BARCLAYS CAPITAL

Financing Alternative Energy Power Projects in the Current Economic Climate

Investment Banking Division
Alternative Energy Banking
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Barclays Capital

Barclays Capital's Alternative Energy Strategy

Mission

To be the Leading Advisory, Financing and Risk Management Team in the Alternative Energy Sector

Approach to Client Business

Development ⇄ **Financing** ⇄ **Power Hedging** ⇄ **Advisory**

Development:
- Materials hedging
- Project Structure Advisory

Financing:
- Construction Loan
- Back levering

Power Hedging:
- Suite of Financially Settled Products
- Credit sleeves

Advisory:
- Equity / Cvt
- Private Plcmnt
- M&A
- FX, Commodities
- Project Finance Advisory
- Tax Equity

Integrated Advisory, Risk Management and Financing Solutions

Competitive Advantage

- ✓ In-depth sub-sector coverage model covers all facets of alternative energy
- ✓ Stand alone Alternative Energy Banking and Energy Structured Finance efforts
- ✓ Creative structuring capabilities within our Energy Structured Finance franchise
- ✓ Industry leading commodity hedging platform
- ✓ Excellent relationships across the spectrum of pure play alternative energy companies, utilities, conglomerates private equity, venture capital, hedge funds, etc.
- ✓ Provides highest level of access to key decision makers in the power sector
- ✓ Leading advisory business within equity, convertible, private placement, debt, syndicated loan and M&A markets

Unparalleled, Global Transaction Experience in Solar

Barclays Capital has the most experienced solar team on the Street

Equity

JA Solar	Konarka	SunPower	CSI Canadian Solar Inc.	SunPower	SunPower
$306 million ADS Offering	$45 million Private Placement	$174 million Common Stock Offering	$116 million Initial Public Offering	$207 million Common Stock Offering	$159 million Initial Public Offering
Joint Bookrunner	Exclusive Placement Agent	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner
October 2007	August 2007	July 2007	November 2006	May 2006	November 2005

Debt

evergreensolar	JA Solar	SunPower	SunPower
$374 million Senior Convertible Notes Offering with Share Borrow Facility and Call Spread Overlay $142 million Common Stock Offering	$400 million Senior Convertible Notes Offering with Share Borrow Facility and Call Spread Overlay	$225 million Senior Convertible Notes Offering with Share Borrow Facility	$200 million Senior Convertible Notes Offering with Share Borrow Facility
Sole Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner
July 2008 / May 2007	May 2008	July 2007	February 2007

M&A

Cypress	Mubadala	KLA-Tencor	SunPower
$3.6 billion has agreed to spin-off SunPower	$8 billion has agreed to enter into a global business partnership GE	$533 million Agreement to Acquire ICOS	$333 million Has Acquired PowerLight
Financial Advisor	Financial Advisor	Exclusive Financial Advisor	Exclusive Financial Advisor to SunPower
September 2008	September 2008	May 2008	January 2007

Project Finance

		Grupo Comsa		Solar Pack
Sica Desarrollos Solar Farms Spain €39 million	Noblejas Solar Farm Spain €24 million	Maials and Gotica Solar Farm Spain €19 million	Talayuela I and II Solar Farm Spain €7 million	Lierena I and II Solar Farm Spain €63 million
Senior debt and hedging facilities for the construction and operation of 5 solar PV plants in Spain; Total capacity of 7MW	Senior debt and hedging facilities for the construction and operation of 5 solar PV plants in Spain; Total capacity of 4MW	Senior debt and hedging facilities for the construction and operation of 5 solar PV plants in Spain; Total capacity of 3.2MW	Senior Debt and hedging facilities for the construction and operation of a 10MW Solar PV plant in Spain	Arranger and underwriter of senior debt and hedging facilities for the construction and operation of a 10MW Solar PV plant in Spain
Pending	Pending	Pending	February 2008	March 2007

- ✓ *#2 in number of equity and equity-linked transactions in the solar space (IPOs, follow-ons and convertible debt) (1)*
- ✓ *#1 in number of M&A transactions in the solar space (1)*
- ✓ *Financed 5 solar projects*

(1) Based on Barclays Capital's transaction database from 2005 – 2009YTD.
Source: Note: Barclays Capital acquired the North American Investment Banking and Capital Markets businesses of Lehman Brothers on September 22, 2008.

A Global Leader in Wind

Demonstrated financing, investing and advisory alternative energy expertise[1]

Wind

Noble Environmental Power $375 million Initial Public Offering Left Bookrunner and "Quarterback" Pending	Cape Wind Energy for Life. $1.2 billion Project Financing Exclusive Financial Advisor Pending	AES £35.1 million Senior Debt Facility for the financing of 22 MW North Rhins Project Sole Mandated Lead Arranger December 2008	firstwind UPC New York Wind Project $40 million Equity Investment Principal 2008	Clipper Windpower $50 million Private Placement Placement Agent 2008	Scottish and Southern Energy €2.5bn Joint Mandated Lead Arranger of the Revolving Credit Facility and Equity Bridge for the financing of the acquisition of Airtricity 2008	Invenergy $225 million Senior Subordinated Convertible Notes Exclusive Placement Agent 2007	edp Horizon Wind Energy US$4.0bn Sole underwriter of the bridge facility to finance acquisition of Horizon, Bookrunner and MLA of the US$3bn refinancing loan + Joint Bookrunner of the $2bn refinancing bond 2007
Airtricity 5 Projects 135.4MW €174.5 mln Arranger and Underwriter of project loan and hedging facilities 2004 - 2007	SKYPOWER Undisclosed Amount Equity Investment 2007	White Creek White Creek Wind Project $357 million Equity Investment Principal 2006	bp Agreed to purchase Orion Energy LLC / Greenlight Financial Advisor to BP 2006	Clipper Windpower £75 million Initial Public Offering Sole Bookrunner 2006	Airtricity Mezzanine Facility €81.8 mln Sole arranger of corporate holding company debt facility. Hedging provider 2006	community windpower Wardlaw Wood 18MW Arranger and underwriter of senior loan and interest rate hedging facilities 2005	IBERDROLA Desarrollo de Energias Renovables de la Rioja 100MW Arranger and underwriter of senior loan facilities for 2 Iberdrola JV developments 2005
FALCK RENEWABLES Cefn Croes / Boyndie 72.5MW Joint Mandated Lead Arranger and Hedging Bank 2005	RES Project Astraeus Portfolio (19 sites) 250MW Arranger and underwriter of senior loan and interest rate hedging facilities 2005	novera energy / Macquarie Bank Novera Macquarie Renewable Energy £92.5mln Arranger and Underwriter of project loan and acquisition facilities 2004	novera energy / Macquarie Bank Novera Macquarie Renewable Energy Landfill Gas, Hydro & Wind power Portfolio 115 MW Arranger and underwriter of senior loan and interest rate hedging facilities 2004	Airtricity Ardrossan 24MW £17.3 mln Arranger and Underwriter of project loan and hedging facilities 2003	IBERDROLA / EHN Energias Eolicas Europeas 1,713MW (31 farms) Joint arranger and underwriter of senior loan facilities 2003	Gamesa Energía Sistemas Energeticos Tardienta 50MW Joint arranger and underwriter of senior loan facilities 2003	endesa Compañía Eolica Tierras Altas 99 MW Arranger and underwriter of senior loan facilities, VAT credit facilities and interest rate hedging 2002

1. *Barclays Capital acquired the North American Investment Banking and Capital Markets businesses of Lehman Brothers on September 22, 2008.*

Demonstrated Expertise in Geothermal, Waste and Biofuels

Geothermal / Waste

ORMAT $190 million Bond Consent for Ormat's 8.25% Senior Secured Notes due 2020 Sole Solicitation Agent 2008	ORMAT $213 million Cash Management Sole Manager 2008	ORMAT $153 million / $140 million / $94 million Common Stock Offering Sole Bookrunner 2008/2007/2006	ORMAT $136 million Tax Equity Investment Principal 2008/2007	ORMAT $143 million Common Stock "Quarterback" and Bookrunner 2006	ORMAT $108 million Initial Public Offering Sole Bookrunner 2004
COVANTA Mandated Buy-Side Assignment European Target 2007	COVANTA Mandated Buy-Side Assignment U.S. Target 2007	COVANTA $650 million 1st Lien Term Loan $300 million Revolving Credit Facility $320 million Synthetic Letters of Credit Joint Bookrunner 2007	COVANTA $632 million Tender Offering Sole Solicitation Agent 2007	COVANTA $144 million Common Stock $374 million Convertible Notes 2007	SYNAGRO A Residuals Management Company $772 million Has agreed to be acquired by The Carlyle Group Sole M&A Advisor to Synagro 2007

Biofuel

ASAlliances biofuels VeraSun ENERGY $725 million Acquisition Financial Advisor 2007	VeraSun ENERGY $450 million 9.375% Notes due 2017 Joint Bookrunner 2007	VeraSun ENERGY $483 million IPO Joint Bookrunner 2006	VeraSun ENERGY $210 million 9.875% Notes due 2012 Joint Bookrunner 2005	BIOFUELS CORPORATION PLC Biofuels Corporation Plc Arranger and underwriter of senior debt funding for the construction and operation of a biodiesel and glycerine manufacturing facility in Teeside, England 2004

Note: Barclays Capital acquired the North American Investment Banking and Capital Markets businesses of Lehman Brothers on September 22, 2008.

Barclays Capital is a Leader in Innovative Project Finance Solutions

Bond House of the Year

PROJECT FINANCE INTERNATIONAL

Bond House of the Year (Americas)

"6 out of last 10 years"

2007 2005 2004 2002

2001 1999

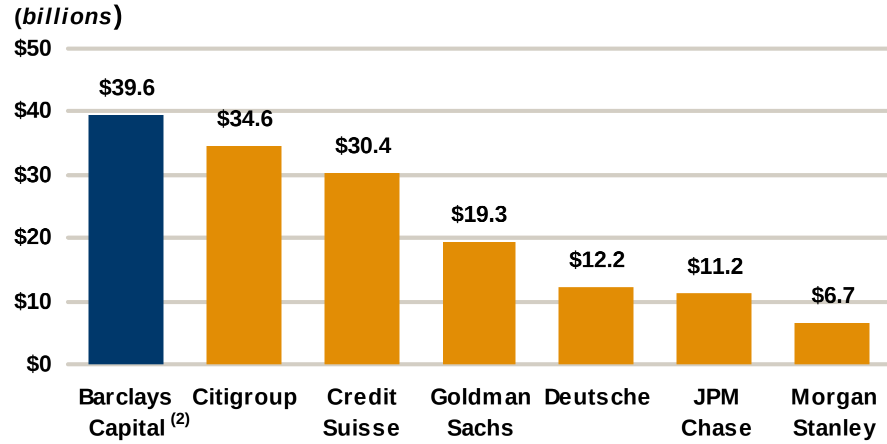
Bond Deals of the Year

Lea Power Partners, LLC
2007 North American Bond Deal of the Year

Nakilat Inc.
2006 EMEA LNG Deal of the Year

Meg Energy Corp.
2006 North American Upstream Deal of the Year

1998-2008 Global Project Finance Bond Ranking (1)



FPL Energy	Empire	TPF II, L.P.	Bicent Power LLC	InterGen	ArcLight	MackinawPower	LS Power, LLC	Entegra Power Group LLC
FPL Energy Marcus Hook, L.P.	**Empire Generating Co.**	**TPF II LC, LLC**	**Bicent Power LLC**	**InterGen N.V.**	**Lea Power Partners, LLC**	**Mackinaw Power, LLC (ArcLight)**	**LS Power Group**	**Entegra Power Group LLC**
$525,000,000 Senior Secured Notes Private Placement	**$400,000,000** Construction Loan **$100,000,000** W/C Facility **$35,000,000** LC Facility	**$205,000,000** Senior Secured Credit Facilities	**$330,000,000** First Lien Credit Facility **$130,000,000** Second Lien Credit Facility	**$1,520,000,000** Senior Secured Credit Facility **$1,878,870,000** Senior Secured Notes	**$305,400,000** 26-Year Senior Secured Notes Construction & Permanent Financing	**$288,900,000** Senior Secured Notes **$147,000,000** Senior Secured Term Loan	**$1,115,000,000** Senior Secured First Lien Credit Facility **$250,000,000** Senior Secured Second Lien Term Loan	**$1,330,000,000** **$480,000,000** Senior Secured Credit Facility **$850,000,000** Senior Secured PIK Term Facility
Exclusive Placement Agent	*Financial Advisor & "Left" Joint Lead Arranger*	*Lead Arranger & Joint Bookrunner*	*Financial Advisor & Joint Bookrunner*	*Lead Arranger & Bookrunner*	*Joint Bookrunning Manager*	*Joint Lead Arranger & Joint Bookrunner*	*Joint Lead Arranger*	*Joint Bookrunner, Joint Lead Arranger*
July 2008	November 2007	October 2007	July 2007	July 2007	July 2007	June 2007	May 2007	April 2007

Note: Barclays Capital acquired the North American Investment Banking and Capital Markets businesses of Lehman Brothers on September 22, 2008.
1. *Source: Project Finance International.*
2. *Pro-forma for transactions completed by Barclays Capital and Lehman Brothers.*

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Financing Alternative Energy Projects

Current Environment / Market Update

Overview

Need to analyze "bankability" of a project from a variety of angles

- Technology provider
  - Balance sheet
  - Technology – commercialization risk, technology risk
  - Business viability
- Developer / Owner operator
- Capital markets
  - Private
  - Public
  - "Utility scale" (ie, bank, bond, tax equity)
- Government support
  - Grants
  - DOE
  - Tax credits

Valuations of Technology / Product Providers has Declined Substantially

Perceived difficulty obtaining financing has put significant negative pressure on alternative energy company valuations

Commentary

- Publicly-traded alternative energy companies have substantially underperformed regulated utilities during the most acute part of the credit crisis
  - Alternative energy index[(1)] has fallen ~70% since February 27, 2008, compared to a ~16% decline for regulated US utilities[(2)] and ~47% for the S&P 500
- Key drivers of recent valuation decline for public and private alternative energy companies include:
  - Perceived lack of financing for growth
    - Tax equity market very challenged
    - Public equity market also not available
    - Bank financing for wind projects selectively available, and on less favorable terms
- American Recovery & Reinvestment Act creating more interest in the sector from financial buyers
  - Strategics also becoming much more focused on the sector
- Difficult financing environment created distressed opportunities
  - Construction lenders with hung transactions
  - TSA overhang creating distress
  - Not as many opportunities in the solar space given relative earlier stage of large-scale projects

Alternative Energy Relative Performance

Significant opportunities for those with financial strength and / or tax appetite

1. Wilderhill Clean Energy Index.
2. Regulated Utilities include AEE, AEP, AVA, CMS, DTE, GXP, LNT, OGE, PCG, PGN, PNW, POR, SCG, SO, TE, WR, XEL.

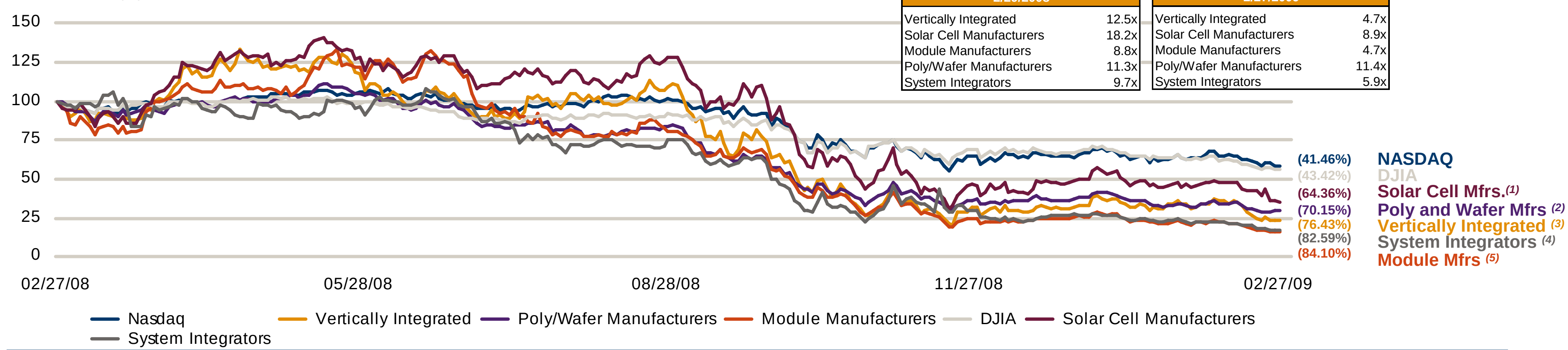
Specific Review of Solar Stocks

The solar names remain volatile – recently, select names have been off up to 20% on a single trading day

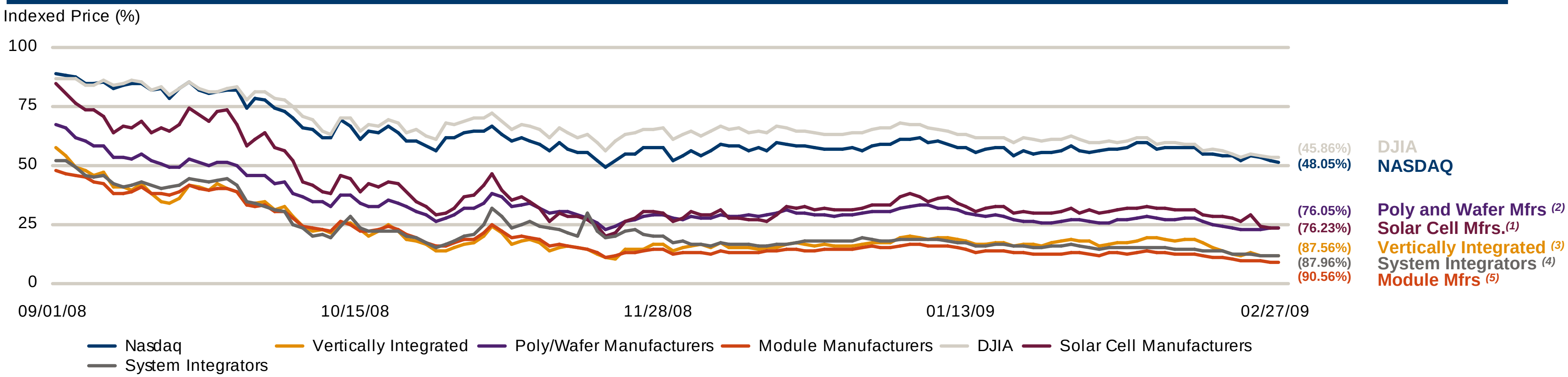
Indexed Price Performance – Last 12 Months

CY09 P/E Multiples as of 2/29/2008	
Vertically Integrated	12.5x
Solar Cell Manufacturers	18.2x
Module Manufacturers	8.8x
Poly/Wafer Manufacturers	11.3x
System Integrators	9.7x

CY09 P/E Multiples as of 2/27/2009	
Vertically Integrated	4.7x
Solar Cell Manufacturers	8.9x
Module Manufacturers	4.7x
Poly/Wafer Manufacturers	11.4x
System Integrators	5.9x



Indexed Price Performance - 9/1/2008 to Current

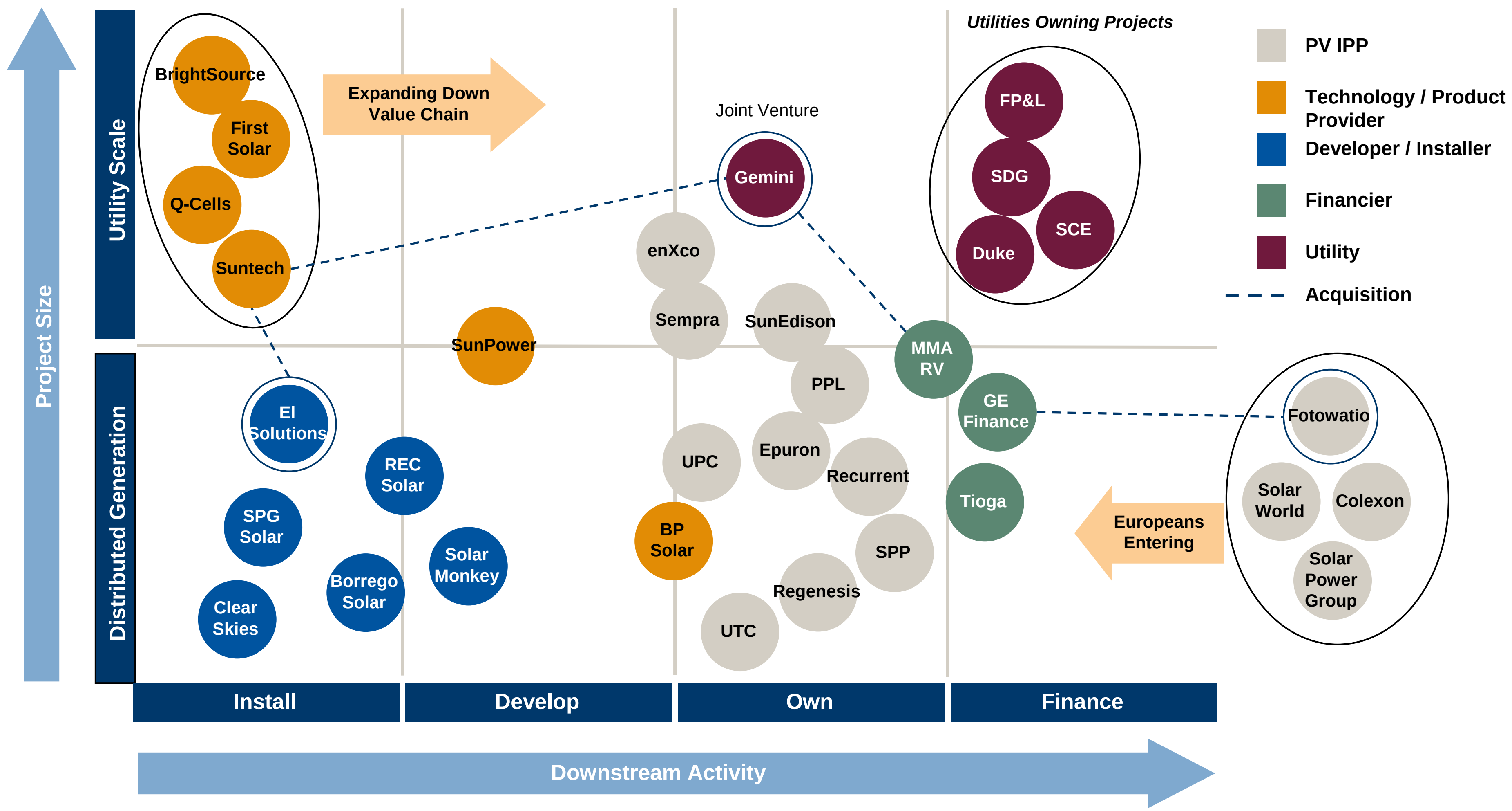


Source: FactSet.

1. *Solar Cell Manufacturers include China Sunergy, Energy Conversion Devices, E-Ton, Evergreen Solar, First Solar, JA Solar, Motech, Q-Cells AG, SunPower and Suntech .*
2. *Poly/Wafer Manufacturers include LDK Solar, MEMC, PV Crystallox, ReneSola, Sino-American Silicon, Solargiga, Sumco, Tokuyama, Topco Scientific, Wacker Chemie and Wafer Works.*
3. *Vertically Integrated include Renewable Energy Corp, SolarWorld AG and Trina and Yingli Green Energy Holding Co.*
4. *System Integrators include Akeena Solar, Centrosolar AG, Conergy AG, Phonix SonnenStrom AG, Real Goods Solar, Solar Millenium AG and Sunways AG.*
5. *Module Manufacturers include aleo solar, CSI, Solar-Fabrik AG, Solarfun, Solaria AG and Solon AG.*

Utility Scale are the Current Buzz Words

Significant focus on utility scale solar given potential federal level RPS and increasing involvement from utilities and developers



Source: Emerging Energy Research

American Recovery and Reinvestment Act: Key Provisions

	Description	Implications
PTC Extension	▪ Section 45 "production tax credits" extended 3 years to: - Wind facilities placed in service before Jan 1, 2013 - Other renewable facilities (incl. solar, biomass, waste, geothermal, etc.) placed in service before Jan 1, 2014	▪ Provides longer term visibility on incentives supporting renewable generation ▪ Extent of impact dependent on the re-emergence of tax equity market
ITC Election	▪ Allows any facilities eligible for PTCs to elect to claim the "investment tax credit" (general business credit for 30% of the basis of the property) in lieu of PTCs ▪ Depreciable basis reduced by 50% of ITC	▪ Should re-stimulate tax equity financing market - Eliminates production risk associated with wind project tax equity - Investors in tax credits don't need long term visibility of taxable income position ▪ Facilitates sale-leaseback transactions
Cash Grants	▪ Requires the Treasury to provide cash grants to applicants who would otherwise qualify for the ITC, in lieu of the ITC ▪ To be eligible, the facility must either begin construction or be placed in service between 2009/2010 ▪ Depreciable basis reduced by 50% of cash grant	▪ Provides virtual backstop to tax equity market ▪ Eliminates need to secure tax equity financing for projects looking to utilize ITC ▪ May increase financial sponsor investment activity ▪ Increases leverage capacity of projects
Bonus Depreciation	▪ Taxpayers of qualified property can claim a depreciation deduction equal to 50% of adjusted basis in the year the project is placed in service ▪ For projects placed in service before January 1, 2011	▪ Increases value of tax benefits ▪ Larger % of capex available to be financed by tax equity
Energy Loan Guarantees	▪ Loans for 80 percent of total project costs for renewable energy systems and related manufacturing facilities, transmission systems, and biofuel projects. Construction must commence by Sept. 30, 2011	▪ Will facilitate investment in transmission projects supporting wind
Renewable Energy Bonds	▪ Authorizes additional \$1.6 billion in clean energy bonds to finance renewable generation and \$2.4 billion in qualified energy conservation bonds to finance government programs designed to reduce GHG	▪ Increases the availability of sources of funding for renewable energy projects ▪ Favorable for Co-op ownership

Other Proposals of Obama Administration's Energy Plan

Obama's other proposals around the Energy Plan hold many positives for Renewables

National Renewable Portfolio Standard (RPS)

- **Proposal**: Senator Jeff Bingaman has put forward a renewable portfolio standard that requires 12% of all electricity to come from renewables by 2016, rising to 20% by 2020. This proposal may be part of the Energy Bill
- **Implications**: Requires substantial ($800 billion - $1 trillion+) investment in alternative energy technology by 2025
  - Promotes the development of the best renewable resources in the country
  - Requires meaningful expansion / improvement of the transmission grid
  - Creates a national Renewable Energy Certificate trading program
- **Considerations**:
  - Potential for states to have more stringent standards
  - Likely to includes "energy efficiency" projects
  - Major impact on competitive markets
  - Build-out of renewables may outstrip load growth, altering the dispatch stack and reducing capacity factors of existing marginal units

Carbon Emissions

- **Proposal**: Implement an economy-wide cap-and-trade system to reduce carbon emissions by up to 80% below 1990 levels by 2050
  - Uncertainty regarding free credit allocations to carbon emitters
- **Implications**: Significant negative value impact to coal generators and significant positive value impact to merchant nuclear generators
  - May lead to higher electricity costs
  - Makes alternative energy & nuclear more competitive relative to carbon-emitting generation
  - Consensus targeting 2013 start date
  - Market anticipating initial federal carbon price ~ $15-$20/ton
- **Considerations**: Legislation will be much more difficult to pass than stimulus plan
  - Major economic impact in U.S. based on the costs associated with the program
  - Dynamic between political constituencies of coal generating regions (Midwest and Southeast) vs. rest of the country
  - Unlikely to be enacted prior to 2010
  - Climate change policy – how aggressive targets should be and international competitiveness

Bank, Loan and Tax Equity Markets

Project Finance - Bank Market Update

Project finance bank market is in retrenchment mode

- Project finance bank loan market is open, but limited with respect to total debt capacity and tenor
  - Banks have limited appetite for syndication risk and are committing to their hold levels, resulting in a need to secure larger commitments from a "club" group comprised of key relationship / sector banks
    - Average debt capacity in the range of $250 – $350 million for a single deal
      - Maximum hold size banks have been in the $35 – $50 million range
      - Club deals generally consisting of no larger than six to seven banks on average
    - Optimal tenor for bank loans is in the 3-5 year range, even for projects with long-term contracts
    - Increased funding costs and capital constraints have led to significantly higher bank loan pricing
      - Higher upfront and undrawn fees
- Strong credit profile is key
  - Credit committees have become more difficult as factors which may not have been issues previously are closely examined now (some banks have added an additional layer of approval, e.g. liquidity committee)
  - However, the market is open for well structured transactions which minimize risk with regards to construction, counterparties, permitting, technology, merchant exposure, etc.
- Execution via the traditional private placement market may be a way to increase overall leverage
  - Certain institutional lenders (i.e. insurance companies) have expressed appetite for project finance debt

Current bank market is focused on credit quality and properly structured transactions with limited appetite for merchant risk

Themes in the Investment Grade Loan Market

Capital Considerations

- Since 4Q'07, banks have been primarily constrained by regulatory capital
- SIV's on balance sheet, unsold leveraged loans, drawing of backstop facilities
- Losses reducing equity/capital base
- Equity raising has been expensive and has not covered the net losses incurred
- Recently announced government interventions should ease concern, but will take time to implement
- While the coordinated announcements have alleviated the most near-term concerns, it will take time for banks to evaluate how they will operate going forward

Themes over the Medium-Term

- Shrinking bank universe
  - Consolidation / bankruptcies
  - Retrenchment of 'yield' lenders who had supported corporate facilities (Regionals / Europeans / Asians)
- More concentrated distribution of fee wallet
  - Each bank will require robust ancillary business case
  - Helps banks support larger commitment sizes
- Bank loan market is currently highly constrained, with many institutions electing not to participate in transactions until market conditions improve
- Reduction in number of syndicate banks results in need to secure larger commitments from a "club" group comprised of key relationship / sector banks

Project Finance – Capital Markets Update

Private Placement market can provide an attractive alternative / supplement to the bank market for project financings

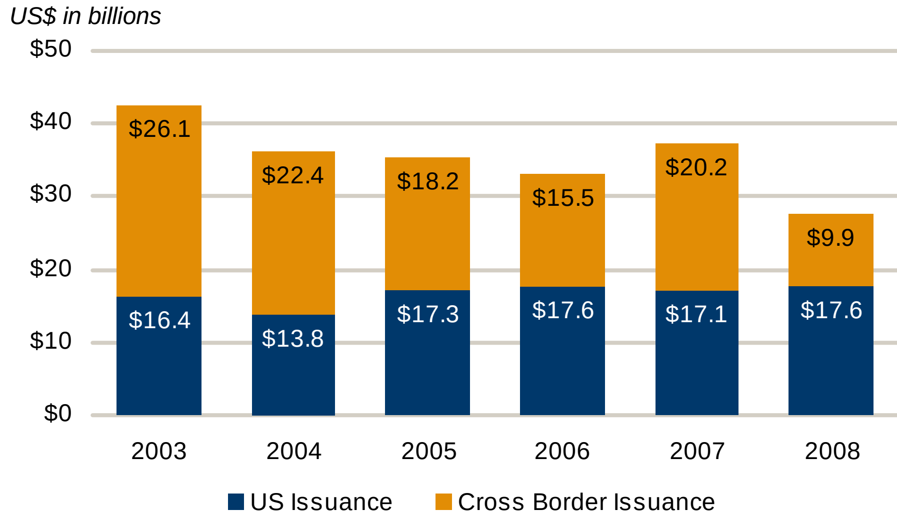
- Comprised primarily of "buy and hold" institutional investors, the Reg D private market provides good execution for small to medium sized issues, with no minimum transaction size
- Private Placement offers relatively high execution certainty and similar structural benefits to bank market
  - Private placement capital markets remains receptive to project finance transactions with contracted cash flows while merchant risk remains challenging in the current market environment
  - Lack of quality supply has driven reverse inquiry by project finance investors for quality projects
    - Contracted cash flows, high-quality counterparties, low construction risk
    - Lower merchant risk provides for higher probability for an effective execution / lower cost of capital
  - Strongest demand in the market continues to be for credits ranging from BBB to A, rated or unrated, in 5-12 year maturities
    - One rating is required for structured/project finance transactions
  - Long dated tenors matching term of offtake / shipper agreement are available for investment grade transactions
    - Structure amortization to maximize advantage of long-term shipper / offtake agreement
  - Allows delayed draws up to 18 to 24 months to minimize negative carry during construction
- Pricing assessment is based on liquid public market comparables as well as recent private placement transactions
- Experienced with the utility sector as it typically represents the largest proportion of issuance in the private placement market annually
- Barclays Capital's assessment:
  - Private placement market is open and presents an attractive alternative / supplement to the bank market
  - Provides quick indication as to the terms of the transaction
  - Private placement can be executed within two months
  - Barclays Capital considers a private placement an appropriate component of the financing structure for the Black Rock project

Private Market Open for Solid Credits

Private Placement Market Update

- The Private Placement market priced $27.5 billion in 2008, down approximately 26% on 2007 volume
  - However, this headline masks a bifurcated market
    - US issuance was flat year-on-year
    - Cross border issuance was down approximately 50%
- The Private market showed very positive signs of returning to more normalized conditions in January and February after a difficult Q4
- Barclays Capital opened the market in 2009 during the first week of January with a heavily oversubscribed $300 million transaction for QinetiQ Group plc, highlighting that the Private market is open for cross-border and BBB or better issuers in relatively stable sectors
  - This was the first broadly marketed cross-border private placement since the Barclays Capital-led $332 million transaction for Compass Group in September 2008

Private Placement Issuance (2003 – 2008)

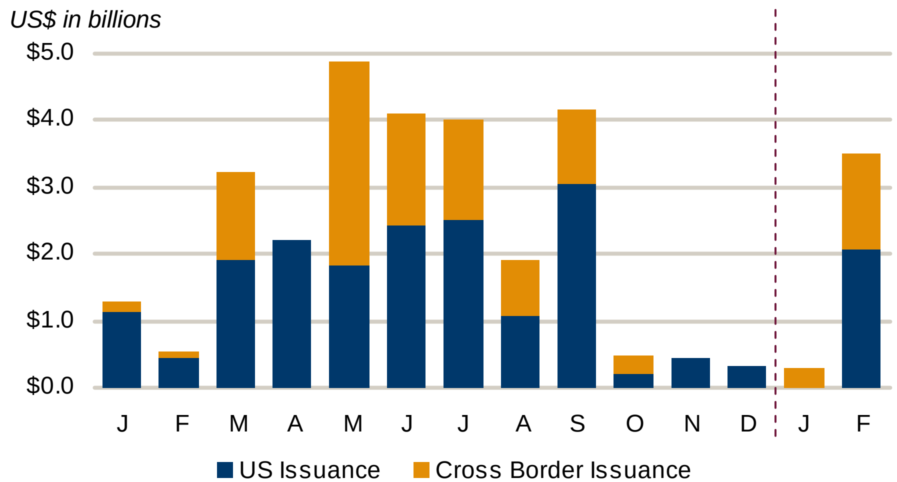


Source: Private Placement Monitor, Bloomberg 6 March 2009.

2009 Outlook & Investor Update

- Several leading investors reduced their investments (both public and private) during 4Q2008 as their institutions digested events, hoarded liquidity and carefully reviewed portfolios
- The turn of the year has prompted a return to fixed income investment for many of these investors and with only a few exceptions all the leading investors are now actively bidding on transactions
- Investors' annual investment budgets are generally no smaller than last year and there are several with multi-billion dollar investment targets
- Investors are being especially diligent of credit, structure and pricing for all transactions
- Early 2009 transactions have supported this view of investors re-engaging in the private market with February issuance strong and the market highly active

Monthly Private Placement Issuance (Jan. 08 – Feb. 09)



Source: Private Placement Monitor, Bloomberg 6 March 2009.

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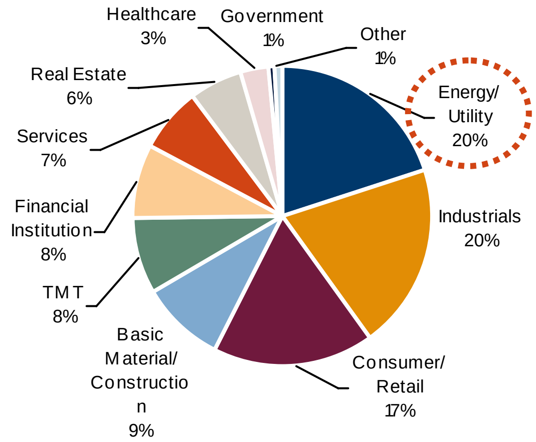
Strong Energy & Utility Demand in the Private Placement Market

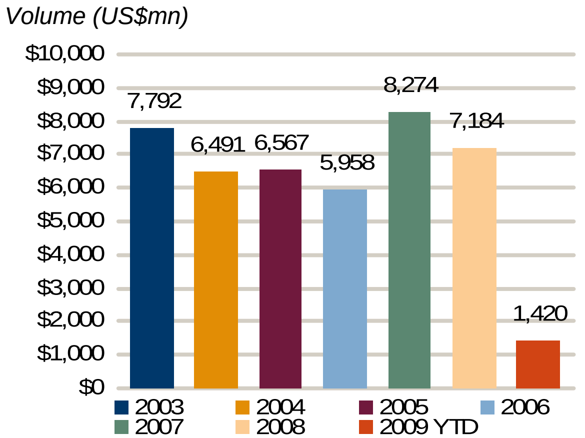
Energy & Utility Issuance

- Energy and utility transactions have accounted for approximately 20% of total issuance during the past five years
- Over US$7.1 billion of energy and utility issuance priced in 2008 across 53 transactions
- The sector accounted for 27% of total 2008 volumes, making it the sector comprised of the largest issuance volume
- Recently, Barclays Capital successfully led transactions for Bord Gáis Éireann, Pengrowth Energy Trust, Athabasca Oil Sands Corp, Kansas Gas and Electric and Grand Bahama Power

Industry Breakdown 2003-2009 YTD



Historical Energy & Utility Issuance



Recent Energy & Utility Private Placements

Issue Date	Issuer	Ratings	Maturity	Size ($mm)	Spread (bps)	Business Type	Country
Feb-09	Natural Resource Partners LP	NAIC-2	10F/7Avg, 15F/10Avg	$200.0	595	Coal	USA
Feb-09	Vectren Capital	NAIC-1	5, 7, 10	$150.0	450, 450, 450	Utility	USA
Feb-09	American Transmission Co	A1/A+/A+	10	$150.0	265	Electrical Transmission	USA
Feb-09	Bord Gáis Éireann	A2/A+	4, 5, 7, 10, 12	$450.0	375, 400, 400, 400, 410	Distribution - Gas	Ireland
Feb-09	Southern LNG	~NAIC-2	5, 7	$135.0	9.50%, 9.75%	Pipeline	USA
Feb-09	Ultra Petroleum	NAIC-2	7, 10	$235.0	490, 490	Oil and Gas	USA
Feb-09	Duquesne Light Co	NAIC-2	5	$100.0	465	Utility	USA
Dec-08	Avista Corp	~NAIC-2	5	$30.0	505	Energy	USA
Dec-08	River Fuel Trust	~NAIC-2	4.5	$30.0	9%	Utility	USA
Dec-08	ITC Midwest	~NAIC-1	9, 12	$75.0	445, 460	Electrical Transmission	USA
Dec-08	Portland General Electric	Baa2/BBB+	5, 7	$130.0	489, 486	Utility	USA
Dec-08	Michigan Electric Transmission	A3/BBB	6	$50.0	472	Utility	USA
Nov-08	Basin Electric Power Cooperative	NAIC-1	20F/10Avg, 30F/18Avg	$150.0	450, 450/30yr	Electric Utility	USA
Nov-08	Superior Water, Light & Power Co	~NAIC-1	5	$10.0	450	Utility	USA

Source: Private Placement Monitor

Comparison of Sources of Financing

To date, majority of projects has been financed in the bank market; however, capital markets will increasingly play a role as a means to increase debt capacity

Bank Loan Market

Structural Considerations:

- Ratings: Generally not required, but improves execution
- Tenor: Recent bank market conditions closer to 3-5 years (including construction period)
- Amort.: Fixed amount or sweep mechanism
- Capacity: Approximately $250-350 million

Pros:

- Lower negative carry (draw down during construction)
- Flexibility / tailored to credit
- Sophisticated project risk analysis
- Pre-payable with little to no penalty
- Ability to leverage existing bank relationships
- Cash sweeps

Cons:

- Market depth and no underwriting risk appetite; best efforts execution
- Less appetite for tenor even for transactions with long term PPAs
  - Increases refinancing risk and increases interest rate exposure
- More stringent covenant requirements by traditional project finance lenders

Private Placement Market 4(2) [1]

Structural Considerations:

- Ratings: At least one rating required (Moody's, S&P or Fitch)
- Tenor: Up to 30 years
- Amort.: Full scheduled over contract term
- Capacity: Approximately $300-400 million for investment grade ratings

Pros:

- Longer tenors available
  - Maximize leverage and finance full term of the contracts
  - Fixed interest rates for full tenor of financing
- No financial covenants and more flexible covenants
- Investor class still largely "open for business"
- Ability to incorporate into bank structure to increase debt capacity

Cons:

- Higher negative carry
  - Delayed draws limited to maximum of 18 months
- High prepayment costs limit refinancing options
- Less comfortable with construction / technology risk
- Investment grade rating required

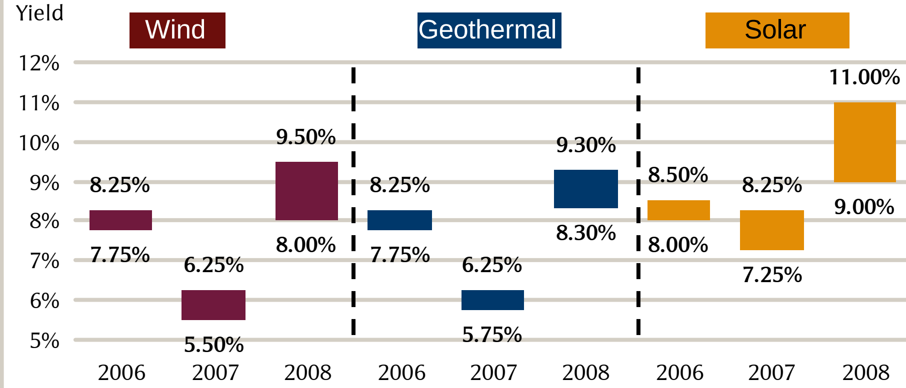
1. 144a market not considered due to lack of delayed draw feature

The Tax Equity Environment Remains Challenging

The universe of investors has dwindled due to a lack of tax liability, however we expect investor interest to improve through 2009

- Financial institutions have traditionally represented the largest participants in the tax equity market
  - New entrants have begun to evaluate tax equity as an investment opportunity
- Many investors are standing on the sidelines as they evaluate their tax liabilities
- Current tax equity yields are 150-250 bps wider than they were in 2007
- Recovery and Reinvestment Act will have a positive impact on the tax equity market

Average Investor Yields for Renewable Energy Projects



Tax Equity Investors Then…

MassMutual Financial Group, State Street, Wachovia, AIG, Union Bank of California, Citigroup, JPMorgan, GE, John Hancock, Prudential, Merrill Lynch, New York Life, Lehman Brothers, Wells Fargo, Bank of America, Morgan Stanley, MetLife

Remaining Potential Tax Equity Investors

JPMorgan, John Hancock, New York Life, State Street, MetLife, Union Bank of California

Emerging Tax Equity Investors

Southern California Edison (An Edison International Company), FPL Energy, Duke Energy, APS, Xcel Energy

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