo Tankers will substitute larger vessels. The Jo Tankers fleet contains vessels with capacities approaching 10 million gallons. Isbre and JoTankers have agreed upon the protocol for transporting Isbre’s water. Note: Other shipping companies have expressed interest in working with Isbre on bulk water transport.

VI. The Bristol, Pennsylvania Site

The water will be unloaded into a stainless steel storage tank at the Riverside Industrial Center, a 60.5 acre site located on the Delaware River, north of Philadelphia, in Bristol, Pennsylvania (see Illustration 5). The Riverside complex is owned by Constructural Dynamics Inc., a wholly-owned subsidiary of The Silvi Group Companies (“Silvi”).

Illustration 5: The Riverside Industrial Center, Bristol PA



Isbre and Silvi entered into a Letter of Intent for Isbre to lease approximately 140,000 sq. ft. at Riverside for a term (including renewals) of 35 years. The complex has a deep water bulkhead in place; ships requiring a draft of up to 38 feet can be moored. As part of the lease transaction, Silvi is taking Isbre shares in lieu of rent for a five-year period. Details of the Riverside lease appear in Exhibit III. Note: The letter of Intent has expired, but Isbre is confident that it can reactivate the lease on the same or better terms. Isbre maintains a good relationship with Silvi.

Isbre will develop the Bristol site and lease the building to a co-packer which will operate the bottling plant. Isbre has a preliminary agreement with Linker Equipment Corporation, a 50-year old international bottling equipment manufacturer and beverage bottling company.

The Bristol facility is an excellent location for logistic considerations. As shown in Illustration 6 below, the areas from southern Massachusetts to northern Virginia are within a 200-mile radius of Bristol.

Illustration 6: Bristol, PA



VII. U.S. Market – Packaging Plan

The Company’s Flexitank to US and Tanker to U.S. arrangements also generate flexibility and scalability. For example, the Company will be able to bottle “on demand” in different container sizes according to customer requests, resulting in unprecedented production flexibility. Isbre has already started exploring Tetra Pak containers as a way of providing additional flexibility in packaging.

This “just-in-time” capability means that less storage space is required for raw material and bottled product, on-site or off-site, thereby reducing warehouse expense.

The Company intends to market its water in the following sizes (see Illustration 7):

- 330 ml PET
- 0.5 liter PET
- 1.0 liter PET
- 1.5 liter PET
- 3.0 liter PET
- 1.0 liter glass

Isbre will introduce a 1.0 liter glass bottle in 3Q 2010. This bottle will be used for both still and sparkling Isbre water. The renowned graphic designer Milton Glaser has been engaged to design the glass bottle. An attractive glass bottle will support and enhance the fundamental value of the Isbre brand and help it maintain a strong presence in the super-premium category, in the on-premise and hospitality segments in particular.

Illustration 7: Isbre Packaging



Table 11 below shows forecasted growth in the U.S. Super-Premium bottled water market and the anticipated volume increases for Fiji and Isbre. Recognizing current economic conditions, as indicated in the footnotes, the forecast assumes future volume at significantly lower growth rates than historical levels. Table 11 also reflects a conservative assumption that Isbre achieves only 13% of total Super-Premium sales and 25% of Fiji sales in 2013.

Table 11: Isbre Potential Share of Super-Premium Still Water

| | 2007 | 2008 | 2009 | 2010 E | 2011 E | 2012 E | 2013 E |
|-------------------------------------|---------|---------|---------|--------|--------|--------|--------|
| Super-premium ^{1,2} | 181 | 188.2 | 195.8 | 203.6 | 211.7 | 220.2 | 229 |
| Fiji ^{1,4} | 39.2 | 47 | 56.5 | 67.7 | 81.3 | 97.5 | 117 |
| Fiji % of Super-Premium | 22% | 25% | 29% | 33% | 38% | 44% | 51% |
| Isbre ⁵ | 104,559 | 205,920 | 146,720 | 1,597 | 4,818 | 8,927 | 14,699 |
| Isbre % Super-Premium | 0.0% | 0.3% | 0.3% | 0.7% | 2.2% | 4.0% | 6.4% |
| Isbre % of Fiji | 0.26% | 0.4% | 0.25% | 2.3% | 5.9% | 9.1% | 12.56% |

1. Millions of Gallons

2. Seurax Sundale Research

3. 2007 actual; 2% growth thereafter (vs 10% avg growth rate)

4. 2007 actual; 20% growth thereafter (vs 33.3% avg growth rate 2002-2007)

5. 2007-2009 actual, Financial Model Projections thereafter.

The Non-US Market

While the U.S. market is clearly important for Isbre, the opportunity outside of North America is a significant expansion opportunity for the company. According to data reported by Beverage Marketing Corporation,

- Europe is the largest and most mature bottled water market worldwide.
- The bottled water market in Asia has almost doubled in size since 2001 and sells roughly 80% as much bottled water as Europe.
- South America is a modest growth, modest size market, although two Latin American countries, Mexico and Brazil, are among the top 10 worldwide in terms of bottled water consumption.

Preliminary exploration of non-US distribution opportunities has been promising.

- Isbre has entered into a distribution agreement covering a number of European countries.
- Isbre has had preliminary discussions with three firms to distribute Isbre in South Korea, China and Japan.
- Several firms have shown interest regarding bottled and bulk water opportunities in the Middle East.

The Global Bulk Water Sales Opportunity

Isbre's bulk water sales strategy is quite simple: Isbre will sell water directly from its Osa Valley source to bottlers and other purchasers. In most cases, bulk water purchasers will be responsible for all steps of the bottling process, including commissioning the tanker which will take water from the Isbre source and transport to a bottling plant. **For Isbre, the sale of water in bulk offers gross margins in excess of 90%.**

Until a comparable capability is developed, the Company will enjoy a compelling competitive advantage in the ability to create and exploit the international market for bulk water sales. The extent and composition of the bulk water sales market is unknown at this time. Prospective bulk water purchasers include: bottled water companies, governments (for civilian and military consumption), beverage manufacturers (e.g., beer, alcohol or other beverage producers seeking a large supply of ultra-pure water), and humanitarian organizations.

IV. FINANCIAL INFORMATION OVERVIEW

Table 12: Isbre Projected Income Statement

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Volume | | | | | |
| US Gallons | 1,597,077 | 4,818,761 | 8,927,993 | 14,699,167 | 22,414,661 |
| Non-US Gallons | 0 | 554,531 | 1,505,156 | 2,455,781 | 3,247,969 |
| Bulk Gallons | 17,906,256 | 65,988,672 | 130,105,568 | 194,298,416 | 258,584,786 |
| Total Gallons | 19,490,631 | 71,361,965 | 140,538,717 | 211,453,364 | 284,247,416 |
| US Cases | 500,000 | 1,375,000 | 2,403,800 | 3,834,600 | 5,747,800 |
| Non-US Cases | 0 | 150,000 | 400,000 | 650,000 | 850,000 |
| Other Cases | 0 | 0 | 0 | 0 | 0 |
| Total Cases | 500,000 | 1,525,000 | 2,803,800 | 4,484,600 | 6,597,800 |
| Revenue | | | | | |
| US Revenue | 6,337,500 | 16,799,000 | 28,824,672 | 45,528,904 | 68,385,828 |
| Non-US Revenue | 0 | 1,280,000 | 3,536,000 | 5,844,000 | 7,842,000 |
| Promotional Discounts | (49,563) | (122,356) | (262,860) | (377,230) | (468,360) |
| Bulk | 1,331,913 | 4,811,382 | 9,426,774 | 14,438,154 | 19,194,932 |
| Investment Income | 220,918 | 378,897 | 408,273 | 763,411 | 1,281,655 |
| Total Revenue | 7,840,769 | 23,146,923 | 41,932,859 | 66,197,239 | 96,236,055 |
| Expenses | | | | | |
| US Packaging | 3,582,732 | 6,859,198 | 12,054,154 | 19,801,986 | 29,888,450 |
| US Freight | 355,000 | 563,750 | 985,558 | 1,572,186 | 2,356,598 |
| Non-US Packaging | 0 | 762,500 | 2,050,500 | 3,309,500 | 4,331,500 |
| Sea Transport | 0 | 1,790,487 | 1,118,626 | 2,237,252 | 3,355,878 |
| Water Usage Fee | 233,888 | 856,344 | 1,531,745 | 1,715,554 | 1,715,554 |
| US Plant(s) - CAM | 0 | 40,000 | 50,000 | 75,000 | 75,000 |
| US Plant(s) - Utilities | 0 | 125,000 | 150,000 | 250,000 | 250,000 |
| Marketing | 1,456,750 | 3,712,700 | 7,067,738 | 9,655,600 | 12,695,802 |
| US Salaries & Wages | 650,000 | 1,335,000 | 2,095,000 | 2,350,000 | 2,780,000 |
| US Benefits | 195,000 | 400,500 | 628,500 | 705,000 | 834,000 |
| Bristol Bottling Plant Wages | 0 | 693,200 | 720,928 | 1,024,234 | 1,065,203 |
| So. Cal Plant Wages | 0 | 0 | 0 | 0 | 0 |
| Bristol Benefits | 0 | 207,960 | 216,278 | 307,270 | 319,561 |
| So. Cal Benefits | 0 | 0 | 0 | 0 | 0 |
| Norway Wages&Benefits | 0 | 80,000 | 84,000 | 88,200 | 92,610 |
| Norway Electric | 895 | 3,299 | 6,505 | 9,715 | 12,929 |
| US HQ Rent | 40,000 | 45,000 | 50,000 | 50,000 | 60,000 |
| Car Allowance | 60,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Telephone | 15,000 | 25,740 | 28,314 | 30,000 | 30,000 |
| Insurance | 15,000 | 50,000 | 150,000 | 200,000 | 200,000 |
| Travel | 40,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Lab Testing | 20,000 | 50,000 | 100,000 | 100,000 | 100,000 |
| Postage/Delivery | 8,400 | 10,920 | 13,104 | 14,414 | 14,414 |
| Director Fees | 0 | 50,000 | 80,000 | 80,000 | 80,000 |
| Professional Fees | 125,000 | 200,000 | 250,000 | 250,000 | 250,000 |
| Transfer Agent Fees | 20,000 | 28,122 | 30,000 | 30,000 | 30,000 |
| Consulting Fees | 75,000 | 150,000 | 225,479 | 232,498 | 232,498 |
| Shareholder Communications | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Depreciation | 0 | 751,234 | 1,151,234 | 1,151,234 | 1,151,234 |
| Interest Expense | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 6,902,665 | 19,000,953 | 31,047,663 | 45,449,643 | 62,131,230 |
| Income before Tax | 938,104 | 4,145,969 | 10,885,196 | 20,747,596 | 34,104,824 |
| Income Taxes | (0) | 0 | 0 | (1,292,035) | (13,641,930) |
| Net Income | 938,104 | 4,145,969 | 10,885,196 | 19,455,562 | 20,462,895 |
| EBITDA | 938,104 | 4,897,203 | 12,036,429 | 21,898,830 | 35,256,058 |
| Operating Cash | 727,864 | 3,983,332 | 10,154,305 | 17,521,579 | 17,028,001 |

V. OWNERSHIP AND MANAGEMENT

Ownership

The Company intends to establish U. S. subsidiaries for distribution of Isbre and for each U.S. bottling plant. The Company also intends to re-name itself (possibly as "Norwegian Water Resources, Inc.") to remove the "Isbre" brand from the corporate name.

Capitalization / Public Market Status / Shareholders

Isbre's shares are currently listed on the Pink Sheets under the symbol ISBH.PK. It is a non-reporting company. In Isbre's formative years, it was thought that it would be easier to raise equity capital as a public entity. At this stage of development, Isbre management is flexible as to the whether it should remain a public company.

As of September 1, 2009, Isbre had 17,812,992 common/voting shares outstanding and 26,978,283 warrants outstanding. The warrants have strike prices ranging from \$1.00 to \$4.50. The average strike price is approximately \$3.12. Approximately 95% of the warrants are priced at \$3.00 or higher. If all warrants were exercised, an additional \$82 million would be invested in Isbre. The vast majority of the warrants expire between 2014 and 2016.

Since August 2004, Isbre has periodically raised equity capital through the sale of common stock to high net worth individuals and institutional investors. Equity raised during this time frame totaled approximately \$8 million.

The Warrant Exchange Program

In August 2009, the Company introduced a Warrant Exchange Program. The WEP seeks to achieve the two important goals of raising needed capital for the Company and mitigating the "warrant overhang" concern cited by several potential Isbre investors.

The Cash Exchange. Warrant holders have the option to exercise their warrants at 10% of the strike price. Most of the warrants have a strike price of \$3.00, translating into a \$0.30 program strike price.

The Cashless Exchange. Warrant holders also have the option to exchange a warrant for a fractional share of Isbre stock. Example: 10,000 warrants with a strike price of \$3.00 can be exchanged for 0.3 share, producing 3,000 shares of IHC common stock. The different warrant strike prices and fractional share amounts are as follows:

| <u>Warrant Strike Price</u> | <u>Fractional Share</u> |
|-----------------------------|-------------------------|
| \$1.00 | 0.90 |
| \$1.50 | 0.60 |
| \$2.00 | 0.45 |
| \$3.00 | 0.30 |
| \$3.20 | 0.28 |
| \$3.50 | 0.25 |
| \$4.50 | 0.15 |

As of February 1, 2010, 6,972,554 warrants have been exchanged for 2,205,458 shares in cashless exchanges and 1,883,129 warrants have been converted into the same number of shares at the reduced strike prices. Note: Since there is no way of predicting participation in the Warrant Exchange Program,

there is no way of predicting the number of warrants that will be exchanged or the amount of proceeds that will be raised through the program.

Approximately 11 million shares, or 64% of total common shares outstanding (pre-Warrant Exchange Program), are owned by employees and affiliated shareholders. Table 13 below shows the breakout of the larger holders.

Table 13: Major Isbre Shareholders

| | Common Shares | % of Total |
|----------------------------|-------------------|---------------|
| NorgeWater U.S.A. (a) | 3,844,387 | 21.5% |
| Bjorn V. Seljevold | 2,765,770 | 15.8% |
| Pure Capital (b) | 1,650,000 | 9.4% |
| Forum Asset Management (c) | 1,000,000 | 5.7% |
| William D. Siegel | 906,250 | 5.2% |
| Karl Sandoy | 589,190 | 3.4% |
| Stevan Sandberg | 479,062 | 2.7% |
| Subtotal | 11,234,659 | 63.7% |
| Other | 6,415,446 | 36.3% |
| Total (d) | 17,650,105 | 100.0% |

(a) Norgewater U.S.A. is an informal collective of "friends & family" of Mr. Sandberg.

(b) Pure Capital is a Norwegian Investment Company with 3 shareholders: Svein Johnson (50%), Bjorn Hanevik (40%) and Kjetil Lien (10%). Svein Johnsen has founded several Norwegian companies, including the mobile company Chess, where he was the CEO. The company was sold to TeliaSonera for over \$350 million after only three years of operation. Bjorn Hanevik was the architect behind the biggest lottery company in Norway. The company was sold to UBS five years ago. Mr. Kjetil is an investor in stocks and real estate.

(c) Founded in 2001 and based in New York City, Forum Asset Management is a global investment manager that focuses in fixed-income and emerging markets.

(d) Shareholdings will be affected by participation in the WEP.

Management

Stevan A. Sandberg, President; Director

From 2001 to 2006, Mr. Sandberg was the President of Advisory Services at The Staubach Company, where he was also a member of the Board of Directors. From 1987 to 2001, he was employed at Cushman & Wakefield and served on the Board of Directors and Executive Committee during this time. His responsibilities at Cushman & Wakefield included General Counsel and Secretary from 1987 to 1997 and Executive Vice President, Strategic Advisory Services, from 1997 to 2001. From 1982 to 1987, Mr. Sandberg was The Rockefeller Group General Counsel, Real Estate & Corporate Finance. From 1977 to 1982, he was a Real Estate Associate at Shearman & Sterling and Kelley, Drye & Warren. Mr. Sandberg graduated from Dartmouth College and earned his Law Degree from Harvard Law School. In 2004, Mr. Sandberg was engaged by Isbre as a real estate consultant. In the course of the engagement, he formed an investor group that became a significant investor in the Company. Mr. Sandberg went on Isbre's Board of Directors in 2005 and became President in 2006.

William A. Louttit, Executive Vice President; Director

Mr. Louttit began his retail career as a part-time clerk in a Grand Union supermarket and rose to become Executive Vice President and Chief Operating Officer of the Grand Union Company. He also served on Grand Union's Board of Directors and Executive Committee. Mr. Louttit was also Chairman and Chief Executive Officer of the Northeast group of the Great Atlantic & Pacific Tea Company, encompassing Metro A&P, Waldbaums, Super Fresh and Food Emporium stores. Mr. Louttit is a member of the New Jersey Food Council, where he was voted Retailer of the Year in 1991.

Board of Directors

James M. Stevens Sr., Director

Mr. Stevens is Chairman of J.M. Stevens & Associates, Inc. a beverage industry consulting firm, established in 1997, and Co-Founder of Dutcher Crossing Winery of Healdsburg, California. His beverage experience, ranging over 35 years, includes introducing Perrier to the U.S. in the 1970's, which helped establish bottled water as a beverage category of its own. Mr. Stevens served during 2000 as President and CEO of the Danone Water Company of North America while continuing to operate his consulting firm. From 1992 through 1996 Mr. Stevens was President and CEO of the Suntory Water Group, growing it to the nation's second largest bottled water company. At Suntory he was successful in establishing the Crystal Spring brand as the Official Bottled Water of the 1996 Olympic Games in Atlanta. In 1986, he joined Coca-Cola Enterprises and was named executive vice president and COO in 1989. From 1969 to 1976, Mr. Stevens held key management positions with Pepsi-Cola Bottling Group, Purchase, New York. Mr. Stevens holds a Bachelor of Arts degree from Moravian College, Bethlehem, PA, where he majored in business and psychology.

Bjorn V. Seljevoid, Director

Mr. Seljevoid is the former CEO and Chairman of the Company, a position he held from the Company's inception in 1996 until February 2007. A former officer and pilot with the Royal Norwegian Air Force, Mr. Seljevoid moved to the United States in 1982. In 1984, he formed Suffolk Helicopters, Inc. (subsequently renamed American Helicopter Corp.), which was one of the first aviation companies to conduct airborne traffic surveys. American Helicopter Corp. also became a major flight training facility.

Christopher H. Bartle, Director

Mr. Bartle has practiced law since 1982 at such firms as: Simpson Thacher & Bartlet, Paul, Weiss, Rifkind, Wharton & Garrison, and Dolgenos, Newman & Cronin. His practice of law has included corporate, environmental, litigation, bankruptcy and real estate. In 2005, Mr. Bartle joined the APC Group, a buyer of distressed real estate and loan assets. In addition to Isbre, Mr. Bartle is currently a board member of the following companies: Boylan Bottling Co., Inc., Crayons, Inc. (Advisory Board), SweetskinZ, Inc., and Brand Name Management, Inc. Mr. Bartle graduated from Yale University and earned his law degree from Yale Law School.

Bjorn Hanevik, Director

Mr. Hanevik was the architect behind the biggest lottery company in Norway. The company was sold to UBS five years ago.

VI. EXHIBITS

EXHIBIT I.

Use of Proceeds

| | |
|-----------------------|----------------------|
| Osa Infrastructure | \$ 1,700,000 |
| Bristol Retrofit | \$ 2,300,000 |
| Bristol Bottling Line | \$ 1,500,000 |
| Bristol Storage Tank | \$ 3,600,000 |
| Marketing | \$ 1,800,000 |
| Product Expansion | \$ 1,000,000 |
| Working Capital | \$ 2,100,000 |
| TOTAL | \$ 14,000,000 |

**EXHIBIT II.
Patents and Trademarks**

| Mark | Country of Filing | Serial Number | Filing Date | Registration Number | Registration Date |
|--|-------------------|---------------|-------------|---------------------|-------------------|
| BLASTER | USA | 78/632,249 | 11/30/2005 | | |
| BOTTLE DESIGN | USA | 76/639,785 | 05/31/2005 | 3,149,320 | 09/26/2006 |
| ISBRE | Canada | 835,590 | 02/05/1997 | TMA569,466 | 10/23/2002 |
| ISBRE | European Union | 835,590 | 02/05/1997 | 000472803 | 09/30/1998 |
| ISBRE | Mexico | | | 559237 | 03/07/2007 |
| ISBRE | Singapore | T06/23535G | 11/02/2006 | | |
| ISBRE NORWEGIAN GLACIER WATER and design | USA | 76/444,348 | 08/28/2002 | 2,736,395 | 07/15/2003 |
| MISCELLANEOUS BOTTLE DESIGN | Singapore | T06/23533J | 11/02/2006 | | |
| OSA | USA | 76/497,873 | 03/17/2003 | 3,159,336 | 10/17/2006 |
| THE WORLD'S BEST DRINKING WATER | European Union | 001815893 | | 001815893 | 08/02/2002 |
| THE WORLD'S BEST DRINKING WATER | Singapore | T06/23524A | 11/02/2006 | | |
| THE WORLD'S BEST DRINKING WATER | USA | 75/476,665 | | 2,358,787 | 06/13/2000 |

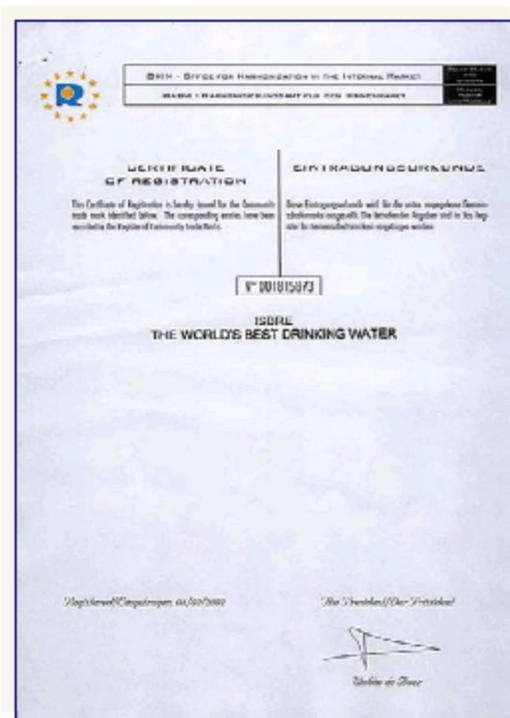


EXHIBIT III.

Bristol PA Riverside Industrial Center Lease Details

| Premises | Lease Terms | Landlord Equity |
|--|---|---|
| <p>38,220 sq. ft. on first floor and 100,576 sq. ft. on second floor; 138,796 sq. ft. total. Easements relating to use of dock, tanks and piping</p> | <p>Term: 15 years</p> <p>Rent: Lease Years 1-5, no cash rent.</p> <p>Lease Years 6-8: \$2.88 per sq. ft.</p> <p>Lease Years 9-11: \$3.15 per sq. ft.</p> <p>Lease Years 12-14: \$3.44 per sq. ft.</p> <p>Lease Year 15: \$3.76 per sq. ft.</p> <p>Tank Land Rent: \$0.50/sq.ft. increasing by \$0.10 each 5 years</p> <p>CAM: Repair & Maintenance: 5% of base rent Insurance: \$0.05/sq.ft.</p> <p>Real Estate Taxes: \$0.11/sq.ft.</p> <p>Landlord Work: Base building improvements, elevator repairs, loading dock door replacements, electrical upgrade, base heating system</p> <p>Tenant Work: The Company estimates up to \$1,200,000 in tenant building improvements. Additional work includes a water storage tank and the piping necessary to carry the water from the ship to the tank.</p> <p>Security: Two months average rent (\$64,000)</p> <p>Options to Renew: The Company has two options to renew the lease term, each for a ten-year period, at a rental rate equal to fair market rental value</p> <p>Option to Expand: The Company has the right to lease other space becoming available in the building</p> | <p>In return for the 5-year free rent period and various other concessions and benefits, the landlord will receive 898,325 shares of Isbre stock.</p> |