

Report V

Volume 2006

May 12, 2006

C-NESTTM NETWORKS

The company has successfully moved into its new facility and anticipates the corporate network being fully operational by the 15th of this month.

In addition the Network Operation Center (NOC) and H-NetTM Laboratory are expected to have all remaining H-NetTM Network tasks substantially complete within the next 30 days setting the stage for Meter Data Management Agency (MDMA) compliance for certification. Due to the extensive regimen set by the state, our local Energy Distribution Company, and the un-tread paths of the MDMA certification process, the company is not at liberty at this time to offer projections concerning the approval and licensing process. As always we will report our progress here and through other more widely circulated mediums as martial events unfold.

C-NESTTM MARKETING

While the NOC completion and MDMA approval process kick into high gear the marketing team will be looking towards a new pilot in our industrial center to continue to demonstrate H-Net'sTM capability. The intention is to capture the attention of deregulation driven utilities across the country as a fully functional real-time meter reading turn key solution ready and capable to deploy product and or joint venture on a large scale. The marketing team believes that as the [HR-6 State deregulation](#) rollout program begins to unfold we will be positioned to take advantage of that highly vertical opportunity.

From the desk of Rod Lighthipe – Director of Business Development

As I said last month, it is truly a pleasure to return full time to ConectiSys. My first month back with the Company has been very productive.

That being said (a term I will use frequently in this column), as I indicated in last month's newsletter, 2006 will be a year of (1) continued progress in AMR technology development and (2) a change in the strategic direction of the Company, i.e. the possible acquisition of companies synergistic with the Company's energy technology strategy. Due to this the company shall substantially increase its authorized, making ready the treasury in anticipation of such an event.

It goes without saying that these possible changes have created a great deal of speculation and curiosity among our stockholders. First, please remember that change is always slow, almost always creates angst, but ultimately is a necessary component of success. The path to success is rarely a straight line and usually requires a few course changes. I would ask all of you to reflect on your personal lives and careers. I would be willing to bet you have all had at least a few deviations along life's journey.

That being said The Company believes it is due for change and has made the strategic decision (a course change if you will) to ameliorate the challenge of introducing wireless AMR technology by pursuing the possible acquisition of other companies.

AND the GOOD NEWS ... I can tell you we are in preliminary, but active discussions at this time with possible candidate companies.

It remains obvious that I cannot disclose any detailed information until substantive agreements have been reached.

As we continue down this path and its possible course corrections toward the ultimate goal of increased shareholder value, I ask for your patience. The "fat lady has not sung" but, I believe she is on her way to the podium.

In summary, the Company remains committed to its shareholders and increasing the value of their investment. I am looking forward to the coming months and bringing everyone more good news.

THIS MONTHS ARTICLE:

Advantages of Implementing an Advanced Metering Infrastructure

By: Bill Zorn, Electronic Data Systems (EDS) Energy Industry Executive

"Energy efficiency" is the latest buzz phrase since the Energy Policy Act of 2005 (EPACT) was signed in August. Both short- and long-term projections indicate the era of "cheap energy" is gone in America and energy costs will continue to rise. Energy companies are now under even more pressure to manage increasing costs. In order to control costs in the long run, it will be imperative to make investments today that will move them into the future. EPACT will force many utilities to transform metering and demand response systems, but the key will be in developing a long-term strategy on an adaptable infrastructure. EPACT has the following national and state implications related to automated meter reading (AMR) efforts.

[CLICK HERE FOR THE ARTICLE...](#)

Announcing the ConectiSys 2006 Annual Shareholders Meeting

Shareholders are cordially invited to attend the 2006 Annual Meeting of shareholders of ConectiSys Corporation that will be held at 10:00 a.m., local time, on June 28th, 2006 at the Valencia Hyatt, the Executive Board Room; located on 24500 Town Center Drive, Valencia, California 91355.

*ConectiSys Corp. /monthly report/2006/
By: Marsha Lee Casspi, Marketing Director*

A current report on the business operations of ConectiSys will be presented at the meeting, and shareholders will have an opportunity to vote and ask questions of the Company.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements contained herein and in the Monthly Report that are not historical are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements including, but not limited to: the level of cost-effectiveness and efficiency of the Company's H-Net™ automatic meter reading products or technologies; changes in the Company's policies regarding communications with shareholders and the general public; the success or failure of the Company's marketing efforts and the particular efforts to be employed; the Company's ability or inability to commercialize, sell, license or further develop its H-Net™ automatic meter reading products or technologies; and other risks detailed from time to time in the Company's periodic reports and other filings with the Securities and Exchange Commission.



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