

Bio Solutions Manufacturing Inc.

(BSLM – OTC BB)

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Website: <http://www.biosolutionsmfg.com>
Exchange: US-OTC Bulletin Board
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Recent Price: **\$0.59**
6 month Target Price: **\$1.40**

SPECULATIVE BUY RATING

Main Headquarters

Bio Solutions Mfg, Inc
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Company Overview

Bio-Solutions have developed superior microbiological products for waste bioremediation. BioSolutions currently service many municipal collection systems and a growing number of food service facilities in the United States. The company's products have been approved by an ever-growing number of municipalities for use in food service facilities that produce waste products introduced into the municipal collection systems. Bio-Solutions' products treat waste in an environmentally friendly and safe manner in compliance with Federal and State government standards. **Bioremediation is the treatment of pollutants or waste (e.g. grease or manure) by the use of microorganisms that break down the undesirable substances into harmless, elemental forms such as carbon dioxide and water.**

BSLM is presently manufacturing third generation biological products consisting of groups of substrate specific systems in its 25,000 square foot facility in Hattiesburg, MS. The systems developed by BSLM are marketed primarily to municipalities for wastewater collection and treatment facilities, and to food service facilities.

- Through its marketing agreements, BSLM's products and systems are currently being sold in some nineteen states (and Canada) with thirty-one franchisees and distributors that are representing its products on an exclusive basis. The sales network is expected to increase by more than fifty percent in the next six months.
- According to the research firm Environmental Business International, the overall environmental services industry grows at an annual rate of 2.7 percent to product a total output of nearly \$200 billion. Approximately 120,000 U.S. companies are engaged in the business of environmental technologies of all kinds. According to the research firm Business Communications Co., Inc., the market for wastewater bioremediation is \$400 million with an AAGR of 3 percent. The market for municipal solid waste management has a value of \$260 million and an AAGR of 5 percent. The conversion of waste-to-energy account for \$70 million with an AAGR of 1 percent. The growing trend of increasing environmental regulation is likely to continue without interruption until we see positive effects on the global environmental picture.
- BSLM has a range of products incorporation natural, non-pathogenic bacteria and microorganisms, nutrients, enzymes, and buffers. These combinations allow for effective bio-augmentation at treatment sites where contaminants are converted into non-harmful end products. This action of reducing contaminants relies on the action of the microorganisms. The microbes secrete appropriate enzymes that degrade (digest) organic matter (contaminant).
- **On May 1st, 2006** , Bio Solutions received \$2.25 M funding from T&T <http://biz.yahoo.com/iw/060502/0126260.html>

We expect the company to exceed its current projection revenue goal from \$2m to our new target of \$2.3m for FY 2006 as the addition of 2 acquisitions and new product innovation. With the new funding of \$2.25 M, the company will expand its marketing campaign and use the proceeds for acquisitions and expansion of training facilities. We believe the company is moving in the right direction, as the trend towards acquisitions is constant and proves to be profitable as expansion is the biggest key for growth and more demand. Currently the company is experiencing huge demand for its products, as the company will expand its training divisions, we should see more upside revenue from BSLM. The shares are attractive given the valuation model, and we believe the stock has more room for upside as the company will expand its product line.

TACTICAL SOLUTION PARTNERS

(all figures in Millions)

52 Wk Hi/Lo	0.23 / 1.25
Shares Out	16.6
Float	5.9
Share price	0.59
Market Cap	10.8
Avg Vol (3 mon)	483,562
Insider Ownshp	NA

	12/31/06	12/7
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	FY2006 E *	FY 07 **
(EPS)	0.03	0.15
(P/E)	19	4
Avd (P/E)	17	19
	FY2006 E	FY 07
Total Revenue	2.3	5.4
Cost of Sales	1.1	1.7
Gross Profit/Loss	1.2	3.7
Oper expenditures	0.75	1.2
Net Income	0.45	2.5

* , ** analyst's estimates for 2006, and 2007 operational activity

We highlight to readers that this report is issued as a note, which is an extract of our full report on the covered company due for release in the next few business days. We strongly urge and recommend investors to read the comprehensive report following its publication.

Our full report will contain more financial information and a discussion of our forecasts, some of which is not presently indicated on our table in page 1.

ANALYST CERTIFICATIONS

APPENDIX-A1

The research analyst, who upon request wrote this report, certifies that the views expressed in this research report, accurately reflects his personal view about the subject company. The analyst also certifies that he does not own or have any beneficial interest in shares of the covered company, also that no part of his compensation was, is or will be directly or indirectly related to the specific recommendation or view expressed in this report. Based on the facts that were provided, the industry trends present and sources of information used to produce this report, it is my best opinion and reflection of what the company's rating and share appreciation potential could be once research coverage is widely adopted. Investors are urged to consider this report as only a single factor in making their investment decision. Investors should not use this research report as an indication to buy or sell the stock. It is solely used and made for information and opinion of the analyst. Information, opinions or recommendations contained in this report or research note are submitted solely for advisory and information purposes and we also do not accept any obligation to provide updates to this report in future or urge investors to buy the stock.

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