

Dear Shareholders:

I want to take this opportunity to share with you the major projects for 2012 that are being pursued by your company.

Reflect Scientific is not a start-up company with wild ideas based on hopes and potential promises. Reflect has been in business since 1993 due to a solid infrastructure, and state-of-the-art products based on proven patented technology. Our markets are vast with potential multibillion-dollar markets.

Let's talk about our business by breaking it down into four key business segments: (1) Life Science Consumables, (2) Life Science & Medical Instruments, (3) Liquid Nitrogen Platform Technology, (4) Pharmaceutical Shipping Containers.

### **Life Science Consumables**

This product line consists of several hundred different products that are consumed by customers in the Life Science / Biotech field. This segment currently brings in most of our revenue and was established in 1993.

### **Life Science & Medical Instruments**

Our existing product line continues to be sold to OEM customers for implementation in medical testing. Sales volume has grown despite the recent economic downturn. Sentiment in the chromatography market is positive and Reflect is positioned to act on it with the introduction of new instruments based on the latest technology available.

Our new VUV-40F detector is aimed at providing a low cost, high performing product for the OEM customer and is available now. Additional products, such as the VUV-40V detector, are currently being developed to fill other market voids.

### **Liquid Nitrogen Platform Technology**

This consists of products that use clean liquid nitrogen for cooling. The extreme cold of the liquid nitrogen allows it to be used for blast freezing, large scale cooling, and portable refrigeration. All this is done while producing zero pollution and at a fraction of the time and cost of alternatives. These products include:

### **Pharmaceutical Freezers**

With over a million operational hours on our installed units, the T-150 is gaining a reputation as a trouble-free ultra low temperature freezer that is built to outperform and outlast all competitors.

The B-120 blast freezer introduced late last year has a significant advantage over competing products with the ability to blast freeze up to 36 times faster.

Both of these products are currently available and will be the focus of a significant marketing and sales campaign. Reflect will increase its presence online and in various trade shows. This will showcase key product benefits and generate an increased revenue stream.

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### **Refrigerated Transportation**

Our CB40 refrigeration unit was completed in late 2011, meeting the ever-increasing need to have more environmentally responsible products that decrease expenses and conform to new regulations. Benefits to trucking companies include being able to carry more cargo weight and significantly reducing operating costs compared to competitors. The CB40 will be extensively beta tested the first half of 2012 with an anticipated product launch in the second half of the year.

### **Data Center Cooling**

This is an area of business that is at the beginning stage of tremendous growth. Our static and mobile deployment data center cooling systems can either peak shave electrical demands for cooling or can replace conventional centers with mobile or off site locations which free up valuable building space for a "parking lot" data center. Reflect installations are at the forefront of this next technology wave. Our efforts will focus on driving revenues through marketing and creating demonstration centers to showcase the technology.

### **Pharmaceutical Shipping Containers**

One of the hottest topics in BioPharma today is thermally stable logistics. Currently per unit price is a barrier to acceptance. But the marketplace has realized that holding temperature is more important than just the lowest cost. Reflect is collaborating with several industry leaders to develop a solution to this problem. Our answer will be new products based on our already patented technology.

The company has taken many steps to reduce costs and debt during 2011 and will continue to do so in 2012.

Thank you for remaining loyal shareholders during one of the most difficult economic periods we have ever faced. I am confident Reflect has the management and the products to make 2012 our most successful year.

Please feel free to contact me by phone or email should you wish to discuss our progress in further detail, or visit our website at [www.reflectscientific.com](http://www.reflectscientific.com) .

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*Forward-looking statements in this release are made pursuant to the safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation, continued acceptance of the Company's products, increased levels of competition for the Company, new products and technological changes, the Company's dependence on third-party suppliers, and other risks detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission.*

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