

Composite Exhibit 39

From: Tom Darden <tdarden@industrialheat.co>
Sent: Thursday, July 10, 2014 12:19 PM
To: Andrea Rossi
Subject: Re: Andrea
Attachments: attachment-1.docx

I have sent this (see attached) to the lawyers, asking them for input. Please read it and offer your edits and corrections. I hope it includes everything you had in yours--I worked from yours as a model. If you like it, or if you like it once you have included your edits, we could send it to them prior to receiving lawyer edits if this is critical. I prefer to wait, but it is not a big problem if we do not wait. See attached. Thanks.

On Thu, Jul 10, 2014 at 12:09 PM, Andrea Rossi <ar.123@mail.com> wrote:

Dear Tom:
Do you think I will receive the contract draft by today ?
Warmest Regards,
Andrea

Sent: Thursday, July 10, 2014 at 12:28 AM
From: "Tom Darden" <tdarden@industrialheat.co>
To: "Andrea Rossi" <ar.123@mail.com>
Subject: Re: Andrea

Thanks for the reminder, we will get on this now!

Tom Darden
[919 522 4095](tel:9195224095) m

From: Andrea Rossi
Sent: Wednesday, July 9, 2014 5:46 PM
To: Tom Darden
Subject: Andrea

Dear Tom:
Among your multiple engagements, please do not forget to email me the draft on IH head letter of the contract with JM.
You have just to copy my sketch and add what you deem opportune.
I want to send it by this week to have it signed by next week.
Warmest Regards,
God bless you,
Andrea

--
Tom Darden
Industrial Heat

919 522 4095
tdarden@industrialheat.co

Term Sheet

The parties to this Term Sheet are Industrial Heat, LLC ("IH"), the owner of the 1 mW E-cat steam plant (the "1 mW Plant"); Johnson Matthey ("JM"), the operator of a Miami production facility; and Leonardo Corporation ("Leonardo").

1. Industrial Heat, LLC owns a 1 mW E-Cat steam plant built by affiliates of Leonardo in Italy in 2013.
2. Johnson Matthey operates a production facility in Miami, FL, which requires low temperature steam.
3. Leonardo has technical knowledge about the operation and maintenance of the 1 mW Plant
4. IH intends to make available to JM the 1 MW plant for a period of 2 years.
5. Leonardo will assist in the installation of the 1 mW Plant at the Miami JM facility, at no cost to JM.
6. JM will pay rent of \$1000 per day, monthly in arrears, once the 1 MW plant is installed in their facility and operating at a capacity of 1 mW. However, if the plant provides less than 1 mW of thermal energy, the rental rate will be reduced proportionally. If the plant produces more than 1 mW, there will be no increase in the rental rate.
7. IH will provide all maintenance on the 1 mW Plant during the 2 year rental period.
8. Dr. Andrea Rossi of Leonardo Corp will be responsible for the operation of the 1 MW Plant, assisted by Eng. Fulvio Fabiani and any others designated by IH
9. The personnel of IH and Leonardo will not have access to the plant of JM, and the personnel of JM will not have access to the inside of the 1 MW Plant or to information about how the 1 mW Plant operates, which are trade secrets of Leonardo and IH.
10. If the 1 mW Plant fails to operate, rent will be reduced proportional to the time that the 1 mW Plant fails to operate, unless the reason for the failure is caused by some other party besides IH or Leonardo. If the 1 mW Plant fails to operate for reasons which are not controlled by IH or Leonardo, rent will not be reduced. By way of example, if electrical power is not furnished to the plant, and as a result it fails to operate, rent will be owed nonetheless.
11. If the 1 mW Plant fails to operate for any reason, JM will not be paid any consequential damages or costs.
12. JM will provide reasonable insurance covering the cost of any damage caused by the 1 mW Plant, naming IH and Leonardo as additional insureds.
13. IH will be allowed to visit the 1 mW Plant at any time, with customers or with IH personnel, with 3 days notice.
14. Upon expiration of the rental period, or earlier if there is any disagreement associated with the rental agreement, IH will continue to own the 1 mW Plant and JM will not have any right to buy or retain the plant.
15. JM will not encumber the 1 mW Plant with any lien or obligation to any third party.

16. IH or Leonardo will furnish to JM a letter from the Healthcare Office of Miami allowing the operation of the 1 MW Plant.
17. IH and Leonardo will be responsible for their personnel inside the factory of JM, and JM will be responsible for their personnel inside their factory.

This term sheet is a non-binding expression of the current intentions of the IH, Leonardo and JM. If the parties agree with the terms above, they will negotiate a final agreement which would become binding only upon execution by the parties.

From: Tom Darden <tdarden@industrialheat.co>
Sent: Thursday, July 10, 2014 1:26 PM
To: Andrea Rossi
Subject: Edited lawyer draft
Attachments: attachment-1.docx

They made a few clarifications and improvements. Please see if these are OK and edit as you want.

Tom Darden
919 522 4095 m

Term Sheet

The parties to this Term Sheet are Industrial Heat, LLC (“IH”); Johnson Matthey (“JM”), the operator of a Miami production facility; and Leonardo Corporation (“Leonardo”).

1. Industrial Heat, LLC, directly or through its affiliates, owns a 1 mW E-Cat steam plant (the “1 mW Plant”) built by affiliates of Leonardo in Italy in 2013.
2. Johnson Matthey operates a production facility in Miami, FL, which requires low temperature steam.
3. Leonardo has technical knowledge about the operation and maintenance of the 1 mW Plant
4. IH intends to make available to JM the 1 MW plant for a period of 2 years.
5. Leonardo will assist in the installation of the 1 mW Plant at the Miami JM facility, at no cost to JM or IH.
6. JM will pay rent of \$1000 per day to IH or its designee, monthly in arrears, once the 1 MW plant is installed in their facility and operating at a capacity of 1 mW. However, if the plant provides less than 1 mW of thermal energy, the rental rate will be reduced proportionally. If the plant produces more than 1 mW, there will be no increase in the rental rate.
7. IH will provide all maintenance on the 1 mW Plant during the 2 year rental period.
8. Dr. Andrea Rossi of Leonardo Corp will be responsible for the operation of the 1 MW Plant, assisted by Eng. Fulvio Fabiani and any others designated by IH. There will be no additional cost to JM or IH for these services.
9. The personnel of JM will not have access to the inside of the 1 MW Plant or to information about how the 1 mW Plant operates, which are trade secrets of Leonardo and IH.
10. If the 1 mW Plant fails to operate, rent will be reduced proportional to the time that the 1 mW Plant fails to operate, unless the failure is caused by some other party or reason besides IH or Leonardo. If the 1 mW Plant fails to operate for reasons which are not controlled by IH or Leonardo, rent will not be reduced. By way of example, if electrical power is not furnished to the plant, and as a result it fails to operate, rent will be owed nonetheless.
11. If the 1 mW Plant fails to operate for any reason, JM will not be paid any consequential damages or costs and IH will have the option to terminate the rental agreement and pick up the 1mW Plant.
12. JM will provide reasonable insurance covering the cost of any damage caused by the 1 mW Plant, naming IH and Leonardo as additional insureds.
13. IH will be allowed to visit the 1 mW Plant at any time, with customers or with IH personnel, with 3 days notice.
14. IH will continue to own the 1 mW Plant and JM will not have any right to buy or retain the plant. Upon expiration of the rental period, or earlier termination if there is a default under the rental agreement, IH may pick up the 1 mW Plant.

15. JM will not encumber the 1 mW Plant with any lien or obligation to any third party.
16. IH or Leonardo will furnish to JM a letter from the Healthcare Office of Miami allowing the operation of the 1 MW Plant.
17. IH and Leonardo will be responsible for their personnel inside the factory of JM, and JM will be responsible for their personnel inside their factory.
18. JM will keep records of the operation of the 1mW Plant as reasonably requested by Leonardo or IH and will provide copies of such records to Leonardo and IH upon request.
19. Definitive documentation for the transaction will include appropriate confidentiality provisions. JM agrees that it will not make any public announcements regarding the 1 mW Plant unless first approved by IH.

Except for JM's agreement set forth in paragraph 19 above, this term sheet is a non-binding expression of the current intentions of IH, Leonardo and JM. If the parties agree with the terms above, they will undertake to negotiate a final agreement which would become binding only upon execution by the parties.