

SEVEN HILLS

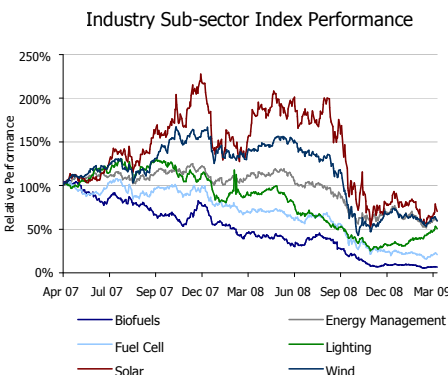
Clean Technology Market Report

Seven Hills is pleased to present its Q109 Clean Technology Market Report, which provides information regarding the global clean technology sector, including an overview of the financing and M&A environment for public and private companies. Seven Hills actively covers Biofuels, Energy Management, Fuel Cells, Lighting, Solar and Wind companies. The SHP Clean Technology Index tracks 70 publicly traded companies in these sectors.

Clean Technology Market Overview

Challenging macroeconomic conditions continued to impact clean technology companies in Q109, keeping all sectors below levels from a year ago. However, stock performance improved for majority of sub-sectors since Q408.

- Solar company valuations flattening slightly falling only 14% following a 41% drop in Q408.
- Lighting company valuations increase 55% after falling 31% in Q109.
- Energy Management valuations fell 19% in Q109, a 7% greater decrease than Q408.

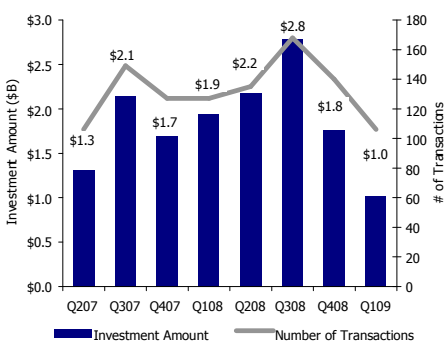


Capital Raising Environment

Both public and private fundraising activity continued to decline in Q109 as investors remained cautious.

- Q109 clean technology venture financings disclosed value and transaction volume decreased 41% and 24% respectively vs. Q408, and 47% and 16% respectively vs. Q108
- Energy Generation companies continued to attract the most capital in Q109 with 33 transactions, representing 31% of clean technology venture financings in Q109.
- Follow-on rounds continued to represent the majority of financing transactions as closure of IPO window increased need for later-stage private capital. Private Equity increasingly active in space.

Global Clean Technology Private Financing Activity

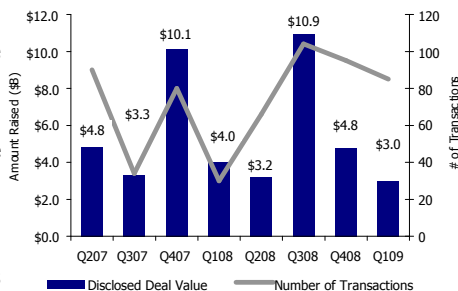


M&A Activity

M&A disclosed deal value and transaction volume historically volatile, but dropped for the second consecutive quarter in Q109. Large industrial and technology companies interested in clean technology acquisitions, but are cautious given market conditions.

- M&A aggregate disclosed deal value and transaction volume continued declining in Q109, falling 37% and 11% from Q408.
- Key transactions to date include Robert Bosch's acquisition of ersol Solar Energy and Schneider Electric's acquisition of Xantrex Technology.
- Venture-backed M&A remains limited with six transactions in 2008 and none in Q109.

Global Clean Technology M&A Activity



About Seven Hills

We are a leading provider of financial advisory and corporate finance services to growth companies. We deliver a combination of technical expertise gained at major Wall Street firms and an entrepreneurial drive developed during our years at growth company-focused investment banks. We concentrate our efforts in growth sectors of the economy in which our senior bankers have advised hundreds of companies and established a broad network of corporate and institutional investor relationships. We work with companies in the technology, healthcare, clean technology, and applied technology industries. Seven Hills is an independent firm owned by its Partners and a select group of private investors.

Clean Technology

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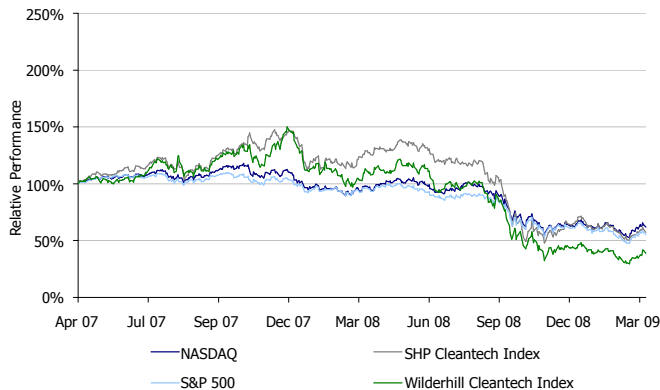
MARKET ENVIRONMENT

Prevailing macroeconomic conditions continue to effect the clean technology market. Venture fundraising, M&A and IPO activity all continued to decline in Q109. Ongoing global macroeconomic credit and liquidity issues continue to effect public Energy Generation companies as Solar, Wind and Biofuel indices saw valuations fall an additional 13%, 14% and 25%, respectively. Aggregate disclosed venture financing and M&A deal values continued to decline at 42% and 37% respectively for the quarter. Along with other industries, public markets provided limited financial alternatives with no IPOs and only \$8.1 million issued on secondary exchanges. However, these trends are expected to reverse in the second half of 2009 as credit, project finance and government stimulus dollars begin to flow.

INDEX PERFORMANCE

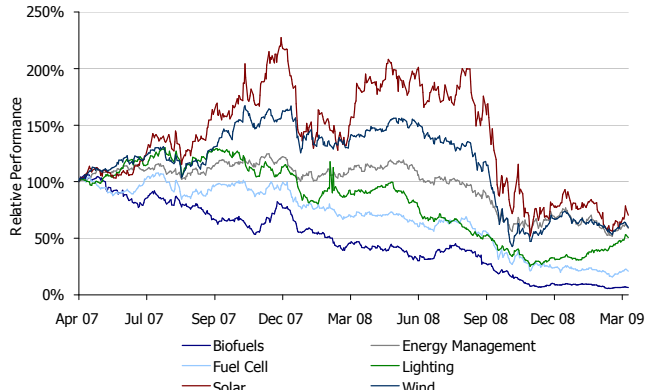
CLEAN TECHNOLOGY INDEX PERFORMANCE

The SHP Clean Technology Index underperformed the broader market, declining 15% during Q109 compared to the Nasdaq and S&P 500 which only declined 4% and 12%, respectively.



INDUSTRY SUB-SECTOR INDEX PERFORMANCE

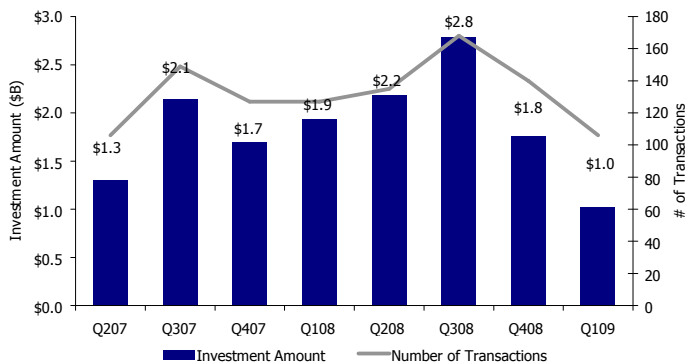
SHP sub-sector indices continued to decline in Q109. Of note, Solar and Wind companies fell 13% and 14%, respectively, with Lighting companies the only sub-sector to gain ground rising 55%.



PRIVATE FUNDING ENVIRONMENT

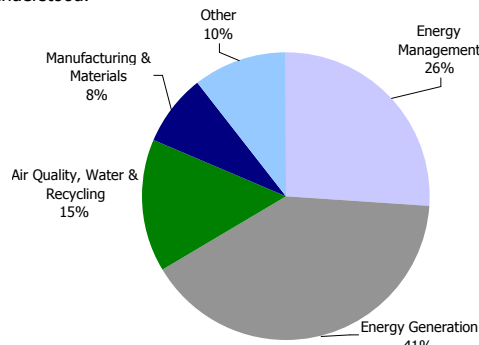
PRIVATE FUNDING VOLUME

Q109 saw a second consecutive major quarterly decline in venture capital funding value, down 42% from Q408. The decline brings total dollars invested down to 2006 levels. Follow-on rounds dropped from a high of 80 in Q308 to 49 in Q109 and first rounds dropped from a high of 41 in Q408 to 28 in Q109.



PRIVATE FUNDING BY SECTOR

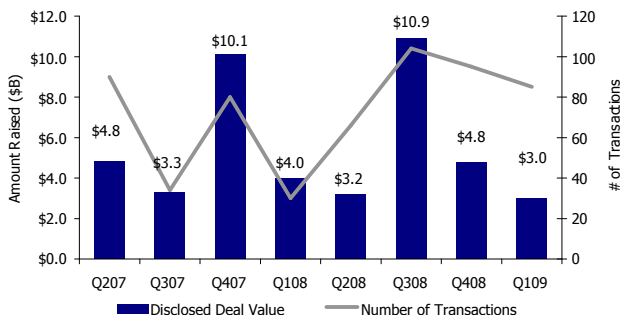
Energy Generation companies continued to lead investment activity, representing 31% of Q109 transactions and 41% of transactions since Q106. Energy Management companies are rapidly gaining ground as business models become better understood.



EXIT ENVIRONMENT

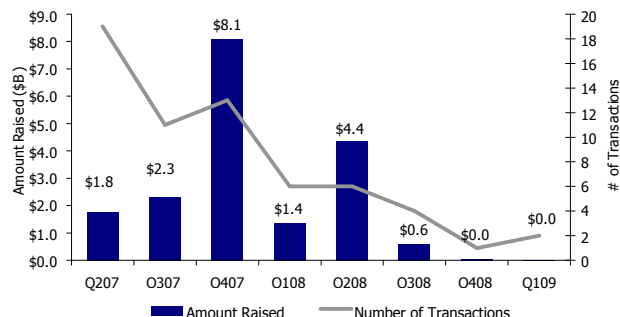
CLEAN TECHNOLOGY M&A VOLUME

M&A aggregate disclosed deal value and transaction volume continued declining in Q109, falling 37% and 11% from Q408. Distressed opportunities increased as companies face liquidity concerns.



CLEAN TECHNOLOGY IPO VOLUME

Q109 public financing activity was limited to \$8.1 million raised in secondary offerings.



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