



## CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

### 1,000,000 SHARES OF COMMON STOCK

**\$5,000,000**

Meridian Sciences, Inc., a Nevada Corporation (“MSI”, or the “Company”), is offering 1,000,000 Shares of its authorized voting common stock (“the Shares”) to qualified investors at a purchase price of \$5.00 per Share (the “Offering”). The minimum subscription is 5,000 Shares (\$25,000), unless the Company, in its sole discretion, elects to accept subscriptions for fewer Shares.

**THE SHARES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE “ACT”) OR THE SECURITIES LAWS OF ANY STATE, IN RELIANCE UPON ONE OR MORE SPECIFIC EXEMPTIONS FROM THE REGISTRATION OR QUALIFICATION REQUIREMENTS THEREOF. NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY OTHER FEDERAL OR STATE AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

	Price to Investors	Offering Fees (1)	Net Proceeds (1),(2)
<b>Per Share</b>	\$5.00	\$0.50	\$4.50
<b>1,000,000 Shares</b>	\$5,000,000	\$500,000	\$4,500,000

(1) The Company may pay fees to bona fide finders of up to 10% of the Gross Proceeds (\$5,000,000, if fully subscribed) of this private placement; however, finders may also be paid additional fees in the form of cash, common stock and/or warrants to purchase common stock, and be collectively allowed accountable expense reimbursements of up to \$20,000, all of which to the extent incurred will reduce the Net Proceeds realized by the Company. In addition, the Company may elect in its discretion to selectively discount the purchase price per share to any purchaser, based on size of a subscription, timing of purchase, and other factors deemed to be relevant by the Company.

(2) Also, the Company estimates it may incur up to \$20,000 of legal and accounting expenses and \$10,000 of promotional expenses in connection with this private placement.

(3) No minimum number of Shares must be sold in order for the Company to accept any subscription. All accepted subscription funds will be immediately available for Company purposes without impound or escrow.

#### **Meridian Sciences, Inc.**

848 N. Rainbow Road  
Las Vegas, Nevada 89107  
Tel: 760.436.1426

Dated as of February 24, 2009

THE SHARES OFFERED HEREBY ARE HIGHLY SPECULATIVE, INVOLVE A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS."

THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THERE IS CURRENTLY NO PUBLIC MARKET FOR THE SHARES AND INVESTORS MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE SHARES ARE NOT PUBLICLY TRADED AND NO MARKET EXISTS. CONSEQUENTLY, THE PURCHASE PRICE OF THE SHARES HAS BEEN ARBITRARILY DETERMINED BY THE COMPANY WITHOUT ARM'S LENGTH NEGOTIATIONS AND DOES NOT NECESSARILY BEAR ANY RELATIONSHIP TO MARKET VALUE, ASSETS, BOOK VALUE, OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

WHEN USED IN THIS MEMORANDUM, THE WORDS "FORECASTS," "PLANS," "ESTIMATES," "PROJECTIONS" AND OTHER SIMILAR EXPRESSIONS ARE INTENDED TO QUALIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE DISCUSSED IN "RISK FACTORS," THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM PROJECTED RESULTS. NO ASSURANCE CAN BE MADE AS TO ACTUAL RESULTS. THE COMPANY HAS NO OBLIGATION TO PUBLICLY OR PRIVATELY DISCLOSE ANY REVISIONS TO ANY SUCH FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER FEBRUARY 24, 2009, OR TO SUBSEQUENTLY DISCLOSE THE OCCURRENCE OF UNANTICIPATED NEGATIVE OR POSITIVE EVENTS. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL IMPLY THAT THERE HAS BEEN NO MATERIAL CHANGE IN THE AFFAIRS OF THE COMPANY SINCE FEBRUARY 24, 2009, OR THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE OR CORRECT AS OF ANY SUBSEQUENT TIME.

THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART FOR ANY REASON, OR TO ALLOT TO ANY SUBSCRIBER LESS THAN THE NUMBER OF SHARES SUBSCRIBED FOR, OR TO WAIVE ANY CONDITIONS TO PURCHASE OF THE SHARES.

IN MAKING AN INVESTMENT DECISION, INVESTORS SHOULD RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING POTENTIAL BENEFITS AND RISKS. THE PURPOSE OF THIS MEMORANDUM IS TO AID IN SUCH AN EXAMINATION AND NOT TO BE THE SOLE BASIS FOR AN INVESTMENT DECISION.

EACH OFFEREE MAY MAKE INQUIRIES OF THE COMPANY ABOUT THE COMPANY'S BUSINESS, OR ANY OTHER MATTERS RELATING TO THE COMPANY, AND AN INVESTMENT IN THE SHARES. EACH OFFEREE MAY OBTAIN ADDITIONAL INFORMATION AND / OR DOCUMENTS IN CONNECTION WITH MAKING AN INVESTMENT DECISION BY VERIFYING THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM (TO THE EXTENT THAT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE). ANY DOCUMENT AN OFFEREE WISHES TO REVIEW MAY BE MADE AVAILABLE FOR INSPECTION AND COPYING OR FURNISHED, UPON REQUEST, SUBJECT TO THE OFFEREE'S AGREEMENT TO MAINTAIN SUCH INFORMATION IN CONFIDENCE. ANY SUCH INQUIRIES OR REQUESTS FOR ADDITIONAL INFORMATION OR DOCUMENTS SHOULD BE MADE IN WRITING TO THE COMPANY, ADDRESSED AS FOLLOWS: MERIDIAN SCIENCES, INC., ATTN: WILLIAM M. OWENS, CFO, 848 N. RAINBOW ROAD, LAS VEGAS, NV 89107 USA; TELEPHONE: 760.436.1426 FACSIMILE: 760.436.6486; E-MAIL: [OWENSSD@GMAIL.COM](mailto:OWENSSD@GMAIL.COM).

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, IN CONNECTION WITH THE OFFER OF THE SHARES AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON BY A SUBSCRIBER AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITY OTHER THAN THE SHARES OFFERED HEREBY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE SHARES TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE COMPANY IS NOT QUALIFIED TO DO SO.

THE STATEMENTS CONTAINED HEREIN ARE BASED ON INFORMATION BELIEVED BY THE COMPANY TO BE RELIABLE. THIS MEMORANDUM CONTAINS SUMMARY REFERENCES TO CERTAIN DOCUMENTED DATA RELATING TO THE COMPANY AND THE PURCHASE OF THE SHARES, AS WELL AS STATEMENTS OF BUSINESS OBJECTIVES THAT REFLECT MANAGEMENT'S OPINIONS ABOUT THE APPLICABILITY OF NATIONAL AND INTERNATIONAL LAWS AND REGULATIONS. SUCH STATEMENTS AND SUMMARY REFERENCES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTATION, LAWS AND REGULATIONS, WHICH WILL BE MADE AVAILABLE TO OFFEREEES ON REQUEST.

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Exhibit A – Pro Forma Balance Sheet for January 30, 2009

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## INTRODUCTION

The following summary provides certain limited information about the Company and this Offering. It should be read in conjunction with and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. **You are urged to read this entire Memorandum before making an investment.**

## THE COMPANY

Meridian Sciences, Inc., a Nevada Corporation, (“MSI”, or the “Company”) is licensing customers to manufacture, market, sell and use *Meridian Crystals™* (“MC”), electrically-charged, nanometer-sized, *stable water clusters*: these catalytic particles can provide significant benefits for a wide variety of products and industrial applications. MC is produced by novel proprietary processes owned by MSI that are the subject of U.S. and foreign patent applications.

## BACKGROUND OVERVIEW

MSI’s proprietary processes for production of MC have been developed over more than a decade of research and development regarding a previously undiscovered “phase-change” of water (as opposed to known liquid, ice and steam phase-changes) that causes the formation of stable MC particles.

We believe that the discovery of this phase-change and resulting MC particles has the potential to be compared to the discovery of the transistor, which changed the fabric of electronics and ushered in the age of cell phones and the internet. The MC particle, simple in structure and geometry, is expected to create vast changes in both physical and biological industrial processes. Battery-like in nature, the polar-charged (plus/minus), nanometer-sized particle could potentially be utilized in a multitude of hitherto toxic and expensive catalytic processes.

We believe that this discovery will not only open the door to a multitude of industrial processes, but will also lay the groundwork for a new comprehension of biological systems, including the human body - a discovery that can potentially lead to a renaissance in the treatment of many life-threatening illnesses.

Finally, we believe that it is credible to hypothesize that MC is the “*first*” phase of water - in other words, an undiscovered transitional phase where water forms a solid, stable particle (MC), and that this transition could have been relevant to the very beginning of biological life billions of years ago.

## MERIDIAN CRYSTAL NANO-TECHNOLOGY

### Industrial Processes

The Company believes that the polar (plus-minus) nature of the nanometer-sized MC will enhance the efficiency of a multitude of industrial processes and products. For example, when blended with oil refinery feedstock, independent testing indicates a multiple-fold reduction in coke formation and a concurrent significant increase in the production of marketable distillates. Since MC remains stable at high temperatures, it can be blended directly into oil refinery feedstock

(rather than refined fuels), thereby producing MC-blended refined products that have significantly lower pollution gas emissions and have significantly higher fuel efficiency.

Independent testing also indicates that when MC is blended with hydrocarbon-based refined fuels (diesel, gasoline, and jet fuel), the results are a significant reduction of combustion pollutants and significant increases in fuel economy; there is therefore the potential for significant MC concentrate sales into the processed fuel markets.

Recent independent testing of MC-blended fuel was carried out with the cooperation of the State of Texas. This testing indicated an increase in fuel economy and concurrent reduction of pollution emissions of at least 5% for new diesel vehicles and 50% (+) for older diesel vehicles. This testing in Texas involved older vehicles that were operating at approximately 5 miles per gallon, but when they were new (and clean) these same vehicles had peak economy performance of 9 miles to the gallon. Sixty days after the introduction of MC-treated diesel fuel, the vehicles had moved beyond their original peak economy performance of 9 mpg to 9.5 mpg – a more than 50% improvement in fuel economy.

These test results were achieved without solvents, without detergents, without toxic nitrogen-based ignition enhancers, octane boosters or chemical binders of any kind. These results were the result of blending diesel fuel with MC, a clean, biodegradable, non-toxic, completely safe, substance.

Again, the petrochemical industry is only one of a great many potential marketplaces for MC-blended products. Another example of a high-potential marketplace is platinum. One of the primary costs of production of farm fertilizer is the cost of platinum. For this application, MC's have been designed to "mimic" platinum catalysts, producing the same necessary catalytic reaction but at a cost hundreds of times less than platinum (\$900 + / ounce). The principal costs of producing MC concentrate are that of its raw ingredient (water), plus equipment capital cost.

### **Health/Wellness/Biological**

Additional independent testing indicates that MC could have far reaching benefits in health, wellness and biological markets.

Our prior research indicates that a multitude of different MC characteristics could potentially be manufactured. Each of these different MC particles would have an electrical signature unique to its geometrical design. Recent clinical studies suggest that one such designed crystal can cause a significant enhancement of immune function.

Tests conducted at UCLA Medical School in 1997 by the Chairman of the Department of Immunology, B. Bonavida, utilized one such designer MC created by David Gann, MSI's Chairman/CEO, and Tom S. Y. Lo, PhD., MSI's Chief Scientist, in over 50 blind studies and reported that the molecule markedly increased immune antibody production by human leukocytes. *Specifically, in that test tube study TNF-a, IL-6, IL-12, IL-b, and IFN-y were increased by 30 to 100 fold.*

In the fall of 2007, Neurosurgeon Dr. Norman Shealy (considered to be one of the world's leading pioneers in developing safe and effective non-pharmaceutical-based treatments) repeated the original study in an IRB approved protocol, where 10 *healthy* subjects had baseline blood drawn to measure TNF-A, IL-1B; IL-6, and IFN-Y (human immune antibody production key components).

The serum was frozen and saved until completion of the study. There were 3 males and 7 females, aged 26 to 74. All were asked to drink one quart daily of purified or distilled water, to which they added 20 drops of the same MC used for the original Bonavida study. After 6 weeks, blood was drawn again and both baseline and final blood samples were sent to the research facility at the University of Pennsylvania at Hershey for analysis. Based on the results, Dr. Shealy reported: "The (MC) water may produce a significant enhancement of immune function in human beings. Larger studies should be done with perhaps a broader overview of immune function. Dysfunctions of the immune system are major factors in allergies, autoimmune diseases, cancer and even atherosclerosis and diabetes. The implications for immune health are obvious".

Many products available in health-food stores today make claims to be immune system boosters, but are in actual fact only vitamins and herbal based mixtures. Although it may be true that such combinations might to some degree and over time enhance the body's ability to produce its own natural immune system defenses, the Company believes that no product available to the public today can demonstrate a "triggered" immune system response such as is indicated for MC.

Of course, absent regulatory approvals, the Company is legally restrained in the U.S. and many other countries from making any claims whatsoever about the workability or potential efficacy of the MC for any medical application. Therefore the Company makes no such claims. Nevertheless, it can be said that these credible university tests do indicate potential efficacy. The body heals itself when the immune system functions at full strength. With the discovery of this potential trigger mechanism, the potential exists for MC-based *natural* product lines which could provide therapeutic remedies for restoring and building strong immune defenses.

### **Homeopathy**

One of Europe's largest "health" markets is centered on a practice known as Homeopathy. From the Greek, "*homoios*" meaning similar and "*pathos*" meaning suffering or disease, Homeopathy's central thesis is that an ill person should be treated with substances that can produce similar symptoms in healthy individuals. A common practice of homeopathy is to dilute the substance (one that could create the symptoms) in pure water. The dilution is normally taken below one-part-per million.

Although there has been a history for nearly 200 years of this practice and with some very strong positive results, there has never been an explanation of what caused its workability. Consequently, this alternative medicine practice has garnered little support within the allopathic medical communities within the U.S., but that resistance has recently greatly waned. The Company believes that the disquieting aspect of a runaway chemical-based pharmaceutical industry offering healthcare based around, and launched with, nationwide marketing campaigns (such as "Ask your doctor if Claritin is right for you,"), has caused this change of attitude.

Although these effective TV commercials have created a pharmaceutical industry boom (there are estimates that prescription drug industry revenues/year will surpass petroleum industry revenues by 2020), that commercial success has come with a price. In 2000, a Presidential Task Force reported that iatrogenic deaths (deaths caused inadvertently by a physician or surgeon or by medical treatment, drug adverse reactions or diagnostic procedure) was one of the leading categories in causes of death in the U.S. The task force actually called iatrogenic deaths "a national problem of epidemic proportions." Previous to that report, the United States Congressional Office of Technological Assessment had launched a probe into the actual effectiveness of pharmaceutical-based medicine and concluded that over 80 percent of all drugs



included in the Physician's Desk Reference (PDR) did not have adequate scientific proof to justify being included for their recommended treatments and that the potential adverse effects of the drugs outweighed their usefulness.

The Company believes that all MC-related research not only suggests a scientific model on which Homeopathy can expand and become legitimized (one of MSI's recent patent claims demonstrates how to ensure that each and every dose sold is consistent and effective), but with MC as a catalyst many new allopathic health science advancements can also occur.

## **THE OFFERING**

### **The Securities Offered**

MSI is offering 1,000,000 Shares of its authorized voting common stock ("the Shares") to accredited investors at a purchase price of \$5.00 per Share (the "Offering"). The Shares are offered pursuant to Rule 506 of Regulation D of the Securities Act of 1933 ("Securities Act") and applicable state securities laws. The minimum subscription is 5,000 Shares (\$25,000), unless the Company, in its sole discretion, elects to accept subscriptions for fewer Shares. The Shares, when issued, will be fully paid and non-assessable voting shares.

The Offering price of the Shares has been arbitrarily determined by the Company and bears no relationship to the assets, earnings, or book value of the Company.

### **Selling and Other Offering Expenses.**

The Company plans to pay promotional expenses and legal fees, and also may pay fees to bona fide finders of up to 10% of the Gross Proceeds (\$500,000 if fully subscribed) of this private placement; finders also may be paid additional fees in the form of cash, common stock and/or warrants to purchase common stock of the Company and can, in the Company's discretion, be collectively allowed accountable expense reimbursements of up to \$30,000, which to the extent incurred will reduce the Net Proceeds realized by the Company. Also, the Company may elect to sell more than 1,000,000 shares in this Offering, which may increase the potential selling and other offering expenses.

### **Acceptance or Rejection of Subscriptions; No Escrow; Withdrawal of Offering**

In order to subscribe for the Shares, a prospective investor must complete and execute the Subscription Agreement, a form of which is attached hereto as Exhibit B – "Form of Subscription Agreement". Subscriptions must be accompanied by a bank wire transfer or check to the order of **Meridian Sciences, Inc.** for the purchase of the Shares. Each properly completed and tendered subscription constitutes an irrevocable offer to purchase Shares for thirty (30) calendar days, unless sooner accepted or rejected by the Company in its discretion. In the event that Company rejects a requested subscription for any reason, a full refund, without deduction or interest, will be made by the Company. After such refund has been made, the Company and its directors, officers, and agents will have no further liability to the prospective investor.

No minimum number of Shares must be sold in order for the Company to accept any subscriptions, and all net proceeds of the offering will be immediately available for Company purposes without escrow or impound. The Company may increase or decrease the size of the Offering, and may withdraw the Offering, at any time in its sole discretion.



## INVESTOR SUITABILITY STANDARDS

THE SUITABILITY STANDARDS DISCUSSED BELOW REPRESENT MINIMUM SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD DETERMINE WHETHER AN INVESTMENT IN THE SHARES IS APPROPRIATE. NO OFFER IS MADE TO ANY PERSON WHOSE PARTICIPATION AS AN OFFEREE WOULD PRECLUDE THIS OFFERING FROM QUALIFYING FOR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL SECURITIES LAWS AND/OR FROM THE QUALIFICATION REQUIREMENTS OF APPLICABLE STATE SECURITIES LAWS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY SUCH PERSON.

The Offering is available only to “Accredited Investors” as defined in Regulation D of the Securities Act. Investors who wish to subscribe to the Shares, after reviewing the information contained in the Memorandum, must complete and execute the Subscription Documents and post them with their checks (or separately wire transfer the subscription funds) to the order of **Meridian Sciences, Inc.**

An investment in the Shares may be considered to be speculative, involves certain risks, and is suitable only for prospective purchasers who have sufficient financial means to bear such risks, who have substantial other assets to provide for current needs and future contingencies, and therefore have no need for immediate liquidity with respect to this investment, and who can withstand a possible total loss of this investment. See “RISK FACTORS.”

The Offering of the Shares is not being registered under the Securities Act and is not being qualified under any state securities laws, in reliance upon one or more exemptions from registration or qualification. These exemptions include, but are not necessarily limited to, a federal exemption under Rule 506 of Regulation D and applicable state exemptions. Sales of Shares hereunder will be made only to “Accredited Investors” (as defined in Regulation D). A prospective investor will qualify as an “Accredited Investor” only if the investor meets one of the following tests:

- (1) The investor is a natural person who is subscribing on behalf of himself or herself (or on behalf of a revocable trust of which subscriber is the grantor), whose net worth or joint net worth with his or her spouse exceeds \$1,000,000;
- (2) The investor is a natural person who is subscribing on behalf of himself or herself (or on behalf of a revocable trust of which the subscriber is the grantor), whose individual income exceeds \$200,000, or, in either case, whose income together with that of his or her spouse exceeded \$300,000 in each of the two most recent years and who reasonably expects such income to exceed \$200,000, in the case of individual income, or \$300,000, in the case of joint income, in the current year;
- (3) The investor is an employee benefit plan within the Employee Retirement Income Security Act of 1974 (“ERISA”): (a) where the investment decision is being made by a plan fiduciary, as defined in Section 3(21) thereof, which is a bank, a savings and loan association, an insurance company or a registered investment advisor; or (b) where the investment decision is made by a plan fiduciary who is not among those listed in clause (a) above, but the plan has total assets in excess of \$5,000,000;
- (4) The investor is a self-directed employee benefit plan where the investment decisions are made solely by persons that are “Accredited Investors” and the investments are made only on behalf of those investors;

- (5) The investor is an irrevocable trust which has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a “Sophisticated Person” as described in Rule 506(b)(2)(ii) of Regulation D (i) by reason of the business or financial experience of such person or (ii) by reason of the business or financial experience of the Purchaser Representative of such trust who is unaffiliated with and who is not, directly or indirectly, except as may otherwise be expressly disclosed, compensated by the Company or its affiliates, and who has the capacity to protect its own interests in connection with its purchase of the Shares;
- (6) The investor is (a) a bank as defined in Section 3(a)(2) of the Act, whether acting in its individual or fiduciary capacity, or (b) a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; (c) a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; (d) an insurance company as defined in Section 2(13) of the Act; (e) an investment company registered under the Investment Company Act of 1940; (f) a business development company, as defined in section 2(a)(48) of the Investment Company Act of 1940; (g) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; or (h) a private business development company, which meets the definition in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (7) The investor is a plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, which plan has total assets in excess of \$5,000,000;
- (8) The investor is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust or a partnership, which has assets in excess of \$5,000,000 and which was not organized for the purpose of investing in the Shares;
- (9) The investor is a director or executive officer of the Company;
- (10) The investor is an entity in which all the equity owners are “Accredited Investors”;
- (11) The investor is an individual retirement account (IRA), and the participant (i.e., the equity owner of the account) is an “Accredited Investor”.

Additionally, each investor will also be required to represent that the Shares are being acquired for the investor’s own account and not with a view to or for sale in connection with a distribution of the Shares.

The Company will not accept subscriptions from any person (a) who does not represent in a Subscription Agreement in the form attached hereto as Exhibit B (“Form of Subscription Agreement”) that he meets the foregoing standards, or (b) who the Company believes does not meet such standards. The Company is authorized to rely upon the accuracy of the prospective investor’s representations contained in the executed Subscription Agreement.

The Company reserves the right to review the suitability of the Shares for investment by any proposed subscriber and, in connection with such review, the Company reserves the right, in its sole discretion, to reject subscriptions for the Shares, notwithstanding compliance with such

standards by a prospective investor. All decisions of the Company concerning such matters are final and conclusive.

## **Liability for Misrepresentation**

If any representation made by an offeree, or other person acting on his behalf, misleads the Company as to the financial or other circumstances of a particular offeree, or if, because of any error or misunderstanding as to such circumstances, a numbered copy of this Memorandum is delivered to such offeree, such delivery shall not be deemed to be an offer, and the Memorandum will be immediately returned to the Company. Any false representations or warranty made by any purchaser of the Shares may subject such purchaser to liability in connection therewith.

## **DESCRIPTION OF THE BUSINESS**

*This Memorandum, including the following summary description of our business, contains certain forward-looking statements that involve risks and uncertainties. These statements relate to our future plans, goals, expectations and intentions, and may be identified by the use of words such as "expects," "anticipates," "intends," "believes," "plans," "will," "may," "pro forma", and similar expressions. Our actual results could differ materially from the results anticipated in these forward-looking statements. Factors that could contribute to such differences include, but are not limited to, the risk factors discussed in this Memorandum under "Risk Factors," as well as other events and uncertainties that may be outside of our control. Also, many of the statements set forth below are based on our beliefs, intentions, ideas and insights and may or may not be based on actual or historical data. Unless otherwise required by applicable law, we do not intend to update any forward-looking statements in this Memorandum to reflect occurrences, developments, events or circumstances after the date of this Memorandum.*

Meridian Sciences, Inc., a Nevada Corporation, ("MSI", or the "Company") is licensing customers to manufacture, market, sell and use *Meridian Crystals™* ("MC"), electrically-charged, nanometer-sized, *stable water clusters*: these catalytic particles can provide significant benefits for a wide variety of products and industrial applications. MC is produced by novel proprietary processes owned by MSI that are the subject of U.S. and foreign patent applications.

The Company's anticipated first year sales of MC concentrate will be as an additive in refined fuel retail markets and also to oil refineries. We also will actively pursue licensing revenue opportunities in health, wellness and biological markets.

We anticipate that a principal source of MC revenues will be from licensing and sales of MC concentrate to significant multinational customers. For example, the Company is in discussions with an international liaison to 185 oil refineries worldwide and an international shipping company with more than 100,000 trucks. MC cumulative expenses of US\$59 million and cumulative revenues of US\$7.5 billion are estimated for 2009-2012, assuming timely receipt of additional significant development and operations funding, a successfully orchestrated launch and aggressive market rollout, and timely development of industry strategic relationships. See 2009-2012 financial projections in Exhibit C.

## **REVENUE SOURCES AND PROJECTIONS**

MSI revenue projections are primarily based upon receipt of licensing-related revenues, not on direct sales of MC to customers. See Exhibit C. In addition, the projected revenues and

expenses in Exhibit C are related only to the North American Petroleum Markets, and primarily from licensing oil refineries for the manufacture and use of MC. *The potential exists for MC to become a government - mandated additive for all North American refineries and fuel markets, given current federal and state policies to reduce Co2 and other emissions - including the Clean Air Act, Carbon Credits, etc.*

Finally, the total worldwide marketplace for all MC applications necessarily represents a far greater business opportunity. As one example, there are the health and wellness markets. From enhancing water-based drinks that actually do effectively promote health and increase energy to enhancing various over-the-counter natural health aids, this represents a gigantic revenues potential for MSI.

Each additional marketplace application for MC licensing and sales will necessarily require additional MSI development and operations expenditures. And all applications are expected to have very high operating margins.

## **MC CONCENTRATE PRODUCTION COSTS OVERVIEW**

MC concentrate production costs are a very small fraction of the value added to MC-blended products. Large-scale production capability can be achieved for relatively low additional investment in production equipment and operating costs.

For example, MSI's current maximum MC concentrate production capability is 500 liters/day, which can treat 50 million gallons of gasoline or diesel fuel. The Use of Proceeds for this private placement provides for an expenditure in 2009 of \$2.5 million to expand our existing production capability of 500 liters/day to 5,000 liters/day, which can treat 500 million gallons of gasoline or diesel fuel. MC concentrate production costs for this intermediate scale of production are estimated at \$50/liter.

## **REGULATORY CONSIDERATIONS AND OBSERVATIONS**

We plan that MC, in the near term, will be commercially marketed and sold worldwide without regulatory approvals to manufacturers of homeopathic remedies and to health-related product manufacturers as a food supplement. MSI plans to file additional patent claims to specifically cover homeopathic remedy applications. However, certain health-related MC applications, such as its use as an additive to enhance the effectiveness of controlled prescription drugs, will be subject to the extensive and evolving regulatory approval process of the U.S. Food and Drug Administration (the "FDA"), corresponding state agencies, and comparable agencies in other countries. The regulation of new drug products is extensive, and the required process of laboratory testing and human studies is lengthy and expensive. For at least the near term, the Company may decline to participate in FDA-related testing programs. If and when there is a decision to participate, it is of course possible that the Company would fail to obtain FDA approvals in a timely manner, or even at all, as widespread acceptance of MC is expected to result in very significant and potentially very adverse economic consequences for the medical and pharmaceutical industries. Also, even if the Company obtains FDA regulatory approvals for drug products, the FDA extensively regulates manufacturing, labeling, distributing, marketing, promotion and advertising after product approval, which would result in significantly higher production costs.

## U.S. PATENT CLAIMS

Four MC-related U.S. utility patent applications were filed in 2008.

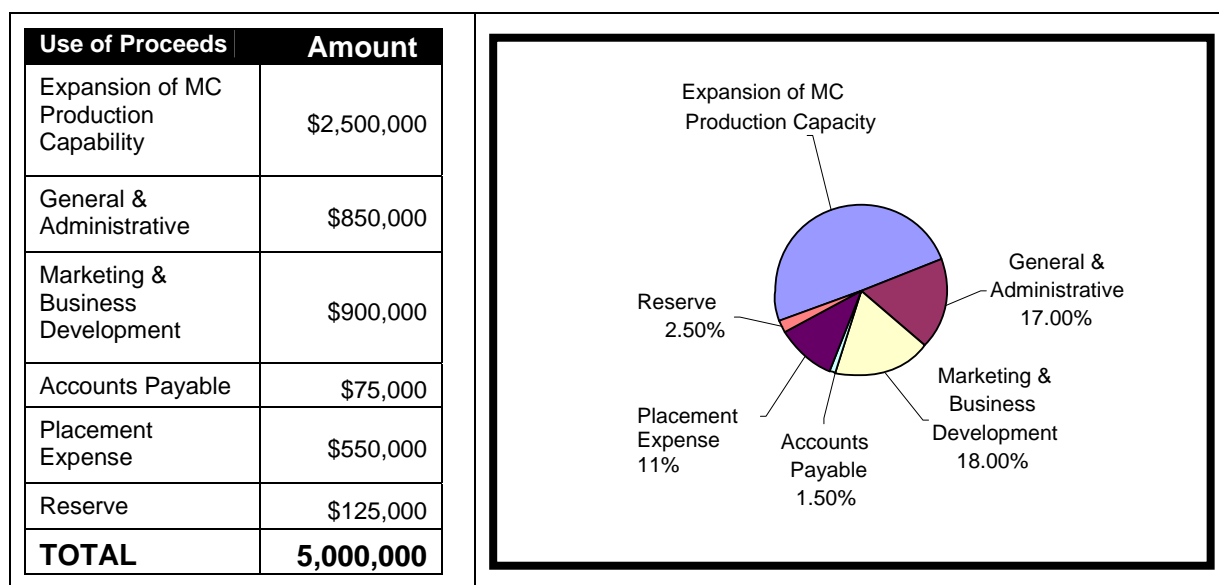
### Method and System for:

1. Colloidal Solutions with Nanometer sized Solid-Stable-Water-Clusters I
2. Colloidal Solutions with Nanometer sized Solid-Stable-Water-Clusters II
3. Colloidal Solutions with Nanometer sized Solid-Stable-Water-Clusters III
4. Colloidal Solutions with Nanometer sized Solid-Stable-Water-Clusters IV

Their current status is patent pending. We plan to file a significant number of additional MC-related claims in the first half of 2009.

## USE OF PROCEEDS

The following sets forth summary information about the estimated use of offering proceeds, based on the sale of all 1,000,000 Shares on offer. If this private placement is fully subscribed, the anticipated net proceeds from the sale of the Shares offered, after deducting maximum offering and organization expenses and fees, is estimated at approximately \$4,450,000. However, the actual net proceeds the Company will receive will depend on the number of Shares sold. The planned use of proceeds shown below is subject to change based on the actual net proceeds received from this Offering, actual expenses, changes in general business, economic and competitive conditions, timing and management discretion, each of which may change the amount of proceeds expended for the purposes intended.



## CERTAIN MATERIAL TRANSACTIONS

The Company acquired, effective January 20, 2009, all of the assets and \$200,000 of the liabilities of Aequiterus LLC, a Missouri limited liability company ("AEQ"), including MC technologies developed and owned by AEQ, in exchange for 5,000,000 shares of the Company's common stock, which will constitute 62.5% of the outstanding common stock if all 1,000,000 MSI shares on offer in this private placement are sold. Effective February 23, 2009, AEQ liquidated its



business and distributed the 5,000,000 MSI shares to its Unit Holders who are as of February 23, 2009, registered as MSI shareholders of record.

The Company is in discussions with *Best Brands* of Houston, Texas, regarding the proposed grant in this 1<sup>st</sup> Quarter 2009 of a non-exclusive license agreement for manufacture and sale of products for use in certain diesel and gasoline markets and in oil refineries. The CEO of *Best Brands* is Louis J. Scott, an MSI shareholder and a Member of the Advisory Committee to the Board of Directors. Mr. Scott was one of the former owners and the Marketing Director of "Slick 50 Engine Treatment" (currently owned by *Shell Oil*).

## **RISK FACTORS**

*An investment in the Shares is highly speculative and involves substantial risks. You should carefully consider the risks described below, as well as the other information in this Memorandum, when evaluating whether to make an investment in the Shares. You should also consult with your own legal, tax and financial advisors about an investment in the Shares. If any of the following risks actually occur, our business, financial condition and results of operation could be materially and adversely affected. In such case you could lose all or part of your investment. You should not invest in the Shares unless you can afford the loss of your entire investment. You and your advisors are invited to ask us questions and to request information about the terms and conditions of this private placement for purposes of evaluating the merits and risks of an investment in the Shares. We will provide such information to the extent we possess the information or can acquire it without unreasonable effort or expense.*

### ***Operation and Company Risks***

*Our business prospects are difficult to evaluate because we are a development stage company and dependent upon profitable future MC operations.*

Because of MSI's short operating history, it is more difficult to accurately assess growth rate and earnings potential. It is possible that MSI will face many difficulties typical for development stage companies. These may include, among others: relatively limited financial resources; developing new products; delays in reaching its goals; unanticipated start-up costs; potential competition from larger, more established companies; and difficulty recruiting and retaining qualified employees for management and other positions. The Company may face these and other difficulties in the future, some of which may be beyond its control. If MSI is unable to successfully address these difficulties as they arise, the Company's future growth and earnings will be negatively affected. The Company cannot be assured that MSI's business model and plans will be successful or that MSI will successfully address any problems that may arise. It is possible that you could lose your entire investment.

*The Company has limited working capital and requires significant additional financing, which may or may not be available.*

The Company has limited working capital and there may not be sufficient financial resources available to carry out planned MSI operations. We depend upon timely availability of adequate working capital in order to meet the objectives of our technology development and business plans. We estimate that the additional externally-generated equity investment required for MSI to achieve self-sustaining positive cash flow from operations in 2010 will be approximately \$19 million, and it is currently planned that this funding will be provided by the

proceeds of this private placement, but there can be no assurance that positive cash flow will ever occur.

There can be no assurance that the Company will sell the maximum number of shares offered in this private placement, or that MC development and commercial operations will not require additional capital greater than or sooner than currently anticipated. If MSI is unable to obtain additional capital if needed, in the amount and at the time needed, this may restrict planned development and/or rate of growth of MC sales; limit MSI's ability to take advantage of future opportunities; negatively affect its ability to implement its business strategies and meet its goals; and possibly limit its ability to continue operations. The Company's working capital requirements may significantly vary from those currently anticipated.

*MSI may incur significant losses and there can be no assurance that MSI will ever become a profitable business.*

It is anticipated that MSI will initially sustain operating losses. Its ability to become profitable depends on success in licensing and selling MC products. There can be no assurance that this will occur. Unanticipated problems and expenses often encountered in offering new and unique products may impact whether the Company is successful. Furthermore, MSI may encounter substantial delays and unexpected expenses related to development, technological changes, marketing, regulatory requirements and changes to such requirements or other unforeseen difficulties. There can be no assurance that MSI will ever become profitable. If MSI sustains losses over an extended period of time, it may be unable to continue in business.

*The Company's future revenue and operating results are unpredictable and may fluctuate significantly.*

It is difficult to accurately forecast MSI revenues and operating results and they could fluctuate in the future due to a number of factors. These factors may include: MSI's ability to further develop MC applications; acceptance of MC products; the amount and timing of operating costs and capital expenditures; competition from other market venues that may reduce market share and create pricing pressure; and adverse changes in general economic, industry and regulatory conditions and requirements. MSI's operating results may fluctuate from year to year due to the factors listed above and others not listed. At times, these fluctuations may be significant.

*MSI may not be able to create and maintain a competitive advantage, given the rapid technological and other competitive changes affecting all markets worldwide. MSI success will depend on its ability to keep pace with any such changes.*

The potential markets for MC products are characterized by rapidly changing technology, evolving industry standards, frequent enhancements to existing treatments and products, the introduction of new services and products, and changing customer demands. The Company's success could depend on MSI's ability to respond to changing product standards and technologies on a timely and cost-effective basis. In addition, any failure by the Company to anticipate or respond adequately to changes in technology and customer preferences could have a material adverse effect on its financial condition, operating results and cash flow.

*MSI may be unable to successfully defend its patent claims and other proprietary rights and may unintentionally infringe on the proprietary rights of others.*



The Company's profitability may depend in part on its ability to effectively protect its proprietary rights, including obtaining patent protection for its methods of producing MC, maintaining the secrecy of its internal workings and preserving its trade secrets, as well as its ability to operate without inadvertently infringing on the proprietary rights of others.

There can be no assurance that (i) any MC - related patents will be issued from any pending or future patent applications; (ii) the scope of any patent protection will be sufficient to provide competitive advantages; (iii) any patents MSI obtains will be held valid if subsequently challenged; or (iv) others will not claim rights in or ownership of MSI's patents and its other proprietary rights. Unauthorized parties may try to copy aspects of MSI's products and technologies or obtain and use information it considers proprietary. Policing the unauthorized use of proprietary rights is difficult and time-consuming. MSI cannot guarantee that no harm or threat will be made to its intellectual property. In addition, the laws of certain countries are not expected to protect MSI's intellectual property rights to the same extent as do the laws of the United States.

Administrative proceedings or litigation, which could result in substantial costs and uncertainty, may be necessary to enforce its patent or other intellectual property rights or to determine the scope and validity of the proprietary rights of others. There can be no assurance that third parties will not assert patent infringement claims in the future with respect to its products or technologies. Any such claims could ultimately require MSI to enter into license arrangements or result in litigation, regardless of the merits of such claims. Litigation with respect to any infringement claims or any other patent or intellectual property rights could be expensive and time consuming and could have a material adverse effect on MSI's business, operating results and financial condition, regardless of the outcome of such litigation.

*MSI may be unable to attract and retain qualified employees or key personnel.*

MSI's future success depends on the continued services and performances of key management, consultants and advisors, and it currently does not carry key man life insurance. However, MSI plans to secure key man life insurance in the 1<sup>st</sup> Quarter 2009. Also, our future success may further depend on MSI's ability to attract and retain additional key personnel and third party contractual relationships. If MSI is unable to attract and retain key personnel and third party contractors, this could adversely affect our business, financial condition, and operating results.

*General economic conditions and terrorism may have a significant impact on the Company's financial condition and operating results.*

Adverse national and international economic conditions and acts of terrorism may reduce future demand for MC, which would negatively impact MSI revenues and possibly its ability to continue operations. It is not possible to accurately predict the potential adverse impacts on MSI, if any, of current economic conditions or acts of terrorism on its financial condition, operating results and cash flow.

*MC operations will be dependent on MSI's ability to produce MC*

It is possible that MSI's production facilities may be vulnerable to unauthorized access, system failures and other security problems. Persons who circumvent security measures could wrongfully use its technology incorrectly or cause damage to its operations. It may be necessary for MSI to expend significant resources to protect against the threat of security breaches or to

alleviate problems caused by any such breaches. Although MSI plans to always utilize industry-standard security measures, these measures may prove to be inadequate and system failures and delays may occur that could have an adverse effect on MSI's financial condition, operating results and cash flow.

MSI's systems and operations are also vulnerable to damage or interruption from human error, natural disasters, power loss, sabotage, computer viruses, intentional acts of vandalism, and similar events. MSI is planning to manufacture MC in multiple laboratory facilities in case of system disruptions. Any system failure that causes an interruption in product or decreases the availability of MC for its customers could impair MCI's reputation, damage the brand, and negatively impact operating revenues.

*MSI does not plan to declare dividend distributions to its shareholders in the near future and there is no guarantee it will ever receive any profit from its operations so as to be able to declare and pay dividends to its shareholders.*

There can be no assurance with respect to the amount and timing of dividends to the Company's shareholders, or that they will ever be made. The Company initially intends to retain cash from its operations to fund the development and growth of its business.

*The Company has broad discretion on how the net proceeds of this private placement are utilized.*

The Company has broad discretion on how to allocate the proceeds received as a result of this stock private placement and may use the proceeds in ways that differ from the proposed uses discussed in this Memorandum. If the Company fails to spend the proceeds effectively, our business and financial condition could be harmed and there may be the need to seek additional financing sooner than expected.

### **Private Offering and Liquidity Risks**

*The purchase price of the common stock on offer in this private placement (the "Shares") has been arbitrarily determined and may not reflect their actual value.*

The purchase price of the Shares has been arbitrarily determined and is not the result of arm's-length negotiations. It has been determined primarily by our perceived working capital needs and bears no relationship to any established criteria of value such as book value or earnings per share, or any combination thereof. Further, the price is not based on past earnings of the Company, nor does the price necessarily reflect the current market value of the Company. No valuation or appraisal of the Company's potential business has been prepared.

*There is no public market for the Shares and you will have to hold your Shares indefinitely, subject only to a private sale that is exempt from registration to a qualified counterparty, or a registration of your common shares, or a sale of the business.*

To buy the Shares, you must represent that you are acquiring the Shares for investment and not with a view to distribution or resale, that you understand the Shares are not readily transferable and, in any event, that you must bear the economic risk of an investment in the Shares for an indefinite period of time because the Shares have not been registered under the Securities Act or certain applicable state "Blue Sky" or securities laws, and that the Shares cannot be sold unless they are subsequently registered *or an exemption from such registration is*

*available:* in this regard, for a secondary transfer of your Shares in the future to be qualified as an exempt secondary transfer (by “private sale”), you may not have made a public offer / distribution of the Shares (not a “public distribution” if the Shares are posted for sale only on any private network or via other means of private, non-public distribution), you must have held the Shares for at least one year from date of their purchase from the Company, and your transaction must otherwise be in compliance with all laws and regulations that may be applicable. Currently, there is no public or other trading market for the Shares, and there can be no assurance that the MSI will be operational and available to facilitate a private sale of your Shares and/or that any other market will develop. Thus, there can be no assurance that you will be able to liquidate your investment in case of an emergency or if you otherwise desire to do so.

*This private placement of Shares is being made in reliance on an exemption from registration requirements and there is no guarantee that it will comply with the regulatory requirements for such exemption.*

This private placement of Shares will not be registered with the SEC under the Securities Act or with the securities agency of any state. The Shares are being offered in reliance on an exemption from the registration provisions of the Securities Act and state securities laws applicable to offers and sales to investors meeting the investor suitability requirements set forth in this Memorandum. If the Company should fail to comply with the requirements of such exemption, investors may have the right to rescind their purchases of Units. This might also occur under the applicable state securities or "Blue Sky" laws and regulations in states where the Shares will be offered without registration or qualification pursuant to a private offering or other exemption. If a sufficient number of investors were successful in seeking rescission, the Company would face severe financial demands that would adversely affect the Company as a whole and also the investment in the Shares by the remaining investors.

*This is a private placement and as such you will not have the benefit of review of this Memorandum by the SEC or any other agency.*

Since this offering is a private or nonpublic placement of securities and, as such, is not registered under federal or state securities laws, you will not have the benefit of review of this Memorandum by the SEC or any state securities commission. The terms and conditions of this private placement may not comply with the guidelines and regulations established for offerings that are registered and qualified with those agencies.

*This Memorandum contains pro forma financials and financial projections that involve significant uncertainty.*

This Memorandum contains pro forma financial information and financial projections that are forward-looking statements that involve significant risk and uncertainty. All materials or documents supplied by the Company, including any such pro forma financials or projections, should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such pro forma financials and projections are based are subject to variations that may arise as future events actually occur and to a complex series of events, many of which are outside the Company's control. The projections included herein are based on assumptions made by management of the Company about future events. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not approximate projections and may differ significantly. Neither the Company nor the Board nor any other person

or entity makes any representation or warranty as to the future profitability of the Company or of an investment in the Shares.

*No escrow account or impound.*

No escrow or impound is or will be established in connection with the funds received from the sale of the Shares in this Offering. All funds received from the sale of the Shares will be immediately available for use by the Company.

*Immediate dilution.*

After giving effect to the sale of the 1,000,000 Shares included in this Offering of Shares, the Company's existing shareholders will experience an immediate increase in net tangible book value per share, and purchasers of the Shares will experience immediate dilution in net tangible book value per share. See "DILUTION."

*Lack of dividends.*

The Company has not paid any dividends with respect to its outstanding Shares and cannot predict when or if dividends will be paid.

*Development stage companies.*

The Company is a development stage company as that term is defined in paragraphs 8 and 9 of SFAS No.7. There is substantial doubt about its ability to continue as a going concern. The factors considered in this assessment include its lack of commercial operating history and current revenues and its need to attract significant working capital funding in order to meet its business objectives. These substantial risks could impair MCI's reputation, damage the brand, and negatively impact operating revenues.

## **LEGAL PROCEEDINGS**

The Company is not party to any legal proceedings.

## **SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information relating to the beneficial ownership of the Company's common stock held by the Company's management and those persons beneficially holding more than 5% of its issued and outstanding common stock as of February 24, 2009.

<u>Name of Stockholder</u>	<u>Number of Shares</u>	<u>Percentage of O/S Common Shares</u>
David Gann	1,716,575	24.52%
Tom Lo, Ph.D.	1,716,575	24.52%
Nicole Scott	1,650,000	23.57%
David Myers	661,336	9.45%
William Owens	350,000	5.00%

## DESCRIPTION OF CAPITAL STOCK

The Company is authorized to issue up to 20,000,000 common shares. As of February 24, 2009, there are 7,000,000 common shares outstanding and owned by 11 shareholders of record. All common shares have identical rights, including voting rights of one vote per common share on all matters to be voted upon by the shareholders.

Holders of common shares are entitled to ratably receive such dividends, if any, as may be declared by the Board of Directors out of funds legally available. Upon the liquidation, dissolution, or winding up of the Company, the holders of its common shares are entitled to share ratably in all its assets that are legally available for distribution after payment of all debts and other liabilities. Holders of common shares have no preemptive, subscription, redemption or conversion rights. The outstanding common shares are, and the shares being sold by the Company in this offering will be, when issued and delivered, validly issued, fully paid and non-assessable.

## DILUTION

There will be immediate and substantial dilution to the purchasers of the common shares offered by this private placement:

	Shares Purchased		Total Paid		Average Price Per Share
	Number	Percent	Amount	Percent	
Outstanding shares of record	7,000,000	87.50%	\$25,697,559	83.71%	\$3.67
New investors	1,000,000	12.50%	\$5,000,000	16.29%	\$5.00
<b>Total</b>	<b>8,000,000</b>	<b>100.00%</b>	<b>\$30,697,559</b>	<b>100.00%</b>	

## CAPITALIZATION

The following table sets forth the capitalization of the Company at February 24, 2009, as adjusted to assume receipt of the net offering proceeds from issuance of all 1,000,000 Shares as of February 24, 2009:

	<u>1/30/09</u>		<u>Pro Forma</u>	
Total Current Liabilities		\$309,056		\$309,056
Stockholder's Equity:				
Preferred Stock (\$.001 Par Value)				
Authorized-5,000,000 Outstanding-0				
Common Stock (\$.001 Par Value):		\$7,000		\$8,000
Authorized- 20,000,000				
Outstanding-7,000,000	7,000,000	\$25,690,559	8,000,000	\$30,689,559
Retained Earnings (Deficit):		(\$56,474)		(\$606,474)
Total Liabilities & Stockholder's Equity		\$25,950,141		\$30,400,141

## DIVIDEND POLICY

No dividends have ever been paid on the Company's common shares and the Company does not currently anticipate paying any cash dividends on the common shares. Future dividend policy will be determined by the Board of Directors of the Company in light of prevailing financial conditions, earnings, if any, as well as other relevant factors.

## KEY MANAGEMENT AND ADVISORS

The MSI management team is comprised of experienced professionals with extensive experience in advanced technology research and development. Key team Members include:

**David Gann** – Chairman of the Board / CEO / Director of Product Development and Production

Mr. Gann was a co-founder with Dr. Lo of Aequiterus LLC, which previously developed and owned MC technologies, and is the co-inventor of record with Dr. Lo, the Company's Chief Scientist, in the 2008 MC-related patent filings. He was responsible for building the Company's state-of-the-art laboratory in the mid-western USA, which features a Class 100 clean room and Atomic Force Microscope (the most advanced microscope existing today), a highly advanced water filtration system and a production line. His scientific, engineering, and management experience spans over 30 years. As an integral member of numerous scientific teams, he has been successful in developing cutting-edge technologies: such as the first ultra-high-density magnetic recording medium for Zwan Magnetics (early 1980's), which included research into the manufacture of rare-earth magnets which were used to coat computer disc drive components – that subsequently became the standard for industry worldwide. In the mid 1980's, Mr. Gann managed a team of engineers for Digital Photonics, a division of the publicly traded Digital Switch, in the development of the single crystal electro-optic switch for fiber optic communications. In conjunction with Caltech Pasadena and UCLA, Mr. Gann, with the assistance of Dr. Tom S.Y. Lo, subsequently led and managed a team of engineers and world-renown scientists that succeeded in isolating a revolutionary high-energy beam with multiple communications and energy applications. This beam, the "Baser", produced a high-energy beam of enlarged particle clusters thousands of times more powerful than the world's then most powerful laser. His colleagues also included the holder of the Clark Maxwell Prize in Physics, UCLA Professor Alfred Wong, and world-renowned Field Medalist in Mathematics, Professor S.T. Yau, of Harvard University. The US Department of Energy, Office of Technology Development, as well as Los Alamos National Laboratory collaborated with this research. During the late 1990's, in conjunction with UCLA, Mr. Gann's began his research on the detection and labeling of nano-sized particles found in Homeopathic solutions. He was successful in isolating a 2-micron-sized ice particle which was formed under specific electrical fields and was stable at room temperatures and that was potentially useful in numerous homeopathic as well as catalytic industrial applications that have required the use of toxic chemicals. A similar particle, also isolated, became the center of a line of research by the Department of Immunology at UCLA as a stimulant of T-cells (human immune system), with more than 57 blind studies all demonstrating dramatic significant improvements in immune response. Mr. Gann has organized educational symposiums on crucial environmental issues, including global climate change and nuclear waste cleanup in conjunction with the U.S. Department of Energy and Los Alamos National Laboratories. Mr. Gann holds a Bachelor's Degree in Science UCM with post-graduate work in Physics.



**William M. Owens** – Director / Chief Financial Officer

Mr. Owens is a director and the Company's CFO. He also currently serves as Chairman/CEO of UnifiedMarket, Inc., and has so served since its inception in 1999; Mr. Owens also serves as Chairman/CEO of its affiliate, UnifiedMarket Worldwide, LLC, and has so served since its inception in 2004. See [www.unifiedmarkets.com](http://www.unifiedmarkets.com). From 1995 to 1999, he provided legal and business consulting services to clients. From February 1980 to July 1995, he was Chairman and CEO of SGI International, a publicly held energy technology company. Mr. Owens received his JD from Boalt Hall, Berkeley in 1965. He is a member (currently on inactive status) of the California Bar.

**Tom S. Y. Lo, PhD** – Chief Scientist

Dr. Lo is responsible for research and development. He received his PhD in Physics from the University of Chicago in 1966 and his Bachelor of Science in Physics from the University of Illinois in 1962. Dr. Lo's academic career spans the globe as a visiting faculty member and lecturer at leading institutions throughout the world including, the California Institute of Technology; Academy of Science, Beijing, China; Stanford Accelerated Center, California; Institute of Theoretical Physics, State University of New York, Stony Brook, New York among others. Dr. Lo received his Ph.D. in Physics in the theory group lead by Yoichiro Nambu from the University of Chicago. Dr. Nambu is considered as one of the leading figures in the development of modern particle physics and this past year's (2008) Physics Nobel recipient. Lo's 40-year distinguished career has been spent working with a long list of Nobel Laureates toward the understanding of atomic and subatomic particles.

**Xu Geng** – Associate Scientist

Professor Xu is a former Chairman of the Physics Department of Zhongshan (Sun Yet-Sen) University, People's Republic of China. He has been a featured speaker at numerous International physics conferences on Atomic Surface Structures and has been widely published in International Physics Journals for over 25 years. Professor Xu has been a Visiting Professor at Rutgers University, New Jersey, the University of Wisconsin-Milwaukee and the University of Hong Kong. He is one of the world's leading authorities on the development of atomic analysis methods for complex surface structures. Professor Xu has worked with Dr. Lo and Mr. Gann over the past year on development of MC mass production techniques and is a co-patent holder on certain MSI patent claims.

**George G. Kast** – Vice President

Mr. Kast has over 25 years of award winning executive management and business experience with both public and private companies focused in the water field. Major accomplishments have included forming and developing a publicly traded full-service water treatment company (Global Water Technologies) which developed, manufactured and marketed advanced technologies and engineered solutions to provide process cooling water and physical non-chemical water treatment to more than 500 electric/nuclear power, petrochemical, commercial and governmental customers in 25 countries around the world. Under Mr. Kast's management, Global Water Technologies, Inc. had cumulative revenues in excess of \$350 million over a 10 year period. Mr. Kast has received numerous accolades including Ernest & Young's Entrepreneur of the Year award in 1998 for "High Tech Manufacturing & Design" in the Rocky Mountain Region.

**James Franklin** – Strategic Planning and Licensing

Mr. Franklin began his corporate finance career as a registered representative with an N.A.S.D. member firm at age 18. Since 1983, he has been actively involved in oil and gas



exploration and served as President of Vista energy, a public company. Since 2000, Mr. Franklin has served as President of Oil & Gas Technology Fund, Inc. He has also provided financial services as a consultant to high technology and medical ventures. He has served on the board of directors of Reed Systems, Inc; Integral Health, Inc.; Vista energy, Inc.; and Trailblazer Oil & Gas, Inc.

**Nicole Scott** – Secretary of MSI / Public relations and Marketing

Ms. Scott founded and led an advertising agency for 8 years and currently serves as the Executive Director of Empower Girls, a non-profit organization that assists girls to achieve high self-esteem. To date, over 7,600 girls have attended her programs. Prior to this, she was the Founder and President of Imaginative, a technology advertising agency, where she oversaw strategic marketing campaigns with 43 startup companies. Prior to founding Imaginative, she was a Creative Director at McCann-Erickson. Nicole successfully led 14 product launches in three years. Ms. Scott has a B.S. in Marketing from the University of Nebraska. She also holds a technical degree in multimedia programming. She has served on the Board of Directors for Women in Technology International, Forum for Women Entrepreneurs, National Association of Women Business Owners, Jenna Druck Foundation, American Heart Association, and Saint Vincent DePaul.

**Louis J. Scott** – Member of Advisory Committee to Board of Directors

Mr. Scott has over 30 years' experience with successful marketing, brand building, national advertising, new product introductions, management of marketing and sales teams, and working with the financial investment community. He has founded and owned advertising and media production service companies in Houston, Texas. Mr. Scott subsequently joined McCann Erickson USA, in New York, where he worked with established national brands such as RJ Reynolds, Mennen Products, Gillette, Lipton, General Foods and Coca-Cola Foods as a specialist in major branded consumer product promotions and new product introductions. In 1989, Mr. Scott joined Petrolon, Inc., as Senior Vice President of sales and marketing. He conceived and executed a business and marketing plan that introduced "Slick 50" to the retail automotive aftermarket. This introduction created a new category of oil additives defined as "Engine Treatments." In addition, Mr. Scott introduced a family of specialty/lubricant chemicals under the Slick 50 brand, while opening additional new markets and channels of distribution for the brand. Mr. Scott grew the organization and sales from prior year sales of \$1.9 million in 1988 to \$138 million in retail sales. This brand is considered to be the most successful automotive aftermarket positioning and new product introduction of the 1990s. In 1998, Mr. Scott, through a leveraged buyout transaction, invested in and served as president and CEO of Atlas Supply Company, a private-label tire, battery and accessory sales and distribution business that was purchased from Chevron and BP Oil Company. In 2005, under the Into Great Brands corporate umbrella, Dura Lube was purchased out of bankruptcy. Inside of 120 days after taking ownership, under Mr. Scott's direction the Dura Lube sales team recaptured all of the targeted accounts lost by the prior owners, doubling the shelf space in major national and regional retail chains. In addition, Mr. Scott directed the reformulation of its products, redesign of the packaging of key products, and staged the introduction of a new and improved line of chemical additives for the brand.

**Additional Management and Advisors**

The Company plans to appoint additional Directors as well as executive management and scientific and marketing personnel, and to appoint highly-qualified persons as Members of its Advisory Committee to the Board of Directors.

## **LIMITATION OF LIABILITY / INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The Company has adopted provisions in its Certificate of Incorporation and Bylaws that limit the liability of its directors and provide for indemnification of its directors and officers to the full extent permitted under Nevada Securities Laws. Under the Company's Certificate of Incorporation, and as permitted under the Nevada Securities Laws, directors are not liable to the Company or its stockholders for monetary damages arising from a breach of their fiduciary duty of care as directors. Such provisions do not, however, relieve liability for breach of a director's duty of loyalty to the Company or its stockholders, liability for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, liability for transactions in which the director derived as improper personal benefit or liability for the payment of a dividend in violation of Nevada Securities Laws. Further, the provisions do not relieve a director's liability for violation of, or otherwise relieve the Company or its directors from the necessity of complying with, federal or state securities laws or affect the availability of equitable remedies such as injunctive relief or rescission. There is no pending litigation or proceeding involving a director, officer, or agent of the Company where indemnification will be required or permitted.

## **LEGAL PROCEEDINGS**

The Company is not aware of any threatened litigation or proceeding that may result in a claim for indemnification by any director or officer.

## **ADDITIONAL INFORMATION**

Additional information about the Company is available to prospective investors upon request. Prospective investors and their professional advisors are invited to review materials available to the Company relating to its plan of operations, its management and financial condition, this Offering and other matters relating to this private placement offering. The Company will provide prospective investors and their professional advisors the opportunity to ask questions of, and receive answers from, its officers concerning such information and to obtain any additional information (to the extent the Company possesses such information and can acquire it without unreasonable expense) necessary to verify the accuracy of any information set forth in the Memorandum. All such information and materials will be made available at the Company offices or other mutually acceptable location.

## **COMPANY ADMINISTRATIVE OFFICE CONTACT INFORMATION**

**Meridian Sciences, Inc.**  
848 N. Rainbow Road  
Las Vegas, Nevada 89107 USA  
Phone: 760.436.1426; Fax: (760)436-6486  
Email: [owenssd@gmail.com](mailto:owenssd@gmail.com)

## **EXHIBITS**

Exhibit A – Pro Forma Balance Sheet for January 30, 2009  
Exhibit B - Form of Subscription Agreement  
Exhibit C – Financial Projections (**North American Petroleum Markets**)

**Exhibit A**  
**Meridian Sciences, Inc.**  
**PRO FORMA BALANCE SHEET** **(UNAUDITED)**  
**as of January 30, 2009**

**Assets**

**Current Assets**

Cash	\$ 4,452,200	
Other Current Assets	105,000	
<b>Total Current Assets</b>		<b>\$ 4,557,200</b>

**Fixed Assets**

Leasehold Improvements	\$ 579,213	
Equipment	250,264	
<b>Total Fixed Assets</b>		<b>\$ 829,477</b>

**Other Assets**

Intangible Assets	\$ 25,000,749	
Organization Costs	2,283	
Start-up Costs	10,432	
<b>Total Other Assets</b>		<b>\$ 25,013,464</b>

**Total Assets** **\$ 30,400,141**

**Liabilities and Stockholders' Equity**

**Current Liabilities**

Accounts Payable	\$ 109,056	
Other Current Liabilities	200,000	
<b>Total Current Liabilities</b>		<b>\$ 309,056</b>

**Total Liabilities** **\$ 309,056**

**Stockholder's Equity**

Preferred stock, \$.001 par value; 5,000,000 shares authorized and -0- shares issued and outstanding		
Common stock, \$.001 par value; 20,000,000 shares authorized, 8,000,000 shares issued and outstanding		\$ 8,000
Additional Paid-in capital		\$ 30,689,559
Deficit accumulated during the development stage		\$ (606,474)

**Total Stockholders' Equity** **\$ 30,091,085**

**Total Liabilities and Stockholders' Equity** **\$ 30,400,141**

**Exhibit B**  
**Form of Subscription Agreement**

Meridian Sciences, Inc.  
848 N. Rainbow Road  
Las Vegas, Nevada 89107 USA  
Attn: Board of Directors

Gentlemen:

1. **Subscription.** The undersigned (the "Subscriber") hereby tenders this subscription and applies to purchase \_\_\_\_\_unregistered common shares (the "Shares") offered by Meridian Sciences, Inc., a Nevada corporation (the "COMPANY"), at a price of \$5.00 per Share, and further sets forth statements upon which COMPANY may rely to determine the suitability of the Subscriber to purchase the Shares. The minimum subscription is 5,000 Shares (\$25,000), unless the Company, in its sole discretion, elects to accept subscriptions for fewer Shares. The Shares, when issued, will be fully paid and non-assessable voting shares.

Unless otherwise specifically stated, any reference to "Securities" shall mean the Shares. Unless otherwise defined herein, capitalized terms used herein have the respective meanings assigned to them in the Confidential Private Placement Memorandum, dated as of February 24, 2009, as may be further updated, amended or supplemented after the date hereof in connection with this offering of Shares by the Company (the "Memorandum").

The Subscriber understands that the purchase price for the Securities is payable to **Meridian Sciences, Inc.** in full upon subscription. Interest will not be earned on subscriptions.

2. **Representations and Understandings.** The Subscriber hereby makes the following representations, warranties and agreements and confirms the following understandings:

(l) the Subscriber understands and agrees:

(a) That the Securities have not been registered under the Securities Act of 1933, as amended (the "Act"), and are being sold pursuant to the exemption provided by Rule 506 promulgated hereunder; and,

(b) that the Securities have not been registered or qualified under the applicable state securities laws of any jurisdiction, and that the Securities are being offered and sold pursuant to applicable exemptions there from; and,

(c) That a legend will be placed on each of the share certificates that comprises and represents the Shares which will state as follows:

**"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO THEIR DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR THESE SECURITIES UNDER THE ACT, OR THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED";** and,

(d) that a notation in the records of the Company will be made regarding any restrictions on transfer of the Securities pursuant to Paragraph 2(l) (c) above.

(ii) The Subscriber is purchasing the Securities for its own account and not with a view to resell or distributes the Securities except in full compliance with all applicable U.S. federal and state securities laws. The Subscriber has such knowledge and experience in financial and business matters that Subscriber is capable of evaluating the merits and the risks of the acquisition of the Securities and, by reason of Subscriber's financial and business experience (either alone or together with any purchaser representative), Subscriber has the capacity to protect Subscriber's interest in connection with the acquisition of the Securities.

(iii) The Subscriber has received a copy of the Memorandum, has reviewed it carefully and has had an opportunity to question representatives of the Company and to obtain such additional information concerning the Company as it has requested. Subscriber is not purchasing the Securities as the result, directly or indirectly of any form of general solicitation or general advertising, including any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio.

(iv) The Subscriber has evaluated the risks of its investment in the Company, including those risks particularly described in the Memorandum under the Section thereof entitled "RISK FACTORS." In evaluating such investment, the Subscriber has been provided with a reasonable opportunity to consult with its own investment and/or legal advisor(s).

(v) Subscriber [**PLEASE INITIAL THE APPROPRIATE SPACE**] is \_\_\_\_ is not \_\_\_\_ an "Accredited Investor," as such term is defined in Rule 501 promulgated under the Act. If Subscriber is an Accredited Investor, please initial and complete all of the spaces in this Paragraph 2(v) appropriate to Subscriber's facts:

(a) \_\_\_ Subscriber is a natural person who is subscribing on behalf of himself or herself (or on behalf of a revocable trust of which subscriber is the grantor), whose net worth or joint net worth with his or her spouse exceeds \$1,000,000.

(b) \_\_\_ Subscriber is a natural person who is subscribing on behalf of himself or herself (or on behalf of a revocable trust of which subscriber is the grantor), whose individual income exceed \$200,000, or whose income together with that of his or her spouse exceeded \$300,000, in either case, in each of the two most recent years and who reasonably expects such income to exceed \$200,000 in the case of individual income or \$300,000 in the case of joint income in the current year.

(c) \_\_\_ Subscriber is an employee benefit plan within the Employee Retirement Income Security Act of 1974 ("ERISA") [**PLEASE INITIAL THE SPACE APPROPRIATE TO SUBSCRIBER'S FACTS**]:

(1) \_\_\_ where the investment decision is being made by a plan fiduciary, as defined in Section 3(21) thereof, which is (i) \_\_\_ a bank, (ii) \_\_\_ a savings and loan association, (iii) \_\_\_ an insurance company or (iv) \_\_\_ a registered investment advisor; or

(2) \_\_\_ where the investment decision is made by a plan fiduciary who is not among those listed in clause (c)(1) above, but the plan has total assets in excess of \$5,000,000; or

(d) \_\_\_ Subscriber is a self-directed employee benefit plan where the investment decisions are made solely by persons that are "Accredited Investors" and the

investments are made only on behalf of those persons, in which case the Subscriber has set forth below the name of each such person and each such person has completed and signed a supplemental copy of this Subscription Agreement (indicating therein that it is such a supplement and not intended to constitute a separate subscription) [PLEASE SET FORTH EACH NAME IN THE SPACE PROVIDED].

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(e) \_\_\_ Subscriber is an irrevocable trust which has total assets in excess of \$5,000,000, which was not formed for the specific purpose of acquiring the Securities, and whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D, by reason of the business or financial experience of such person or by reason of the business or financial experience of the Purchaser Representative of such trust, who is unaffiliated with and who is not, directly or indirectly, compensated by the COMPANY or its affiliates, which business and financial experience consists of the following: **[PLEASE DESCRIBE, WITH APPROPRIATE REFERENCE TO EDUCATIONAL BACKGROUND AND BUSINESS, PROFESSIONAL AND INVESTMENT EXPERIENCE; IF A PURCHASER REPRESENTATIVE IS USED, THAT PERSON MUST SIGN THE CERTIFICATE OF THE PURCHASER REPRESENTATIVE WHICH IS ATTACHED AS AN ADDENDUM TO THIS SUBSCRIPTION AGREEMENT]**

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(f) \_\_\_ Subscriber is (1) a bank as defined in Section 3(a)(2) of the Act, whether acting in its individual or fiduciary capacity, or (2) a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity.

(g) \_\_\_ Subscriber is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

(h) \_\_\_ Subscriber is an insurance company as defined in Section 2(a) (13) of the Act.

(i) \_\_\_ Subscriber is an investment company registered under the Investment Company Act of 1940.

(j) \_\_\_ Subscriber is a business development company, as defined in section 2(a) (48) of the Investment Company Act of 1940.

(k) \_\_\_ Subscriber is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

(l) \_\_\_ Subscriber is a private business development company, which meets the definition in Section 202(a) (22) of the Investment Advisers Act of 1940.

(m) \_\_\_ Subscriber is a plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, which plan has total assets in excess of \$5,000,000.

(n) \_\_\_ Subscriber is an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar



business trust or a partnership, which has assets in excess of \$5,000,000 and which was not organized for the purpose of investing in the Securities, or is a non-USA organization whose beneficial ownership interests do not include citizens or permanent residents of the USA.

(o) \_\_\_ Subscriber is a director or executive officer of the COMPANY.

(p) \_\_\_ Subscriber is an entity in which all the equity owners are "Accredited Investors," in which case the Subscriber has set forth below the name of each such person and each such person has completed and signed a supplemental copy of this Subscription Agreement (indicating therein that it is such a supplement and not intended to constitute a separate subscription) [PLEASE SET FORTH EACH NAME IN THE SPACE PROVIDED]

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(q) \_\_\_ Subscriber is an individual retirement account (IRA), and the participant (i.e., the equity owner of the account) is an "Accredited Investor," in which case the Subscriber has set forth below the name of such participant, and such person has completed and signed a supplemental copy of this Subscription Agreement (indicating therein that it is such a supplement and not intended to constitute a separate subscription. [PLEASE SET FORTH NAME IN THE SPACE PROVIDED]

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(vi) If Subscriber is a foundation or endowment fund or an employee benefit plan governed by ERISA, such person's investment has been duly approved by all persons whose approval is required and is not prohibited or restricted by any provisions of the governing - or any related - instrument of - or pertaining to - such foundation, plan or endowment, and such foundation, plan or endowment has consulted its counsel and other advisors with respect to its investment.

(vii) Subscriber [PLEASE INITIAL] is \_\_\_ a U.S. Person, as defined in this section; if Subscriber is a U.S. Person, Subscriber agrees to notify the COMPANY within 60 days of the date it ceases to be a U.S. Person. U.S. Person means:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organized or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. Person;
- (d) any trust of which any trustee is a U.S. Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account held by a dealer or other fiduciary organized, incorporated, or (if individual) resident in the United States; and
- (h) Any partnership or corporation if:



- (1) organized or incorporated under the laws of any foreign jurisdiction; and
- (2) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated and owned, by accredited investors who are not natural persons, estates or trusts.

Notwithstanding the foregoing definition of "U.S. Person";

- (a) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if individual) resident in the United States shall not be deemed a U.S. Person.
- (b) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a U.S. Person if:
  - (1) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (2) the estate is governed by foreign law.
- (c) Any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person.
- (d) Any employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
- (e) Any agency or branch of a U.S. Person located outside the United States shall not be deemed a U.S. Person if:
  - (1) the agency or branch operates for valid business reasons; and
  - (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (f) The International Monetary Fund, the International Bank for Reconstruction and Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

(viii) Subscriber's net worth is in excess of ten (10) times its proposed investment in the Shares and Subscriber has ascertained by independent financial advice that

the proposed investment is suitable and that Subscriber is financially able to bear the economic risk of the investment, including the total loss thereof.

(ix) Subscriber has no need for any liquidity in its investment and is able to bear the economic risk of its investment for an indefinite period of time. Subscriber has been advised and is aware that there is currently no public market for the Securities and that no public market for the Securities can be assured or promised.

(x) Subscriber has relied solely upon the Memorandum and independent investigations made by it or its representatives with respect to the Securities subscribed for herein.

(xi) Subscriber agrees not to transfer or assign its subscription hereunder or any interest therein.

(xii) If executing this Subscription Agreement in a representative or fiduciary capacity, the undersigned has full power and authority to execute and deliver this Subscription Agreement on behalf of its principal for whom the undersigned is executing this Subscription Agreement, and such principal has the full right and power to perform pursuant to this Subscription Agreement and to acquire the Securities.

(xiii) This subscription constitutes an irrevocable offer to purchase the Shares for thirty (30) calendar days, unless sooner accepted or rejected by the Company in its discretion. If rejected by the Company for any reason, a full refund, without deduction or interest, will be made to Subscriber by Company and its directors, officers and agents will have no further liability to the prospective Subscriber.

(xiv) There can be no assurance as to the federal or state tax consequences of an investment in the Shares.

(xv) The information contained in the Memorandum is confidential and nonpublic, and all such information shall be kept in confidence by the Subscriber and shall not be used by the Subscriber to the Subscriber's personal benefit (other than in connection with the subscription for the Shares) or disclosed to any third party for any reason; provided, that this obligation shall not apply to any such information which (i) is part of the public knowledge or literature and readily accessible at the date hereof; (ii) becomes part of the public knowledge or literature and readily accessible by publication (except as a result of a breach of these provisions); or (iii) is received from third parties (except third parties who disclose such information in violation of any confidentiality agreements including, without limitation, any Subscription Agreement they may have with the Company).

(xvi) Neither this Subscription Agreement nor any provisions hereof shall be waived, modified, changed, discharged, terminated, revoked, or canceled except by an instrument in writing signed by the party against whom any change, discharge, or termination is sought.

(xvii) Failure of the Company to exercise any right or remedy under this Subscription Agreement or any other agreement between the Company and the Subscriber, or otherwise, or delay by the Company in exercising such right or remedy, will not operate as a waiver thereof. No waiver by the Company will be effective unless and until it is in writing and signed by the Company.

(xviii) This Subscription Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Nevada, as such laws are applied by Nevada courts to agreements entered into and to be performed in Nevada, and shall be binding

upon the Subscriber, the Subscriber's heirs, estate, legal representatives, successors and assigns and shall inure to the benefit of the Company and its successors and assigns.

(xix) In the event that any provision of this Subscription Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

(xx) This Subscription Agreement, the Memorandum and any documents referenced therein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede any and all prior or contemporaneous representations, warranties, agreements and understandings in connection therewith. Except as otherwise provided in this Paragraph (XX), this Subscription Agreement may be amended only by a writing executed by all parties hereto.

(xxi) The Subscriber has previously made the following types of investments **[PLEASE INITIAL THE APPROPRIATE SPACES]**:

- \_\_\_\_\_ Listed Stocks
- \_\_\_\_\_ OTC Stocks
- \_\_\_\_\_ Bonds
- \_\_\_\_\_ Mutual Funds
- \_\_\_\_\_ Public Direct Investments (limited partnership or limited liability company)
- \_\_\_\_\_ Private Direct Investments (limited partnership or limited liability company)
- \_\_\_\_\_ Venture Capital or other Early-Stage Investments

3. **No Regulatory Endorsement.** Subscriber understands that no Federal or state agency has recommended or endorsed the purchase of the Securities or passed upon the adequacy or accuracy of the information set forth in the Memorandum (including the Exhibits thereto).

4. **Indemnification.** Subscriber warrants the truth and accuracy of all Subscriber's representations, warranties and agreements, and the truth and accuracy of all of the information provided by Subscriber and included in this Subscription Agreement, and agrees to indemnify and defend the Company and its directors and officers and hold them harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of any breach of or inaccuracy in Subscriber's representations, warranties or agreements herein, including any action, suit or proceeding based on a claim that any of such representations, warranties or agreements were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company or any of its directors or officers under the Act or any applicable state securities laws of any jurisdiction.

5. **Attorneys Fees and Costs.** The court may award either party in any controversy, claim or litigation relating to this Subscription Agreement reasonable attorneys fees and costs, in addition to any other appropriate relief.

**SHARE SUBSCRIPTION: DOLLAR AMOUNT: \$** \_\_\_\_\_ **NUMBER OF SHARES:** \_\_\_\_\_

**PLEASE INITIAL ONE OF THE FOLLOWING:**

- \_\_\_ INDIVIDUAL OWNERSHIP (one signature)
- \_\_\_ JOINT TENANT WITH RIGHT OF SURVIVORSHIP (two signatures)
- \_\_\_ COMMUNITY PROPERTY (two signatures)
- \_\_\_ TENANTS IN COMMON (two signatures)
- \_\_\_ CUSTODIAN UNDER UNIFORM GIFT TO MINORS ACT
- \_\_\_ TRUST
- \_\_\_ PARTNERSHIP
- \_\_\_ CORPORATION
- \_\_\_ IRA
- \_\_\_ OTHER

[PLEASE SPECIFY] \_\_\_\_\_

\_\_\_\_\_ Dated: \_\_\_\_\_, 2009  
Authorized Signature

\_\_\_\_\_  
Title or capacity of signing party if Subscriber is a partnership, corporation, trust or other non-individual entity.

**PLEASE TYPE OR PRINT THE FOLLOWING INFORMATION:**

\_\_\_\_\_  
Full name(s) of Subscriber(s) as it/they should appear on Securities

\_\_\_\_\_  
Social security, employer I.D., or other taxpayer I.D. number of Subscriber

\_\_\_\_\_  
Address of Permanent Residence <sup>1</sup>

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Email Address

**ACCEPTANCE OF SUBSCRIPTION:**

**Meridian Sciences, Inc.,**

A Nevada Corporation

By: \_\_\_\_\_  
Chairman/CEO

Dated: \_\_\_\_\_, 2009

<sup>1</sup> If Subscriber is a corporation, partnership, trust or other form of business organization, please provide the address of the Subscriber's principal office in lieu of permanent residence address.

**ADDENDUM TO SUBSCRIPTION AGREEMENT  
CERTIFICATE OF PURCHASER REPRESENTATIVE**

1. I hereby certify that I have acted as the Purchaser Representative of \_\_\_\_\_ in connection with such person's investment in Securities of **Meridian Sciences, Inc.**, a Nevada corporation ("COMPANY"), and that the statements made with respect to me in the Subscription Agreement executed in connection therewith by said person are true and correct. The following is a description of the business and investment experience, education and other bases of my background which gave me such knowledge and experience in business and financial matters that I am capable of evaluating the merits and risks of an investment in the Securities [PLEASE COMPLETE]:

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2. The following sets forth any material relationship between me or my affiliates and the COMPANY and its affiliates that now exists, is mutually understood to be contemplated or that has at any time during the previous two (2) years existed, and sets forth any compensation received or to be received as a result of such relationship [PLEASE COMPLETE]:

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3. The undersigned is not an affiliate, director, officer or other employee of the COMPANY or beneficial owner of ten percent (10%) or more of any class of its equity securities or of ten percent (10%) or more of the equity of the COMPANY.

By: \_\_\_\_\_  
Purchaser Representative

Dated: \_\_\_\_\_, 2009

## EXHIBIT C

### Meridian Sciences, Inc. - Financial Projections\*

<i>Figures are in US\$ Millions</i>	2009	2010	2011	2012	Totals
<b>Gross Revenues</b>	<b>0.50</b>	<b>30.28</b>	<b>229.19</b>	<b>493.03</b>	<b>753.00</b>
<b>Less: Sales Allowance</b>	0.00	0.37	10.36	22.36	<b>33.09</b>
<b>Net Revenues</b>	<b>0.50</b>	<b>29.91</b>	<b>218.83</b>	<b>470.67</b>	<b>719.91</b>
<b>Cost of Goods Sold</b>					
<b>Cost of Goods</b>	0.00	0.01	0.14	0.30	<b>0.45</b>
Royalties	0.00	0.50	10.94	23.53	<b>34.97</b>
Total Cost of Goods Sold	0.00	0.51	11.08	23.83	<b>35.42</b>
<b>Gross Profit</b>	<b>0.50</b>	<b>29.40</b>	<b>207.75</b>	<b>446.84</b>	<b>684.49</b>
<b>Business Development, Marketing &amp; Sales</b>					
Sales and marketing personnel, expenses, facilities	0.90	0.70	3.05	8.72	<b>13.37</b>
Public relations and advertising	0.82	5.25	7.50	10.25	<b>23.82</b>
<b>Total Business Development, Marketing &amp; Sales</b>	<b>1.72</b>	<b>5.95</b>	<b>10.55</b>	<b>18.97</b>	<b>37.19</b>
<b>Technical Development and Operations</b>					
Environment (utilities, etc.)	0.03	0.04	0.08	0.08	<b>0.23</b>
Equipment	0.40	0.10	0.10	0.10	<b>0.70</b>
Facility	0.06	0.06	0.12	0.12	<b>0.36</b>
Research and Development	0.10	0.12	0.13	0.25	<b>0.60</b>
Salaries and Wages	0.66	0.75	0.77	0.79	<b>2.97</b>
Setup and Supplies	0.17	0.17	0.20	0.36	<b>0.90</b>
<b>Total Technical Development &amp; Operations</b>	<b>1.42</b>	<b>1.24</b>	<b>1.40</b>	<b>1.70</b>	<b>5.76</b>
<b>General &amp; Administrative</b>					
General & Administrative	1.40	2.07	3.45	4.23	<b>11.15</b>
Legal Services (Patents, Trademarks, Licenses)	0.50	1.00	1.50	2.50	<b>5.50</b>
<b>Total General &amp; Administrative</b>	<b>1.90</b>	<b>3.07</b>	<b>4.95</b>	<b>6.73</b>	<b>16.75</b>
<b>Total Expenses</b>	<b>5.04</b>	<b>10.26</b>	<b>16.90</b>	<b>27.40</b>	<b>59.60</b>
<b>Income from Operations<sup>1</sup></b>	<b>-4.54</b>	<b>19.14</b>	<b>190.85</b>	<b>419.44</b>	<b>624.89</b>

1. Before Interest, Taxes, and Depreciation

\* Totals may differ from sum of displayed numbers due to rounding. The projections are based on various assumptions. There can be no assurance that the assumptions are correct or that the projections accurately predict future events or performance. No independent auditor has examined, compiled or performed audit procedures for these projections