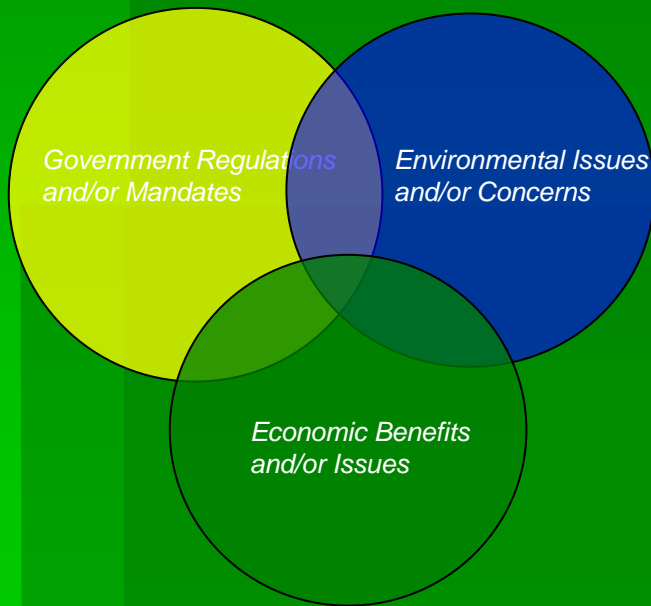




The path to profitability - project selection drivers

1) Identified by greatest opportunity



2) Selection process removes risk, ensures success

- 🌱 All projects have long-term contracts for the energy output off-take with credit worthy clients.
- 🌱 A balance of short and long-term fuel supply contracts as well as fuel flexible technologies;
 - 🌱 limits fuel risks
 - 🌱 maintains the opportunity for improved economics through fuel management and diversity.
- 🌱 Project sites identified to offer access to the host's energy system and to the local electrical network.
- 🌱 State and local permitting requirements & support which are conducive to the specific project.



State of the art of technology

Process

Output

History

Stoker Combustion



Thermal Energy

- Longest History
- Highest level of Pollutant
i.e. 250tn for 20MW
- Limited Fuel Flexibility

Fluid Bed Combustion
FW, Alstom, EPI, Mobotec



Thermal Energy

- Extensive history & use
- Controlled Emissions
i.e. 50 to 100tn for 20MW
- Some Fuel Flexibility

Air Blown Gasification
PrimeEnergy, EPI



Thermal Energy

- Short History
- Controlled Emissions
i.e. 50 to 100tn for 20MW
- Ltd fuel Flexibility, sizing is critical



Syngas

Pyrolysis (advanced
gasification)
BCT, FERCO, AEE



Syngas

- Demonstration Plants
- Lowest possible emissions
i.e. 10 to 50tn for 20MW
- Widest range of fuel flexibility





Key Project Elements

Power/Energy Purchase Agreements

- Take or Pay long term contracts
 - Strength of client makes contract a marketable asset.
 - Municipalities, Utilities, Fortune 500 industrials, U.S. Govt.
 - PPA becomes an Execution document
- Include escalators for:
 - Fuel cost
 - Labor & Consumable costs
- Full Capacity Payment requires only 90% delivery
 - Advanced technology operations provide base load uptime of 93% - 95%



Key Project Elements

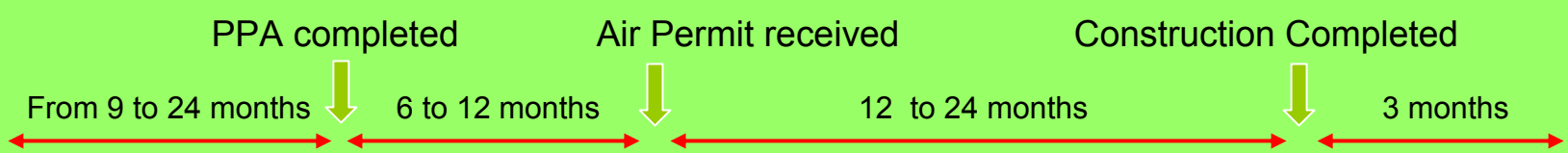
BG&E Feedstock Plans

- Initial feedstock analysis a determining factor for project viability (a minimum of 200% is required)
- Availability of ongoing/long-term supplies critical
 - Long-term contracts entered where feasible
 - Project Technology offers significant feedstock flexibility
 - Secondary and back-up sources identified
- Fuel cost risk limited through PPA
 - Cost escalators and/or shared risk included
 - Labor & Consumable costs
- Fuel purchase reserve fund developed for project.



How a Project Develops

Project Development Milestones



PPA Developed	Permit	Permanent financing completed	Project shakedown
<p>Project Site</p> <p>Equipment identified and preliminary bids received</p> <p>Feedstock identified</p> <p>• Accessible length terms</p> <p>• Minimum 200+ tons per day</p> <p>• Other permit issues</p>	<p>Site-specific Engineering</p> <p>• Shared Savings</p> <p>• Multiple contracts provide secondary/back up plans</p>	<p>Site purchase completed</p> <p>Construction Ground-breaking</p> <p>Equipment Ordered</p>	<ul style="list-style-type: none"> • Systems performance tested • Output, emissions, feed systems all tested to spec. • Following acceptable runs – BG&E begins PPA services



**BIOMASS GAS
& ELECTRIC, LLC**

the big green energy company

Schedule & Development Costs

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
PPA Completion - Legal	50	50													100
Site															
Identification	X														
Zoning	15	15	15	15	10										70
Environmental Review			X	X	X	X	X	X	X	X	X	X	X	X	
EIA	50	75	75												200
Geo-tech & Surveys	25	25													
Facility															
Interconnect Strategy	25														25
Prelim Engr	75	75	50	50	50	50									350
Constr Bids		X	X	X	X	X	X	X	X	X	X				
Major Equip		X	X	X	X	X	X	X	X	X	X				
Fuel Yard		10	5												15
Air Permit			50	10	10	X	X	X	X	X	X	X	X	X	70
EPC Legal			30	40	40										110
Interconnection Agreement															
Feasibility Study	10	X	X												10
System Impact Study				50	X	X									50
Facilities Study							100	X	X						100
Fuel Supply															
Target Suppliers	X	X	X	X											0
Anatares Fuel Study			80												80
Supply Agreements		15	15	15	15										60
Legal		10	10			20									40
Transport LOC	(estimated \$750k at closing)														
Backup Fuel Permits	(agriculture studies)														
							20	20	20						60
Financing															
Legal										40	40	40	40	40	200
Engineer												350			350
Operating Services															
Staff Support & Costs	30	30	30	30	30	30	30	30	30	30	30	30	30	30	420
Outside Staff		10	10									10	10	10	50
Monthly TOTAL	280	315	370	210	155	100	150	50	50	70	70	430	80	80	2410



BG&E Projects & Pipeline

Forsyth County (22MW) – After three years of independent negotiation and a successful rates setting process through the Georgia Public Service Commission (PSC), this project was approved unanimously by the PSC.

- PPA is in the final completion stage;
- All permits (air, zoning), construction & equipment bids, fuel contracts received pre-PPA are being finalized;
- Financing is expected by 1st Qtr 2007

Tallahassee (30+MW) – The City Board of Commissioners of Tallahassee has approved BG&E as the energy solution for replacing the extremely high power costs faced by the city. Additionally FSU has requested BG&E supply 100MMBTU/Hr of gas for the universities heating and cooling needs. This project will be a gas turbine combined cycle project. Fuel supplies have been identified and include city waste and local forestry waste cuttings for the maintenance of healthy forests. Permitting will begin in the 4th Qtr 2006.

“Prestige Project”

Air Force Academy - BG&E, in partnership with Honeywell is in the final approval stage for a 40 MMbtu/hr syn-gas project for the U.S. Air Force Academy, Colorado Springs. This gas will feed a new boiler which is part of a utilities replacement program. The syn-gas will provide about 20% of the Academy’s total needs. This project will be owned and operated by the AFA.



BG&E Projects & Pipeline

Ga. Industrial (20MW) – A large Georgia industrial company currently under a Project Development Agreement with BG&E, is in the final stages of PPA development for to provide methane as a direct replacement for the natural gas used in the processing of their products. MGAG (Municipal Gas Authority of Ga.) is the secondary/backup purchaser for methane not taken by the client. That methane will be injected directly into the local distributed carriers (LDC) pipeline. Feedstock identification and contracting, project siting and permitting and air quality analysis is taking place at this time. PPA completion is expected by September '06 with a financial closing and groundbreaking by mid 2007.

South Georgia Project (60,000,000 gal/yr) This project will be supported by five separate facilities in Florida and Georgia. To maximize the infrastructure built at each location, other local customers may be provided services in addition to the primary client. Plants will produce electricity for local use, methane for local industrial customers and distribution through existing pipelines and ethanol for transport to the primary clients sales distribution center.

Maryland (60MW) – This is a multi-PPA project serving local industry, a local municipality and Air Force Base. The local industry is a poultry grower and distributor who will be providing the majority of the feedstock as well as taking 20MW of the produced energy. The Air Force Base has already approved a 10MW power requirement and the local municipality is taking 30MW. Fuel supplies have already been identified, the PPA is in the final stage of completion with the municipalities attorney and project siting is in process.