



ENERTECH CAPITAL

Wally Hunter, Managing Partner

June 5th 2006

Track Record – 10 years of success doing the same thing

— Background —

The Fund

- Founded in 1996
- \$290 Million dollar US Venture Fund focused on investments emerging energy technology companies
- Offices in Philadelphia and Toronto

Management

- Scott Ungerer – 1996, Founder, 16 years electric utility management
- Wally Hunter – 2005, 17 years RBC venture and energy tech investing
- Bill Kingsley – 2000, 20 years advanced networking and communications
- Tucker Twitmyer – 2002, energy tech PE since 1999

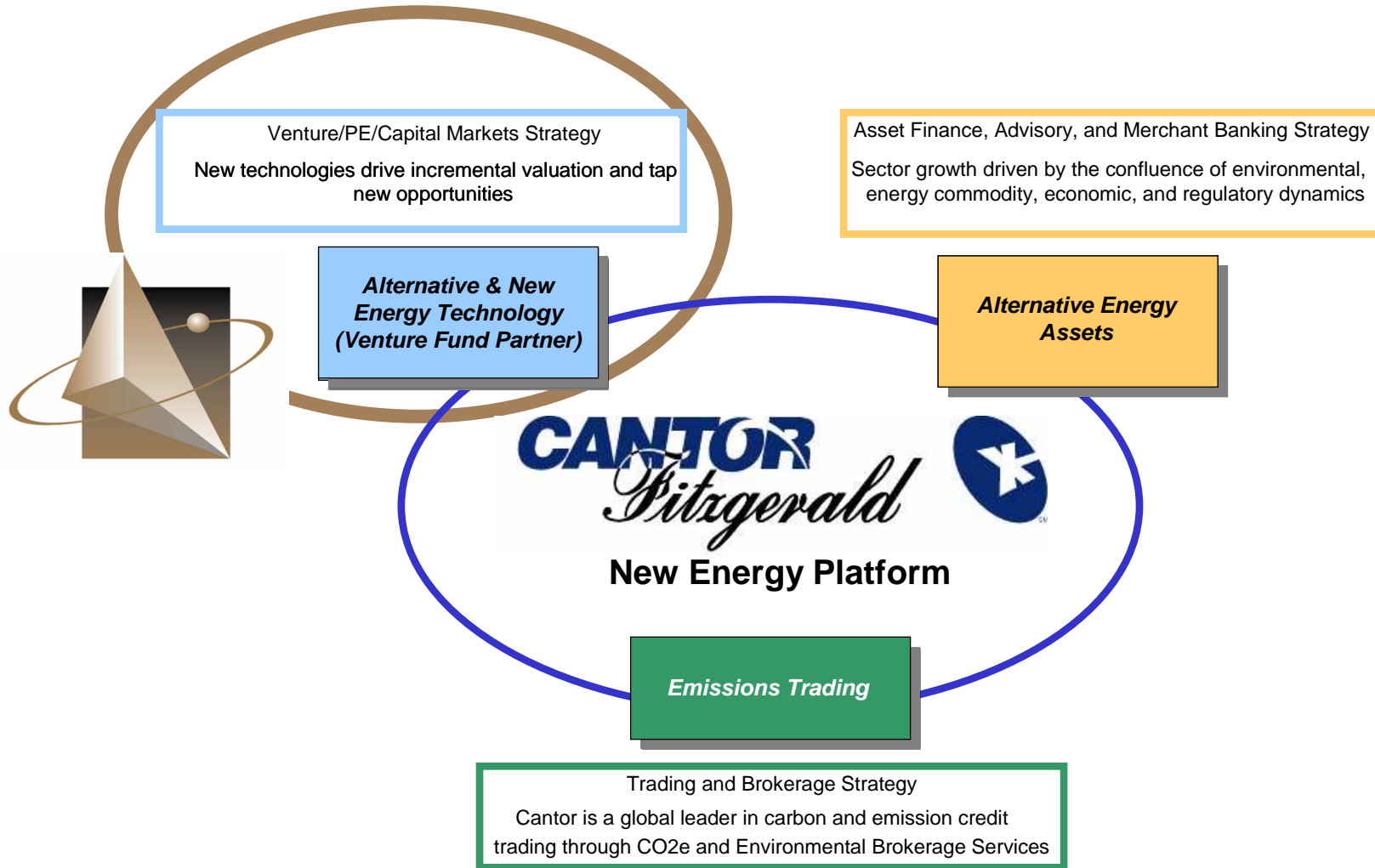
ECP II Limiteds

- | | | |
|-----------------|---------------|------------|
| ■ HarbourVest | ■ HydroQuebec | ■ EDF |
| ■ Thomas Weisel | ■ Pepco | ■ Batelle |
| ■ Permal | ■ AES/IPALCO | ■ Stephens |



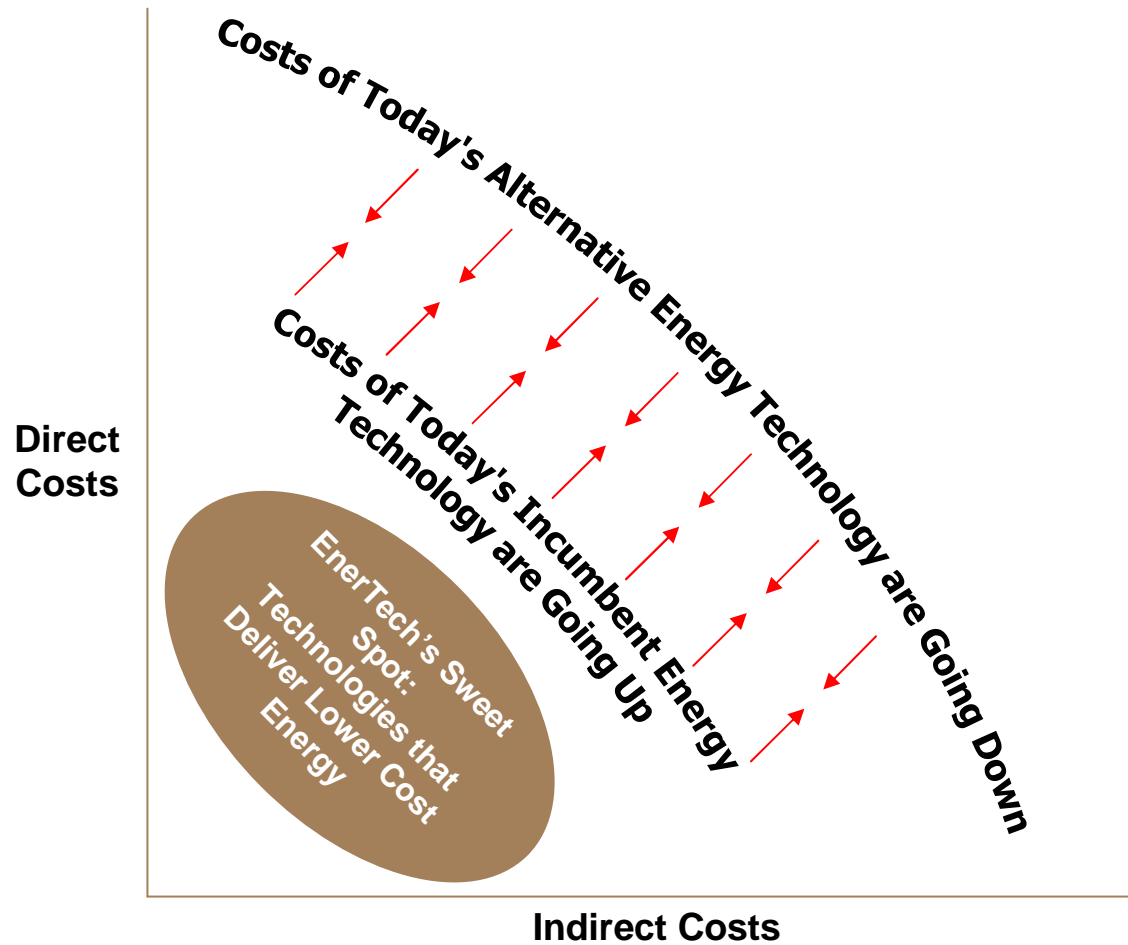
EnerTech selected as Cantor Fitzgerald's venture partner

— Cantor's Strategy for New Energy —

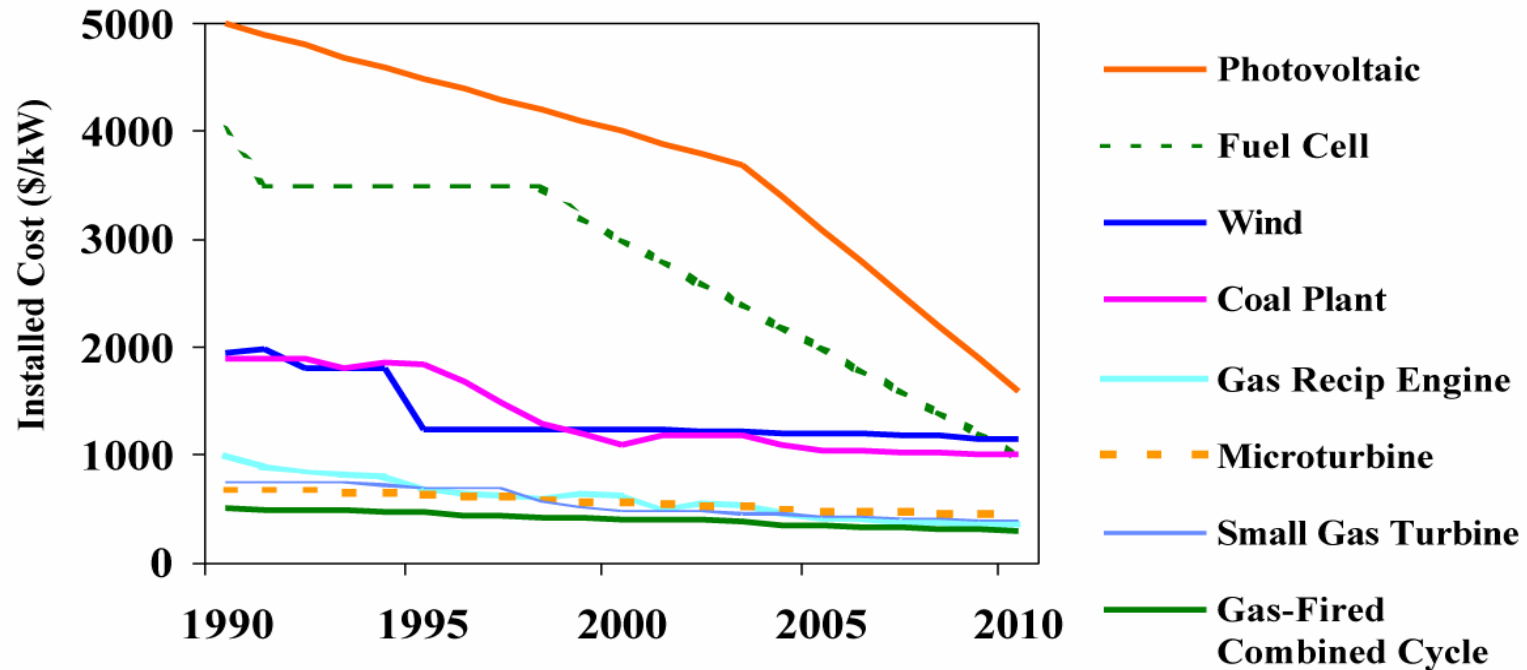


Strategic Focus – Lower cost energy

— Creating Alternatives Inside the Efficient Frontier of Energy Costs —



Becoming More Cost Effective

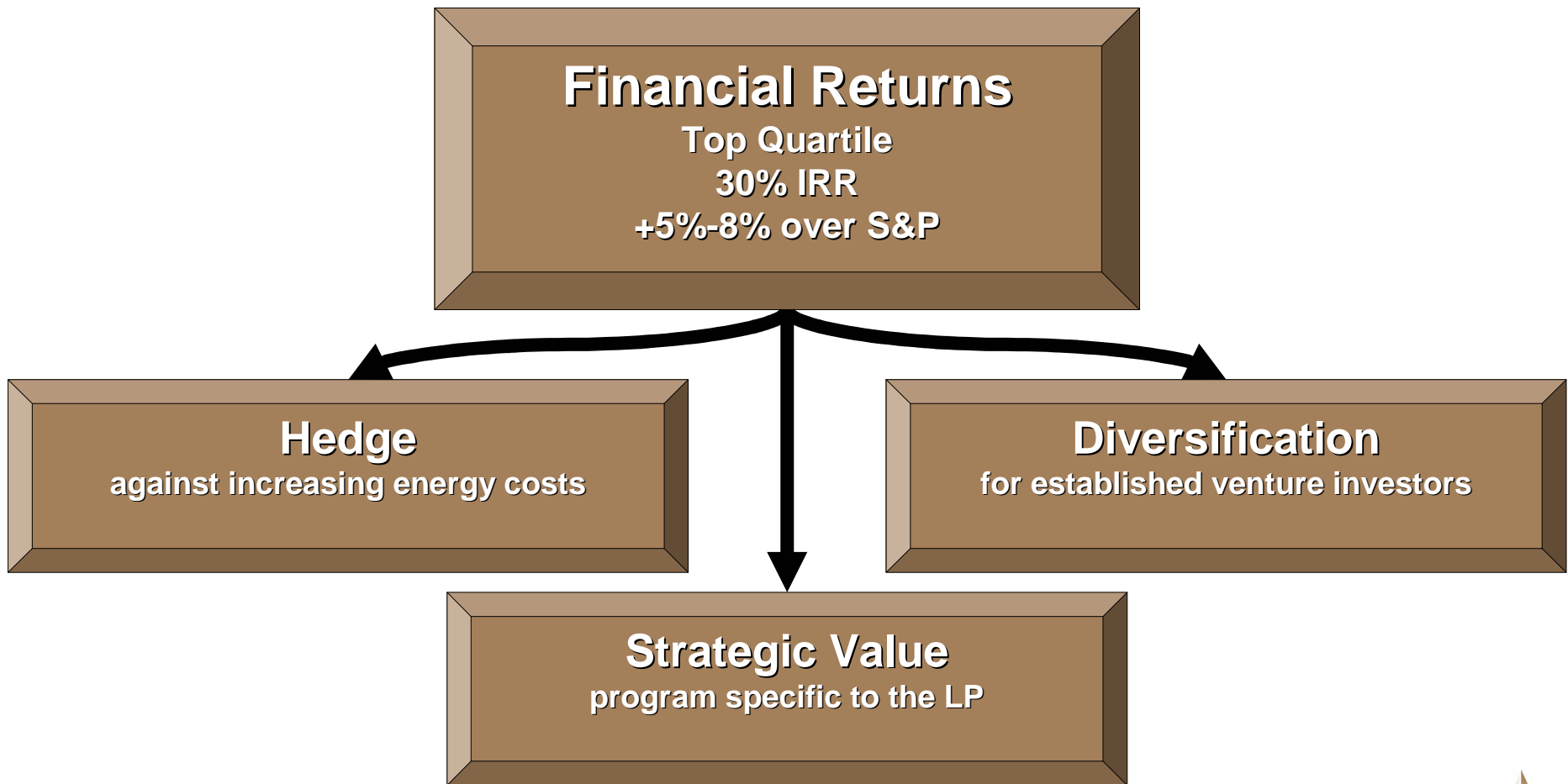


Improvements in technology and mass production will drive costs down further



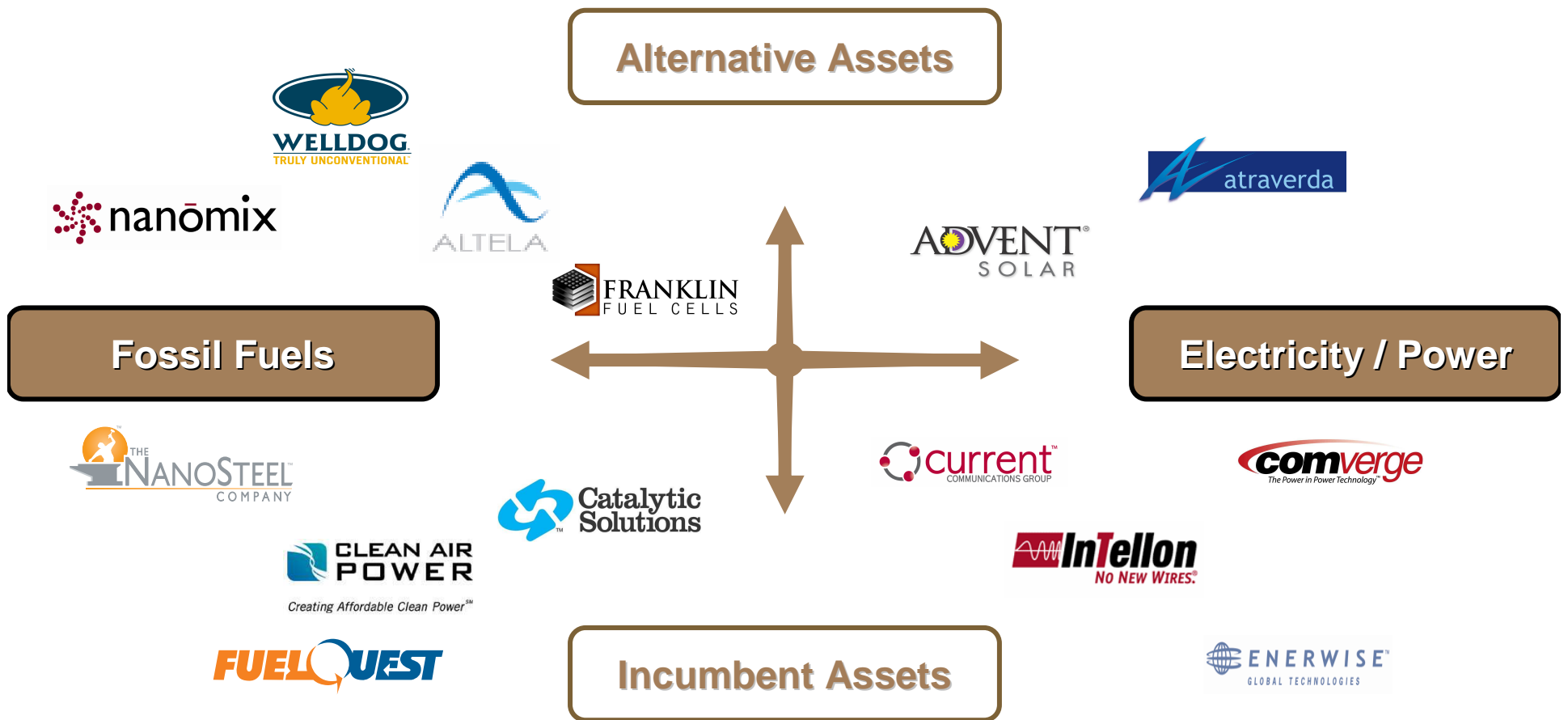
Primary objective - Putting financial returns first

— Value Drivers —



Investment Landscape – Diversified playing field

— Value Migration Map and Select Portfolio Companies —



***“Cleantech Investment: Patterns,
Performance and Prospects”***

June 5, 2006

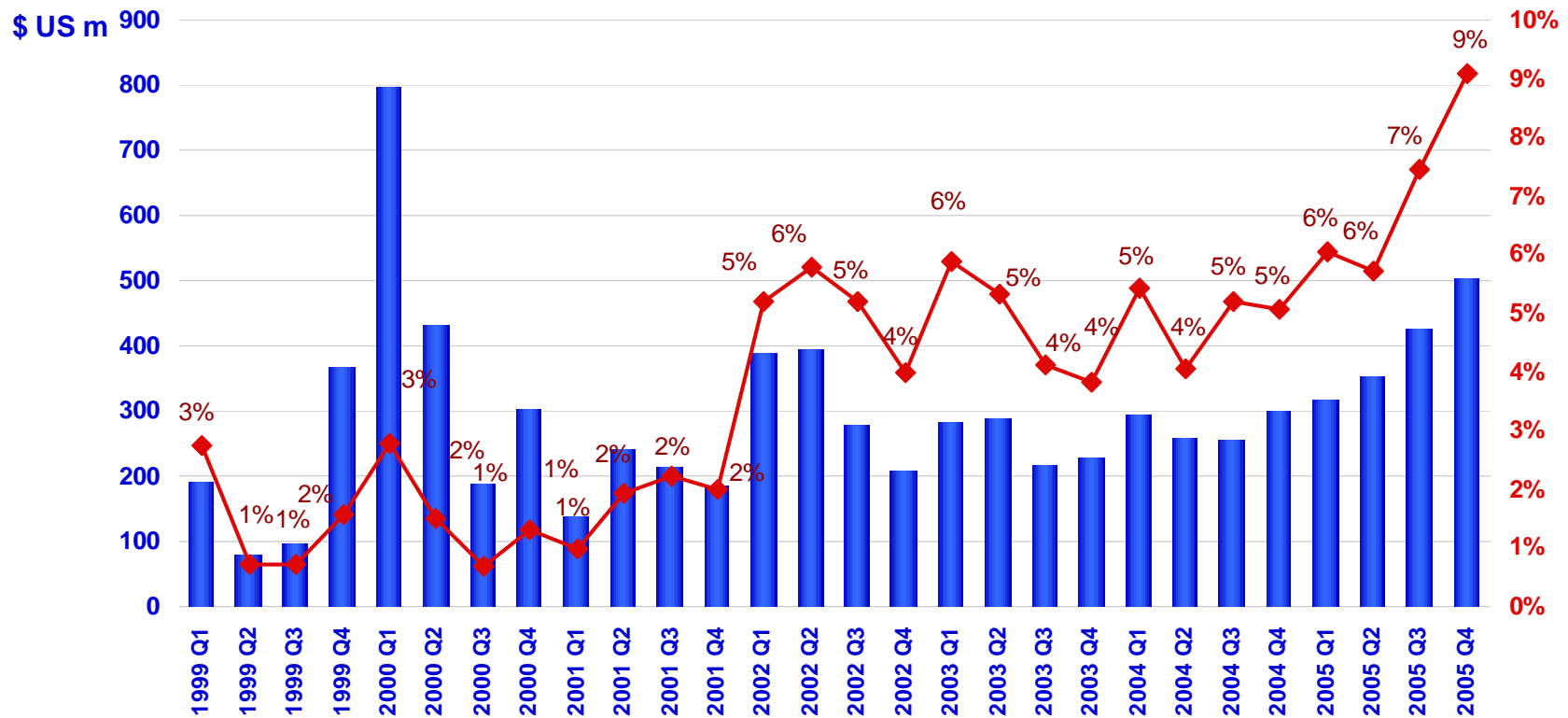
Nicholas Parker, Chairman
Cleantech Capital Group LLC

Cleantech Venture Network

- The Cleantech Venture Network™ LLC is a membership organization bringing insight, opportunities and relationships to investors, entrepreneurs and service providers interested in clean technology.
- Introduced the "cleantech" concept in 2002 and have since popularized it as a viable investment category.
- Principal office in Ann Arbor, Michigan with a presence on US West Coast, Australia, Canada, China and Europe.
- Provide information products, related services, and the Cleantech Venture Forum™ series of events, in which a cumulative total of nearly 1800 investors have participated and over \$400M has been raised by presenting companies
- Serve over 900 affiliate investor members worldwide. We have tracked more than \$8 billion invested in cleantech ventures, over \$94 billion in M&A transactions and over 100 IPOs. We have sourced more than 500 deals.
- Cleantech Venture Network™ is part of the Cleantech Capital Group LLC

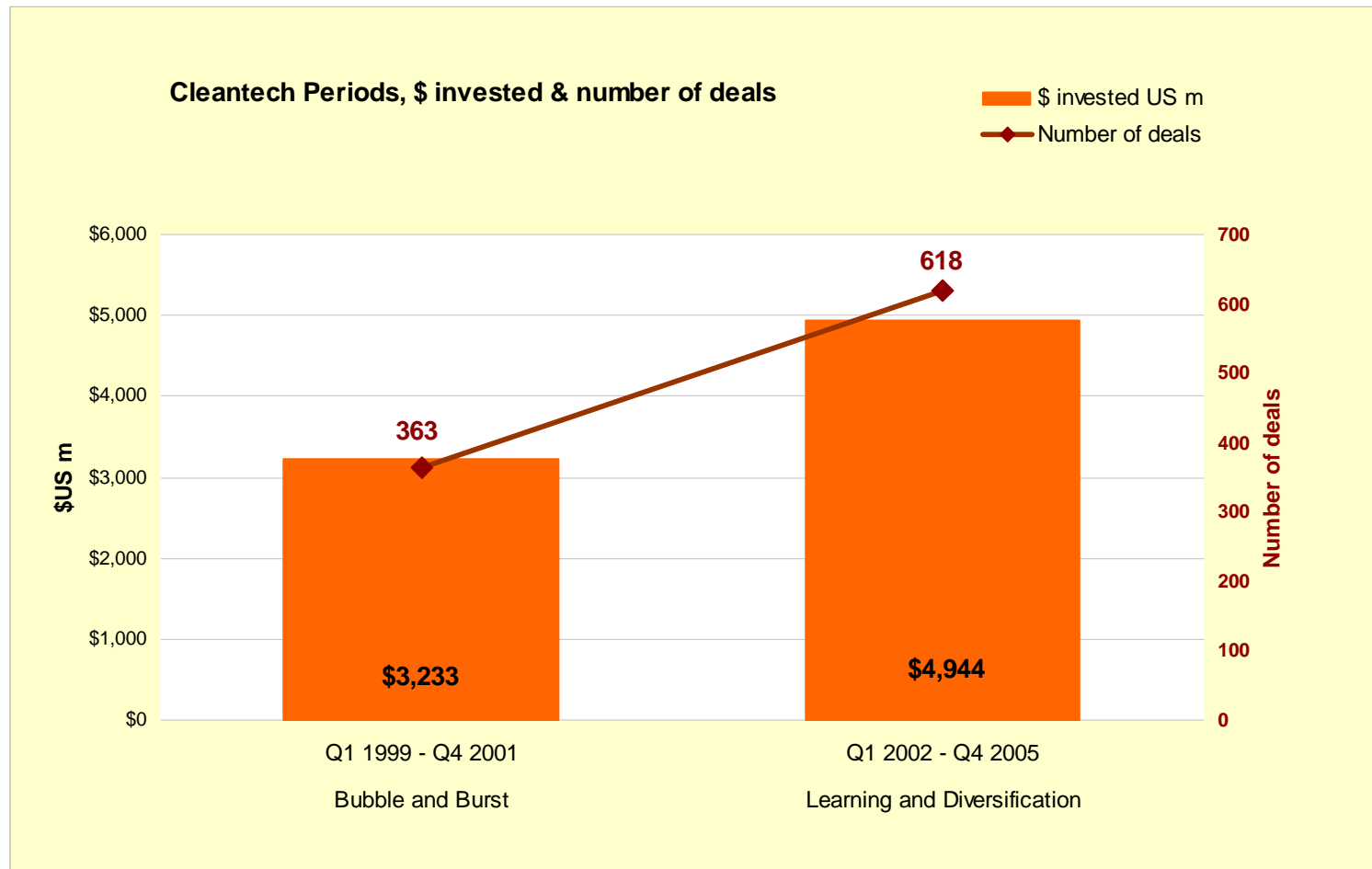
Cleantech investment by Quarter 1999-2005

U.S. and Canadian Cleantech Venture Deals by Quarter
and as a percentage of total VC (by amount), 1999-2005



**Cleantech is growing as an investment category:
Now receiving 9+% of all VC in North America**

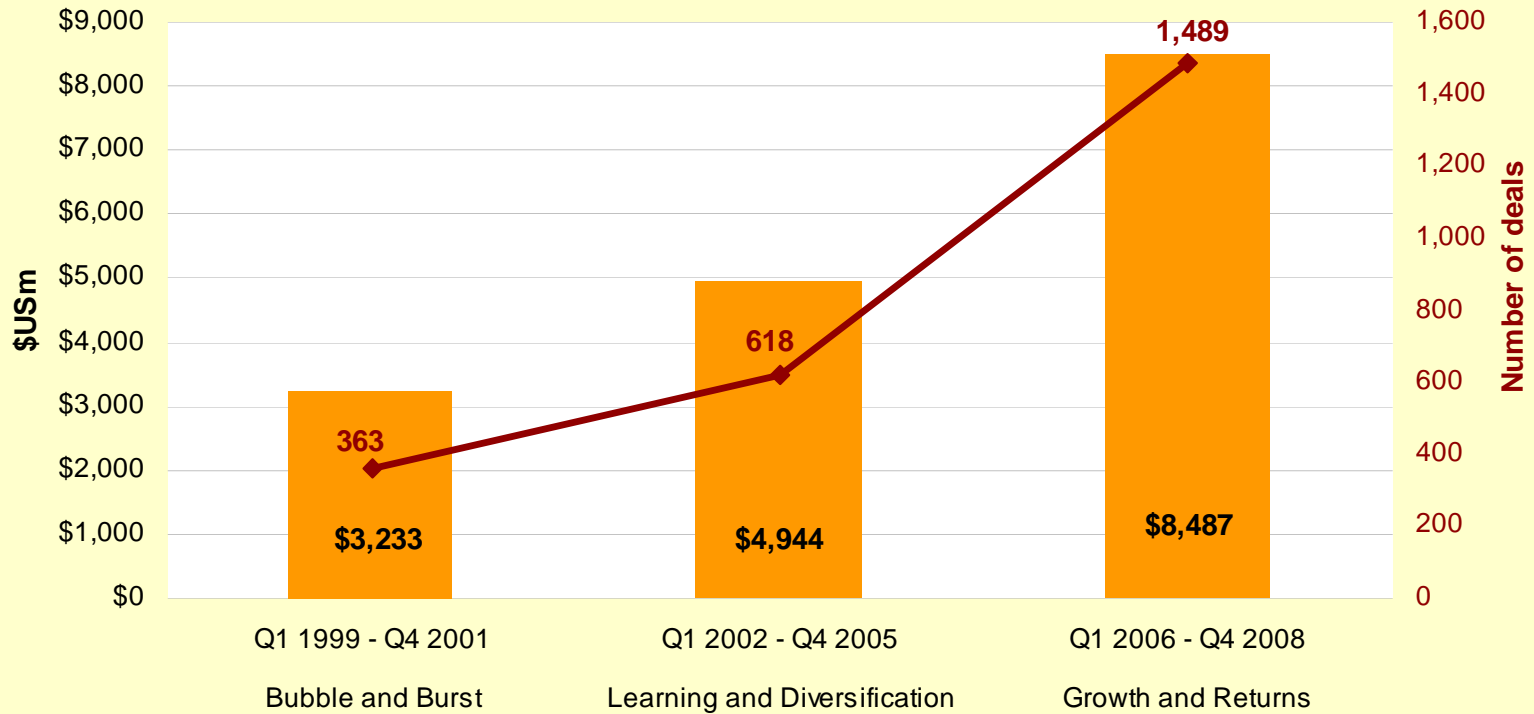
Cleantech Investments 1999-2005



Europe is about 40% and Asia 10% of North America

2006 Onward – Growth & ROI

Three periods of cleantech, \$ amounts and numbers of deals invested Q 1999-Q2 2005 and projected for Q3 2005-Q4 2009



Can Cleantech Make Money?

Cleantech Venture Investment – Patterns & Performance

- **Report released in late March 2005**
- **67 initial public offerings: 730 M&A transactions in 30+ countries**
- **Estimates Cleantech IPOs yielded returns to pre-IPO investors of 5.5x, European venture-backed IPO generated returns of over 8x.**
- **Estimates overall returns on cleantech M&A transactions were 4.3x on invested equity, based on more than \$94 billion in transactions tracked over the past 2 decades**
- **A hypothetical portfolio of cleantech venture investments delivered an estimated IRR of approximately 30%. (Assumed 40% of the portfolio's investments were written off and an average holding period of five years.)**



Target Investments – Specific plays we are running for ECP III

— Examples of EnerTech III Target Areas —

- Alternative Fuels
- Converted Fuels
- Fuel Handling

Alternative Assets

- Renewables
- Storage
- Advanced Networks

Fossil Fuels:
Higher Prices

Electricity / Power:
More Demand

Technologies used in:

- Exploration
- Extraction
- Remediation

Incumbent Assets

- Intelligent Grid
- Emissions
- Power Management

The Next Industrial Revolution

- ❖ Cleantech is emerging as the enabling technology of modern industrial society: the next and necessary wave of venture innovation in a natural resource constrained world.

- Alongside the information revolution is **an industrial revolution reshaping the design and manufacture of almost everything** that we see around us. The disruptive products being developed today have significant improvements over the old because they:
 - ❖ Are **lighter, smarter and stronger**.
 - ❖ Are **cheaper to manufacture** and operate.
 - ❖ Are **less carbon-intensive** and **more energy efficient**
 - ❖ Offer **greater service utility** per unit of material input
 - ❖ Enable **virtually zero waste** and/or emissions

Conclusions

- Investments in Energy Technology are now one of the key strategic focus areas for a significant number of large multinational companies. Examples: General Electric and BP
- Venture markets in energy technology and Cleantech provide real returns to investors and is established as a key asset class.
- Significant new opportunities for investments in emerging technologies that provide a double bottom line.