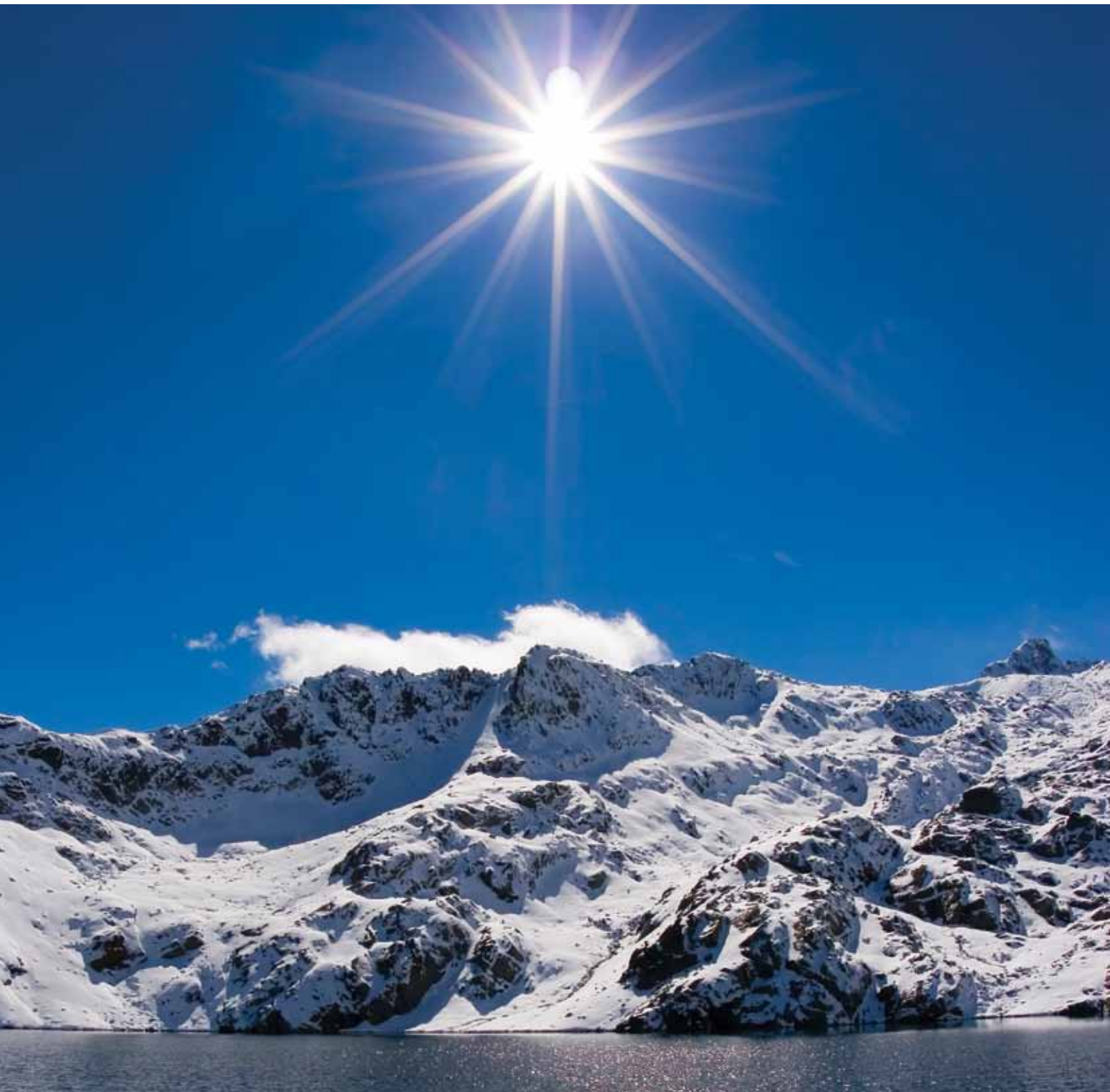


McDermott
Will & Emery

Global Renewable Energy, Emissions and New Products

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McDermott Will & Emery— Lawyers for Global Renewable Energy, Emissions and New Products

McDermott Will & Emery's GREEN Products Group has more than a decade of experience in the emissions, renewable energy and energy trading industry. This gives us an unparalleled understanding of the transformative impact of climate change on international business.

We advise clients around the globe on energy and emissions trading markets, shifting regulatory and tax regimes and environmental policies, along with the implementation of alternative energy projects and comprehensive climate change strategies.

*McDermott Will & Emery's energy practice has strong roots in the commodity trading arena. This highly specialised aspect of the firm's energy offering is "a real client draw." Its calibre in this context is matched by the strength of its regulatory and transactional practice, where the firm has cultivated a diverse team populated by "excellent people." Chambers Global, 2008**

*As part of McDermott's global energy team, the London Group offers investment banks, brokers and dealers cutting-edge finance, regulatory and competition advice. Clients report that the team "has made a concerted effort to understand the emissions market and our needs within it—and it has definitely paid off." Chambers UK, 2008**

McDermott Will & Emery is renowned for its [environment] work, not just across the country, but on an international plane. Chambers USA, 2007

*Quotes represent direct comments from clients or competitors.

COMBINED TRADING & ENERGY EXPERIENCE

At international, national, US and EU state levels, emissions trading is experiencing significant growth and evolution. We have advised a number of market participants on their risk management of, and strategic involvement in, the carbon markets, through the EU emissions trading scheme, the Kyoto mechanisms and US domestic programmes.

We assist market participants with crafting their worldwide strategies for greenhouse gas (GHG) compliance and capitalising on the opportunities and revenue streams found in potential abatement schemes and emission offsets.

We combine our well-established commodity trading practice with our highly respected energy and environmental practices to provide clients with an unparalleled understanding of the renewable energy and emissions sectors. Our clients take active roles in the development of these markets.

The Firm has prepared numerous clients for participation in the US, UK, EU and Kyoto emissions trading mechanisms, including analysing, drafting and negotiating associated emissions trading documentation. For example, we represented the International Swaps and Derivatives Association, Inc. (ISDA) in drafting the industry standard form annex for its Master Agreement for the trading of US emission allowances.

We regularly advise on the market structure and trading of Renewable Energy Certificates (RECs) associated with renewable generation facilities, rights to future environmental attributes and emission offsets, and the purchase of certified emission reductions (CERs) from Clean Development Mechanism (CDM) projects, including documentation and regulation issues.

The Firm represents investment banks, power marketers, hedge funds, renewable power projects and some of the world's largest commercial dealers and consumers of electricity in transaction negotiations.



KEEPING PACE WITH REGULATORY CHANGE

Whatever your business, we can assist you in monitoring potential changes to climate change legal requirements and regulatory regimes. This is a fluid and ever-evolving sector, and it is vital to our clients' businesses that we actively monitor regulatory changes and advocate for clients to enhance business opportunities and limit risk.

Currently, the US Congress is reviewing numerous climate change bills and discussion drafts. Most of these, if adopted, will have consequences for every industry doing business in the United States. Thanks to our forward-thinking strategies, our clients already are preparing for possible allowance allocation and trading, new renewable project development, financial incentives for abatement, new environmental disclosure requirements and potential GHG reduction targets, as well as opportunities to use other assets to develop emissions offsets.

With a substantial presence in both Brussels and Washington, DC, whatever regulatory shift the EU and US administrations bring to the climate change arena, and whatever new trading markets are established, our clients will be on top of the issues that affect their businesses.

Through our strategic alliance with MWE China Law Offices, we have access to one of the world's largest primary CER markets, and a dedication to monitoring regulatory and political developments throughout the major Asian markets.

RENEWABLE ENERGY & NATURAL RESOURCE PROJECTS

A broad spectrum of clients rely on us to implement financially viable project structures within the energy and natural resource industries. We regularly represent national and international commercial banks, international financial institutions, private equity investors, insurance companies, hedge funds, project developers, power marketers and large, international commercial consumers.

The GREEN Products Group has advised clients on numerous Power Purchase Agreements associated with wind, solar and other renewable energy resources. The group offers clients an impressive depth of knowledge of industry-specific issues, including interconnections, transmission system reliability, receipt and delivery of energy, renewable energy certificate trading, tax credits, intellectual property and various other related factors.

Our clients benefit from extensive experience in advising project participants on CDM projects, including reviewing project design documents, evaluating project and legal risks associated with participation, and project finance generally.

Renewable energy projects we have recently advised on include:

- Representing a leading investment bank in connection with prospective wind-power acquisitions and projects in Central and Eastern Europe.
- Representing various companies on geothermal well development and solar energy projects.
- Representing wind and other renewable energy developers in connection with projects in Brazil, Costa Rica, France, Germany, Korea, Poland, the UK and numerous US states including California, Hawaii, Iowa, Kansas, Maine, Massachusetts, Nebraska, New York, Ohio, Pennsylvania and Wyoming.



STRATEGIC ADVICE

McDermott's GREEN Products Group also advises international project developers, financial institutions, retailers and technology vendors on Asian, US and EU federal and state regulatory energy efficiency markets and carbon neutrality strategies.

These policies include energy conservation measures, smart metering, new construction, and active demand response sold into wholesale and retail power and capacity markets. Critically, they include strategies for integrating these measures and renewable energy transactions with emerging emissions reduction requirements and trading regimes.

We understand the developing wholesale demand response and conservation markets. We have actively participated in the design, regulatory implementation and trading documentation for these markets from their inception. We advise clients on complex financing aspects and protecting rights to revenue, environmental attributes, and intellectual property and data at all stages.

Renewable Energy Success Stories

We are involved in the world's first clear water off-shore wind project in Lake Erie. We have also represented a highly successful company that provides a proprietary process for converting biomass, waste materials and cellulose fibres into an efficient ethanol-producing product.

THE RIGHT SKILLS IN THE RIGHT PLACE

The GREEN Products Group draws on our market-leading lawyers from across a range of practice areas to ensure clients work with the ideal team for their businesses.

Tax

Our tax team advises clients on the tax relief and liabilities arising from emission credits and allowances and managing these tax consequences.

For example, our tax team advises on the UK corporate tax and VAT treatment of allocations, sales and purchases of Emissions Allowances under the EU Emissions Trading Scheme, and the supply of related broker services.

In the United States, we advise on emissions trading, contributions in aid of construction, cost normalisation, stranded costs, renewable energy certificates, US regional transmission organisation and other power industry project areas.

Intellectual Property

Our IP lawyers are experienced in handling patent procurement, development, exploitation and protection relevant to a wide range of alternative and renewable energy technologies including solar, energy storage, biofuels, biomass, and electric power and related conservation technology.

Our lawyers have masters degrees, PhDs and commercial backgrounds in chemical, mechanical and electrical engineering, chemistry and biology/molecular biology.

Litigation & Dispute Resolution

We provide comprehensive dispute resolution advice to our clients by capitalising on the GREEN Products Group's combined regulatory and dispute resolution experience. Our team understands the substantive and procedural issues that arise in energy-related claims.

In particular, we can advise on issues arising from the Energy Charter Treaty, tariff filings, market design and structure changes, and complaint proceedings.

CORPORATE ADVICE

McDermott's corporate practice plays a vital role in the GREEN Products Group. We regularly advise energy companies, project developers, financial institutions, insurance companies, private equity investors, commercial banks and large commercial consumers on investments, financing, mergers and acquisitions in the energy, emissions and renewable energy industries.

Our combination of corporate excellence and in-depth energy trading and regulation, finance, tax, intellectual property, real estate, employment, pensions, environmental and litigation risk management experience allows us to anticipate and pre-empt the inevitable difficulties that arise in negotiating and closing complex infrastructure projects. We pride ourselves on being able to negotiate creative and timely solutions based upon our comprehensive knowledge in these evolving areas. We have assisted clients with:

- Acquiring the assets of energy companies and power stations, including the financing and regulatory approvals required.
- Structuring complex hedging proposals underlying acquisitions, including those related to emissions allowances. Advising a leading carbon fund on a share sale fundraising.
- Advising various US and EU wind energy companies on the financing, construction and operation of numerous wind farms.



FUNDRAISING & INVESTMENT

Some examples of our experience include:

- Representing a leading venture capital firm on a substantial investment in a provider of geothermal energy. The investment provided expansion capital for the acquisition of several geothermal facilities and the early harvesting of geothermal energy.
- Advising two investment banking and institutional stockbroking businesses as brokers and nominated advisors on admission to AIM of an investment fund established to acquire tradable environmental Kyoto instruments. Its initial investments will be in projects developed under the CDM and Joint Implementation Schemes of the Kyoto Protocol.
- Advising an investment banking and stock broking business on a £60 million admission to AIM of a world leader in carbon credit generation.

We are one of the few law firms with deep experience in photovoltaics (PV) projects; we have advised the developers of PV projects in Germany and Spain, as well as PV module and inverter manufacturers on European Patent Convention, operation and maintenance and sales agreements.



SEQUESTRATION

McDermott has provided counsel and represented clients in the development and funding of carbon sequestration projects. This work has included a very substantial afforestation project with revenue derived from carbon credits and from the harvesting and culling of replanted trees.

In addition to advice and representation on corporate finance, energy and environmental issues, McDermott has provided assistance in developing and implementing strategies to ensure that such projects receive favourable legislative and regulatory treatment, including appropriate tax vehicles, funding grants and regulatory requirements.

We advise clients on:

- Forest carbon storage, emissions and offset project reports
- Landfill methane collection and combustion systems
- Manure digesters for methane reduction
- Forestry sequestration projects
- Agricultural soil carbon sequestration activities

SUPPORT WHERE IT MATTERS

Our presence and collaboration in the key markets across the European Union and United States, and our strategic alliance with MWE China Law Offices, provides our clients with necessary local support and experience with an international dimension.

The Chinese lawyers based in MWE China Law Offices possess an in-depth knowledge and understanding of the local laws, customs and regulations of the People's Republic of China, combined with a Western-style approach to client service. This enables us to provide legal services and business advice to both Chinese companies and multinational companies doing business in China.

In addition to our Mandarin speaking lawyers, the GREEN Products team includes native Hindi, Marathi, Punjabi and Urdu speakers with a wealth of finance and project experience in these markets, giving us a real understanding and capability throughout Asia. This linguistic and cultural diversity is reflected across the Firm where we speak 45 languages.

Our Brussels office provides clients with direct access to changes in EU law and requirements. The Firm's presence in the heart of Europe, and in Italy and Germany, enables us to review different EU Member State regimes and regulatory structures and work with clients to align their strategies accordingly.



NOT JUST LAWYERS

Our lawyers' experience goes beyond legal advice. Their commitment to this sector is evident through their participation in organisations that champion renewable energy. Their roles include:

- Former legal advisors at the European Commission, the UK Office of Gas and Electricity Markets (OFGEM), the US Environmental Protection Agency (EPA), the US Commodity Futures Trading Commission (CFTC), the US Federal Energy Regulatory Commission (FERC), and various US state energy regulatory agencies, as well as positions as patent examiners and deputy general counsel at the US Department of Energy, enabling us to provide our clients with informed insight concerning the legal authority, policies and procedures of those authorities.
- Active members of the ISDA Emissions Trading and Developing Products Working Groups.
- Advisors to the Clinton Climate Initiative and The Climate Registry.

The GREEN Products Group also includes non-attorney professionals who hold advanced degrees in the sciences and other material disciplines.

We regularly provide clients with a wide range of materials to help them keep abreast of changes in this sector, as well as McDermott published articles and updates. They can all be accessed through www.mwe.com.

- *Brussels Energy Brief*
- *On the Subject - Energy Topics*
- *Year in Review*
- *International News*
- *European Intellectual Property Bulletin*
- *IP Review*
- *White Papers*

ABOUT US

McDermott Will & Emery has more than 70 years of experience serving a broad range of client interests. We understand the issues faced by corporate decision makers because many of our lawyers have held key government and in-house positions. We understand how economic, social and political issues affect operations because our lawyers have navigated the complex business and regulatory environment themselves.

Superlative client service is a cornerstone of our practice that has flourished regardless of geography, economy and time. We are proud of the recognition we have received from our clients for our commitment to service, and we value their satisfaction as the best measure of our success.

Our clients include some of the world's most successful financial institutions, commodity marketers, independent power and gas producers, renewable project developers, hedge funds, oil companies, agribusinesses, clearing organisations and trade associations.

www.mwe.com/energy/

About McDermott Will & Emery

Currently numbering more than 1,100 lawyers, we have offices in Boston, Brussels, Chicago, Düsseldorf, Houston, London, Los Angeles, Miami, Milan, Munich, New York, Orange County, Rome, San Diego, Silicon Valley and Washington, D.C. Through a strategic alliance with MWE China Law Offices, we connect clients with lawyers based in Shanghai.



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