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
- Thomas Weisel
- Permal
- HydroQuebec
- Pepco
- AES/IPALCO
- EDF
- Batelle
- Stephens
EnerTech selected as Cantor Fitzgerald’s venture partner

— Cantor’s Strategy for New Energy —

Venture/PE/Capital Markets Strategy
New technologies drive incremental valuation and tap new opportunities

Asset Finance, Advisory, and Merchant Banking Strategy
Sector growth driven by the confluence of environmental, energy commodity, economic, and regulatory dynamics

Alternative & New Energy Technology (Venture Fund Partner)

Alternative Energy Assets

Emissions Trading

New Energy Platform

Trading and Brokerage Strategy
Cantor is a global leader in carbon and emission credit trading through CO2e and Environmental Brokerage Services
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 —

Financial Returns
Top Quartile
30% IRR
+5%-8% over S&P

Hedge
against increasing energy costs

Diversification
for established venture investors

Strategic Value
program specific to the LP
Investment Landscape – Diversified playing field

— Value Migration Map and Select Portfolio Companies —

Alternative Assets

Fossil Fuels

Electricity / Power

Incumbent Assets
“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

- **Q1 1999 - Q4 2001**: $3,233
  - Bubble and Burst
- **Q1 2002 - Q4 2005**: $4,944
  - Learning and Diversification
- **Q1 2006 - Q4 2008**: $8,487
  - Growth and Returns

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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 —

- Incumbent Assets
  - Fossil Fuels: Higher Prices
  - Electricity / Power: More Demand

- Alternative Assets
  - Alternative Fuels
  - Converted Fuels
  - Fuel Handling
  - Renewables
  - Storage
  - Advanced Networks

Technologies used in:
- Exploration
- Extraction
- Remediation
- 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.