

COMMODORE APPLIED TECHNOLOGIES

DATE: August 25, 2009

TO: All Employees, Customers, Partners and Shareholders

FROM: Tom Colatosti, Chairman & CEO

SUBJ: Company Update

I want to thank each of you for welcoming me to Commodore and for your support of the company as it makes its most important changes in more than a decade. I am thrilled to be part of the team. I appreciate the culture and values of the company - the commitment our staff have to our customers and to each other; and the trust and confidence our customers and partners have in the quality of our services and technology.

I look forward to working with all of you to lead the company to new levels of success excellence!

I have come to believe the single most important thing I can do for the company, its employees and its customers is to get the company to profitability. Profitability brings quality, consistency and stability to our customers; security, development and opportunity for our employees; and the ability to attract resources to invest in the future growth of the company.

Since Commodore Applied Technologies acquired Advanced Sciences, Inc. in 1996, it has had a history of unprofitability. As a result, the company's principal owners, with the approval of the Board of Directors, asked me to lead the restructuring and transformation of the company (see the attached press release on my appointment). This task will not be easy, but with focus, discipline and your help I believe we can make the company profitable, more competitive and more empowering for our employees. This confidence is not mere hope or audacity, but is based in my belief that we have the industry's most competent and dedicated employees; superior propriety technology; and a strong brand reputation for providing quality cost effective services that are recognized and affirmed in the goodwill we have with our customers.

In just a few short weeks we have taken bold and decisive action to transform the company and by streamlining corporate reporting, administrative, overhead and support functions, we will have reduced our corporate overhead costs by nearly \$1,000,000 annually.

- We have launched initiatives to:
 - o Understand and improve our program workforce utilization
 - o Understand and improve our billing rates
 - o Add sales and marketing resources

- Focus on business development to build our sales pipeline of new revenue opportunities
 - Identify and develop the market for the high-growth, high-margin potential we have in our unique and propriety SET technology
- We have restructured our organization to make it flatter and more responsive. It reflects our focus and complete attention to our only four business goals:

Marketing and Business Development – profitably grow our business

Program Delivery – profitably manage our contracts and satisfy our customer with quality on-schedule, on-budget services delivery

Waste Treatment Services - identify and develop the market for our propriety Solvated Electron Technology (SET)

Finance – effectively manage the cash flow and financial resources of the company

Our vision is simple and straight forward – ***be a high quality environmental consulting services company, while validating and developing the market for remediation services.***

This means:

- 1) We will energize the **staff** to maintain high morale within the company – appreciated, motivated and competent people are the first step to improved financial performance
- 2) Ensure that our **clients** receive exceptional service, efficiency, quality and professionalism – there is no financial progress without satisfied customers
- 3) Become **cash flow** positive from operations – there is no business without positive cash flow
- 4) **Invest for growth and success** – new projects, add-ons, upgrades, new customers, new markets

We are determined, committed and focused to succeed and build a great thriving company. This will take management leadership, employee productivity, fair pricing from our customers and patience from our investors.