

SIGMA CAPITAL GROUP

BELMONT PROJECT

Presented to
Citizens Advisory Group
November 10, 2005

About Sigma Capital

Who is Sigma and what does Sigma Do?

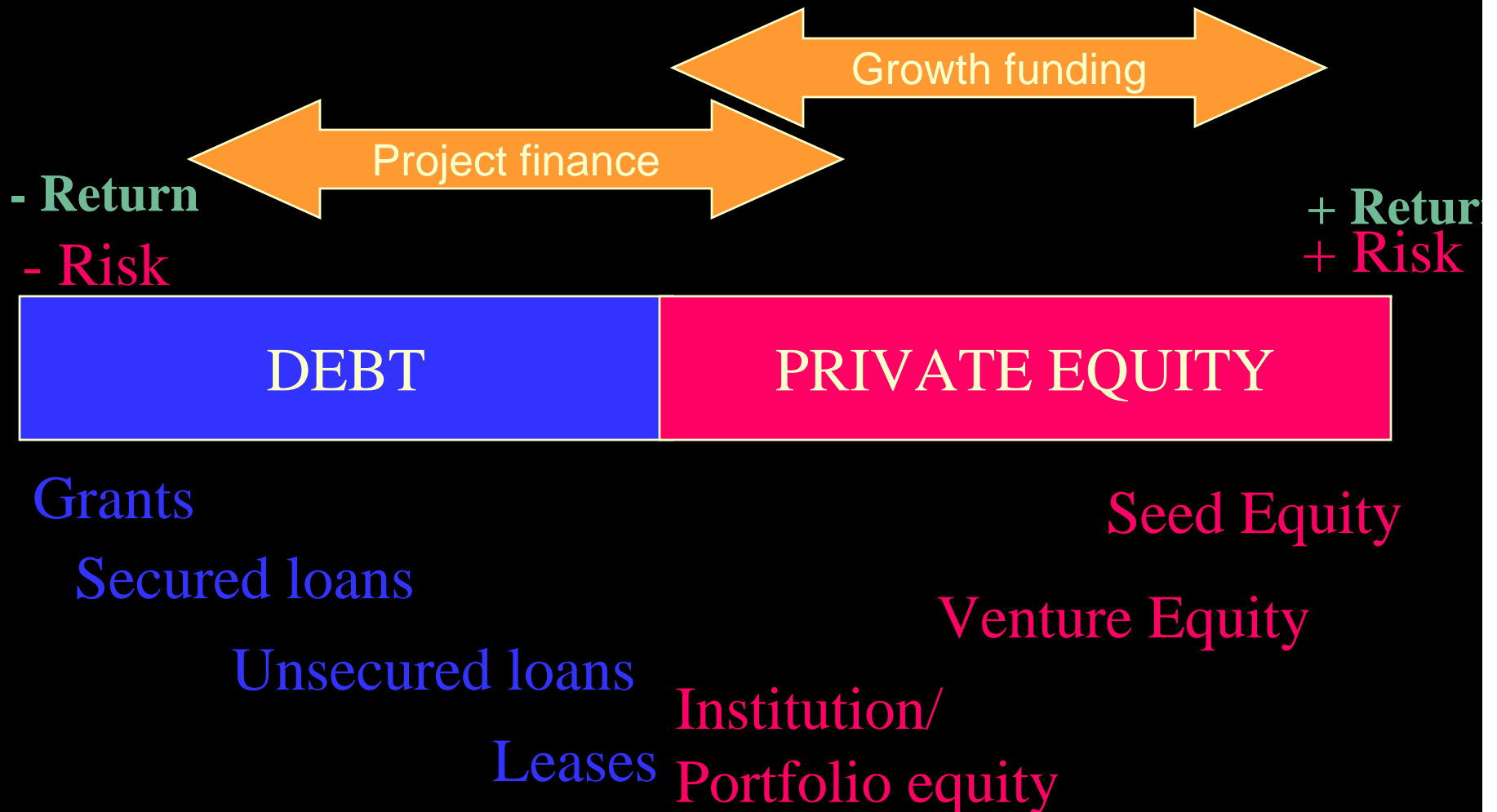
- Investment bank, raises \$5-250M in project finance in energy and renewables
- Principals have raised over \$20B in finance
- Identify and eliminate holes in the project, business model, permits/siting, funding and management team to increase the odds of a successful investment
- “Builds Projects” to the point where they are fundable

Selected Energy and Renewable Transactions

Sigma Capital principles have participated in the following advisory and representational client assignments:

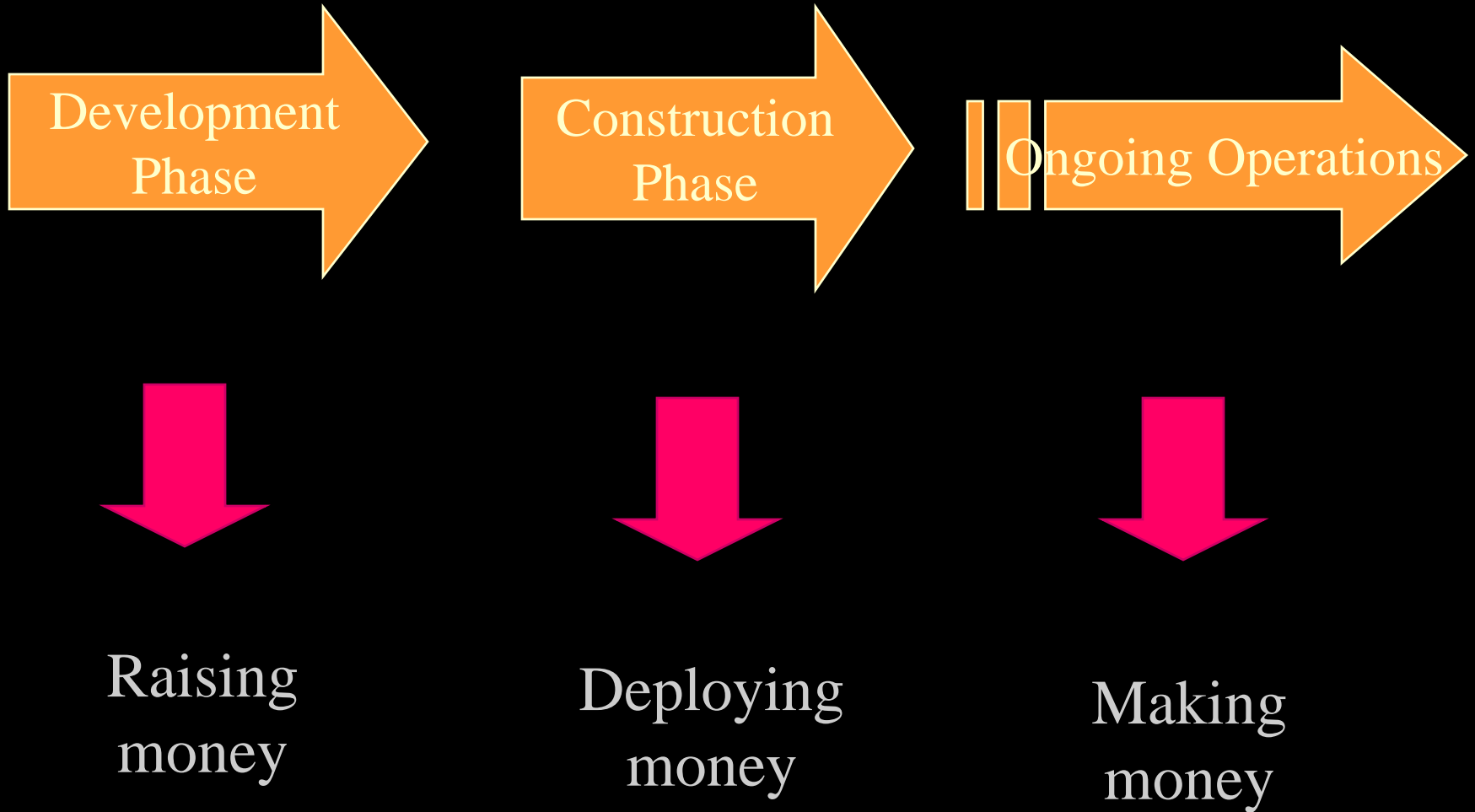
- Gas-fired, 118-MW Industrial, \$100 million
- Solar-thermal, 30-MW, \$101 million
- Solar-thermal, 30-MW, \$103 million
- Solar-thermal, 30-MW, \$120 million
- CoGen facility, Argentina, \$178 million
- CoGen facility, California, \$100 million
- Coal fired, California, \$96 million
- Wood-Waste 54MW, \$60MM

Spectrum of Funding Sources: Optimize cost of money vs. risk



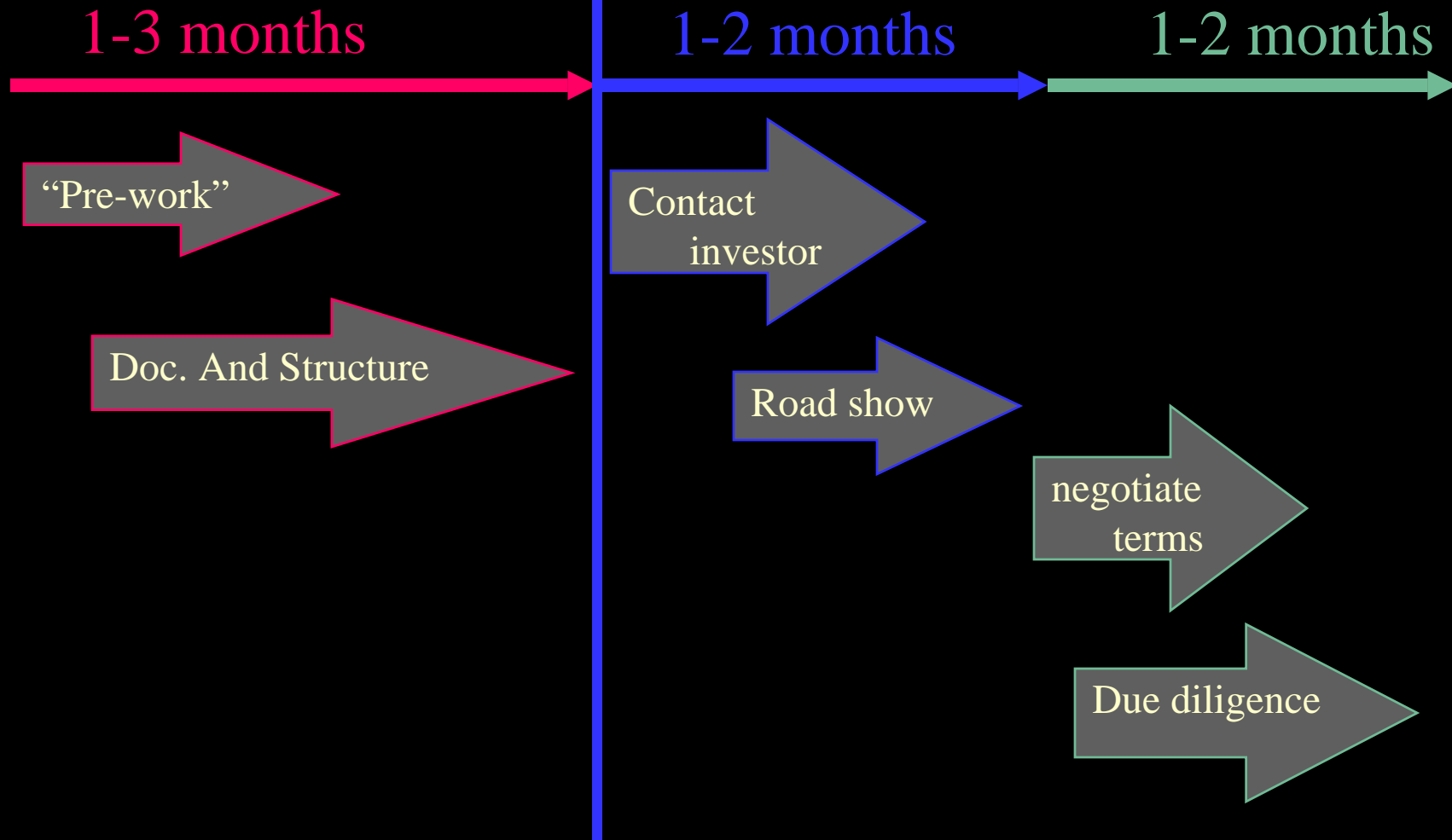
Anatomy Of A Project Finance Transaction

Project Finance Pro Forma Financial Statements



Project Finance Process and Timing

Once major items of the development phase is completed, fund raising begins



Sources & Uses of Funds Example

Sources	
Series B Offering	\$ 40.0M
Senior Debt	\$80.0m
Working Capital Line	<u>\$12.0 M</u>
TOTAL	\$132.0M

Uses	
Working Capital ¹	\$ 12.0M
Project Development	\$ 3.0M
Facilities & Equipment	\$ 90.0M
Engineering	\$ 4.0M
Debt Payment	\$ 1.0M
Land Acquisition ²	\$ 8.0M
Contingency	<u>\$ 14.0 M</u>
TOTAL	\$ 132.0M

Returns Analysis

	<u>Inputs</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
<u>Returns Using Multiple of Net Income</u>							
Net Income/(Loss)		(108,996)	(873,953)	722,495	933,151	2,783,248	5,816,730
Equity Value at Multiple of Net Income =				7,224,955	9,331,506	27,832,476	58,167,297
Value of Investor's Stake @ Percentage =				3,540,228	4,572,438	13,637,913	28,501,976
Initial Investment		(2,000,000)					
				<u>2 Year IRR</u>	<u>3 Year IRR</u>	<u>4 Year IRR</u>	<u>5 Year IRR</u>
Internal Rate of Return of Investment (Annualized)				77%	129%	582%	1325%
Mulitple of Initial Investment in Exit Year				1.8 x	2.3 x	6.8 x	14.3 x

	<u>Inputs</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
<u>Returns Using Multiple of EBITDA</u>							
EBITDA		(105,666)	(779,743)	949,655	1,810,775	5,420,686	10,953,800
Enterprise Value at Multiple of EBITDA =				5,697,933	10,864,652	32,524,116	65,722,797
Less: Projected Debt				-	-	-	-
Equity Value				5,697,933	10,864,652	32,524,116	65,722,797
Value of Investor's Stake @ Percentage =				2,791,987	5,323,680	15,936,817	32,204,171
Initial Investment		(2,000,000)					
				<u>2 Year IRR</u>	<u>3 Year IRR</u>	<u>4 Year IRR</u>	<u>5 Year IRR</u>
Internal Rate of Return of Investment (Annualized)				40%	166%	697%	1510%
Mulitple of Initial Investment in Exit Year				1.4 x	2.7 x	8.0 x	16.1 x

Questions Posed

Sigma Capital Group

ENERGY FOR THE FUTURE