



SUTIMCo International, Inc.

www.suti.com

OTCPK: SUTI

DEAR FELLOW SHAREHOLDERS

It is my pleasure to share with you the history of SUTIMCo International, the most recent developments as well as SUTIMCo's plans for the future development of University based technologies. SUTIMCo has been operating in the emerging technologies market since 2006. **SUTIMCo transforms University science research into a compelling commercial product and profitable enterprise** utilizing a unique and proprietary management services platform designed to reduce time-to-market, time-to profit and increase chances of success.

In April of 2011, the Company completed the acquisition of SUTIMCo, Inc. (www.SUTI.com) a provider of management services and infrastructure for emerging technology companies based in Santa Ana, CA. As part of the agreement, AquaStar Holdings has acquired 100% of the shares of SUTIMCo Inc. in exchange for \$9,500,000; payable in \$4,000,000 worth of restricted shares (\$3,000,000 in preferred stock and \$1,000,000 in restricted common shares) in SUTIMCo International and \$5,500,000 in cash to be paid within a 24 month period from the date of closing. SUTI Holdings has presently converted \$1 million of their preferred shares into common shares of the Company. The Company plans to restructure this agreement with SUTI Holdings, which will allow SUTIMCo to negotiate and secure new University technologies as well as finance and support the growth and product development of the university developed technologies that SUTIMCo already manages.

SUTIMCo's early stage management services and infrastructure are provided through Business Units (parent companies that manage and support up to four portfolio companies). The mission of each Business Unit is to finance, grow and sell successful companies as they mature out of the start-up stage and become attractive to larger companies. SUTIMCO plans to operate Business Units in the areas of **Quality of Life, Alternative Energy, Food Safety, Advanced Material, Media and Entertainment, Water Technologies and Skin & Wound Care.**

Each new technology startup benefits from SUTIMCo's early stage management expertise and administrative services, often absent in a traditional start-up company. SUTIMCo's well-defined systems infuse technology startups with early stage management teams and infrastructure, innovator-focused methodologies, processes and strategies, and a supportive, creative environment designed to reduce risk to stakeholders and accelerate large financial returns. Traditional venture capital models offer success rates on the order of 1 in 10. At SUTIMCo, we believe that much higher success rates are possible if the appropriate management systems are put in place at the outset. **SUTIMCo has identified, and plans to execute options, to acquire at least 20 new University based technologies over the next 12 months to be managed by the various business units mentioned above.** Most new technology ventures fail, not because of the inadequacy of the technology, but because the venture does not have the vitally needed domain expertise in knowing how to launch and grow a new company.

As the managing entity, SUTIMCo manages investment dollars and all aspects of the early stage company's initial activities including product definition, product development, marketing, sales, finance, human resources, and team building. SUTIMCo continues to provide overall developmental and administrative support services to each operating portfolio company until the company can stand alone or be sold. With the financing for each

portfolio company coming through the Business Unit, risk is spread among multiple projects all the while increasing the likelihood of success through deployment of SUTIMCo's unique methodology.

The SUTIMCo business strategy avoids the limitations of working solely with one technology, it allows the Company to have access to the greatest minds around the country and it allows the management team to "cherry pick" the very best technologies taking innovation from laboratory to marketplace. **The benefit from SUTIMCo is twofold; (one), the Company can realize the immediate revenue generated from the Venture Acceleration Agreements in place with the various Business Units; and (two), SUTIMCo then works with the companies in their development having the option to acquire the "cream of the crop."** This allows SUTIMCo, as a management company, to go ahead and look at the various technologies that are coming from all the major universities, assist them in securing funding, develop them and then take an equity position in the best ones.

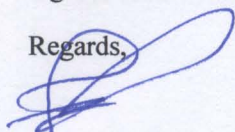
The SUTIMCo International, Inc. robust portfolio of relationships with prestigious American universities is unique and strategic. North American universities invest over \$42 billion in science and technology research, with about 15,000 new technologies disclosed annually. SUTIMCo's portfolio of technology and innovation start-ups, in partnership with more than two-dozen of the nation's premier research universities, includes operating companies, companies in the pre-funding stage and projects in the development process. Each of these business entities is being advanced by the SUTIMCo management team and methodology.

Currently SUTIMCO is working to fund and operate five Business Units, Quality of Life, Water Technologies which will include its AquaStar Corporation, Media & Entertainment, Food Safety and Skin & Wound Care. Although the new business model is tremendously profitable, SUTIMCo's clients do not have the capital necessary to pay SUTIMCo on a timely basis. SUTIMCo must wait for its clients to either raise money or generate revenues in order to receive money from its Venture Accelerator Agreements (VAA). SUTIMCo management believes that the short term risk will pay off as the technologies behind the VAA is based upon both University Research and Government support.

Throughout the remainder of 2012, the Company plans to initiate a capitalization plan allowing SUTIMCo International greater flexibility to utilize the assets of the Company in the future for corporate purposes. This will give management the equity necessary to raise capital and complete acquisitions in order to provide shareholders real value. I am pleased to report that the Company's acquisition of SUTIMCo will result in increased revenues and profits for our shareholders.

In closing, I want to thank each of you for your patience and continued support of SUTIMCo International. For more information on SUTIMCo International please visit www.suti.com or visit www.otcm Markets.com for regular SUTIMCo updates.

Regards,



Frederick T. Rogers
Chairman

Safe Harbor Statement:

The information posted in this release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements by use of the words "may," "will," "should," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," and similar expressions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. These risks and uncertainties include, but are not limited to, general economic and business conditions, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing various engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, shortages in components, production delays due to performance quality issues with outsourced components, and various other factors beyond the Company's control.