

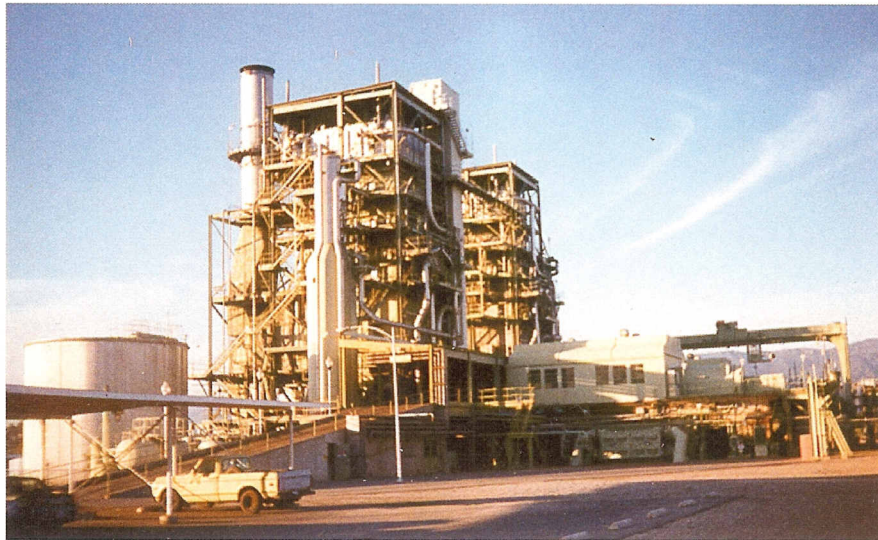


ERG Energy Resources Group, Inc

Power Generation & Energy Projects



*Lake Worth Generation - Lake Worth, Florida
240 MW Combined Cycle Plant Development*



*Mountainview Power Company - San Bernardino, California
126 MW Steam Plant Acquisition / Site Expansion to 1000 MW*

Consulting & Development Services

Background Information

ENERGY RESOURCES GROUP, INC

Consulting & Project Development

In 1997, Energy Resources Group, Inc. (ERG) was formed by Len Shapiro primarily to develop and facilitate project venture arrangements in the power and energy fields. These projects involve (i) the acquisition, merger, or sale of existing electric power plant assets, (ii) the development and construction of new or repowered electric power plants and, (iii) the acquisition and or construction of related energy facilities and infrastructure.

During 1997 and 1998, ERG located, arranged, and facilitated negotiations for the successful closing of (3) transactions involving existing electric utility plants from Southern California Edison totaling over 400 MW's. The present owner of two of these plants is the AES Corporation.

ERG assisted in the early development of the Mountainview Power Plant site (about 40 miles due east of Los Angeles) for an expansion of a new 1000 MW combined cycle system. Due to California's energy crisis in late 2000, the California Energy Commission placed this Project on a fast track permitting process and granted the siting license in March 2001. The capital investment for this Project is approximately \$700 million. The commercial operation date is scheduled for early 2004.

In Florida, ERG arranged for a buyout of the ownership rights for a development project with the City of Lake Worth from Reliant Energy in 1998. The Project, which is strategically located on the power grid, will have a final design capacity of approximately 350 to 500 MW's utilizing combustion turbine - combined cycle technology. The 240 MW Phase I project began construction in February 2001 and is targeted for commercial operation in May 2003. ERG, under contract with the AES Corporation, is currently assisting the Phase II development of the Project.

ERG is also providing project management services to Project Orange Associates at their Syracuse University Cogeneration Facility and their TransGas Energy Systems (TGE) development project involving an 1100 MW cogeneration plant. The TGE plant will be permitted under the New York State Article X process and is planned to serve the Brooklyn and Manhattan areas with electric and steam.

Len Shapiro has over 25 years experience in various engineering, project development / construction, and marketing / management positions involving project ventures in the electric power and oil & gas industries. Mr. Shapiro has a degree in Civil Engineering and has held engineering, management, and executive positions in several companies including Stewart & Stevenson-Turbine Division (now a subsidiary of General Electric Company), Williams & Lane (formerly a contractor for General Motors Allison), Kongsberg Company, and Pratt & Whitney .

Mr. Shapiro plays a key role in conceiving and locating project opportunities and then developing these projects into technically sound and economically viable ventures. He also facilitates the development of these projects from inception through close of construction finance (typically ranging between \$50 to \$200 million). Mr. Shapiro travels extensively, both domestically and internationally, and has acquired long term business relationships with many key firms in the power and energy field.



Consulting & Development Services

ERG has a proven track record in the power generation field involving many different types of transactions from assisting clients with acquisitions of assets to arranging project development teams. Working in conjunction with an experienced network of power generation professionals, ERG can assist clients with a multitude of consulting and development services focusing on:

- * Identifying & locating project opportunities*
- * Facilitating acquisitions and sales of assets*
- * Directing project development*
- * Matching investors with projects*
- * Forming partnerships and joint ventures*
- * Providing comprehensive project strategies*



Power Generation Projects

Energy Resources Group, Inc.

2000 Lake Worth Generation, LLC
Lake Worth, Florida
240 MW Combined Cycle Plant - Phase 1
100 to 260 MW's Simple or Combined Cycle - Phase 2

**Initiated Project Development Contracts &
Managing Local Development for Owner**
Start of Construction: February 2001
Expected Commercial Operation Date: May 2003
(1) GE 7FA CTG ordered for Project

1998 Mountainview Power Company
San Bernardino, California
126 MW Steam Plant

Facilitated Acquisition of Southern California Edison Power Plant
Site presently under development by Owner for 1000 MW Combined Cycle Plant
Expected Financial Closing: 2001
Expected Commercial Operation Date: April 2003
(4) GE Frame 7FA CTG's ordered for Project

1998 Riverside Power Company
Grand Terrace, California
154 MW Steam Plant

Facilitated Acquisition of Southern California Edison Power Plant
Site presently under review by Owner for either simple cycle or combined cycle repowering

1998 Cool Water Coal Gasification Plant (SCE)
Daggert, California
150 MW Combined Cycle Plant

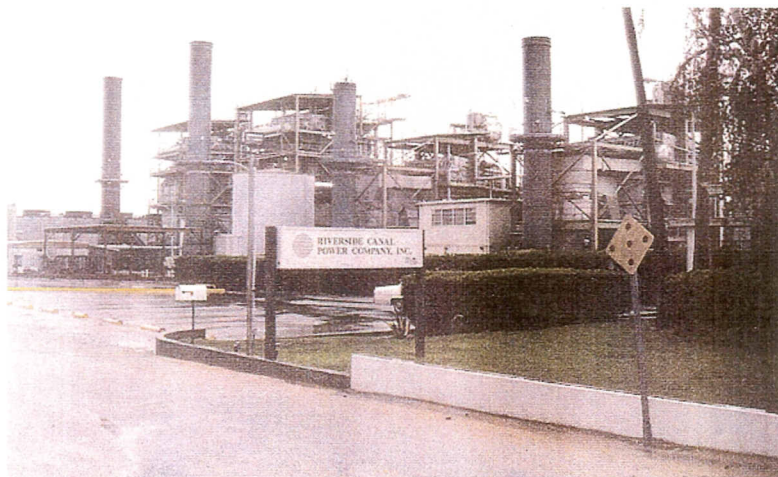
Arranged & Facilitated Bridge Loan for Resale of SCE Power Plant Equipment

1997 Cypress Acquisition, Inc
Miami, Florida
74 MW Power Purchase Agreement

Arranged Project Partnerships & Development Effort;
Facilitated \$40 Million Buyout of Mission Energy PPA by Florida Power & Light



**Riverside Power
Company**
Grand Terrace, California
154 MW Steam Plant
Facilitated Acquisition



Cypress Acquisition, Inc.
Miami, Florida
30 MW Dade Government
Cogeneration Plant
Arranged Buyout of 74 MW
Power Purchase Agreement

**Cool Water Coal
Gasification Plant**
Daggert, California
150 MW Combined Cycle Plant
Equipment Resale Transaction

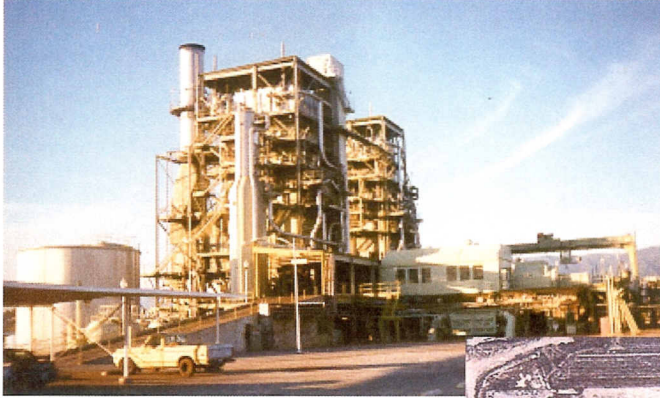


Mountainview Power Company

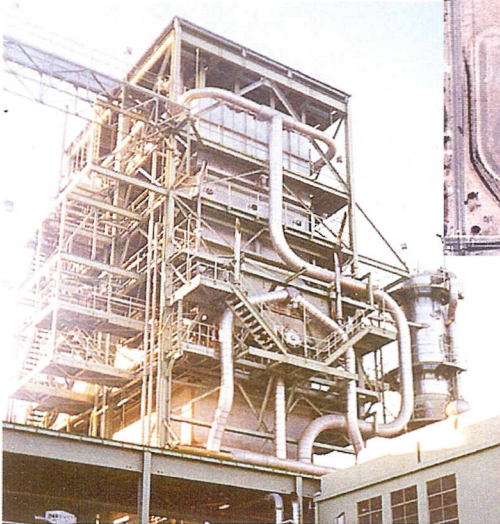
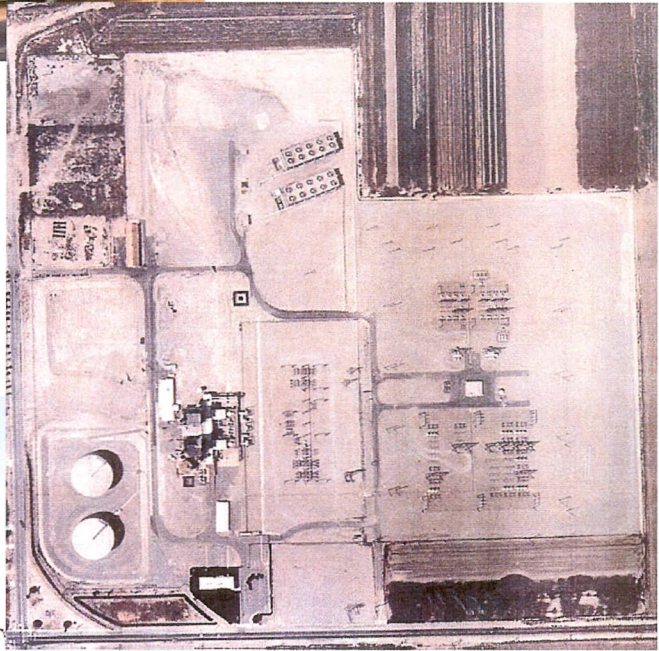
San Bernardino, California

126 MW Steam Plant (Site Expansion for 1056 MW - Combined Cycle)

Facilitated Acquisition



Mountainview aerial

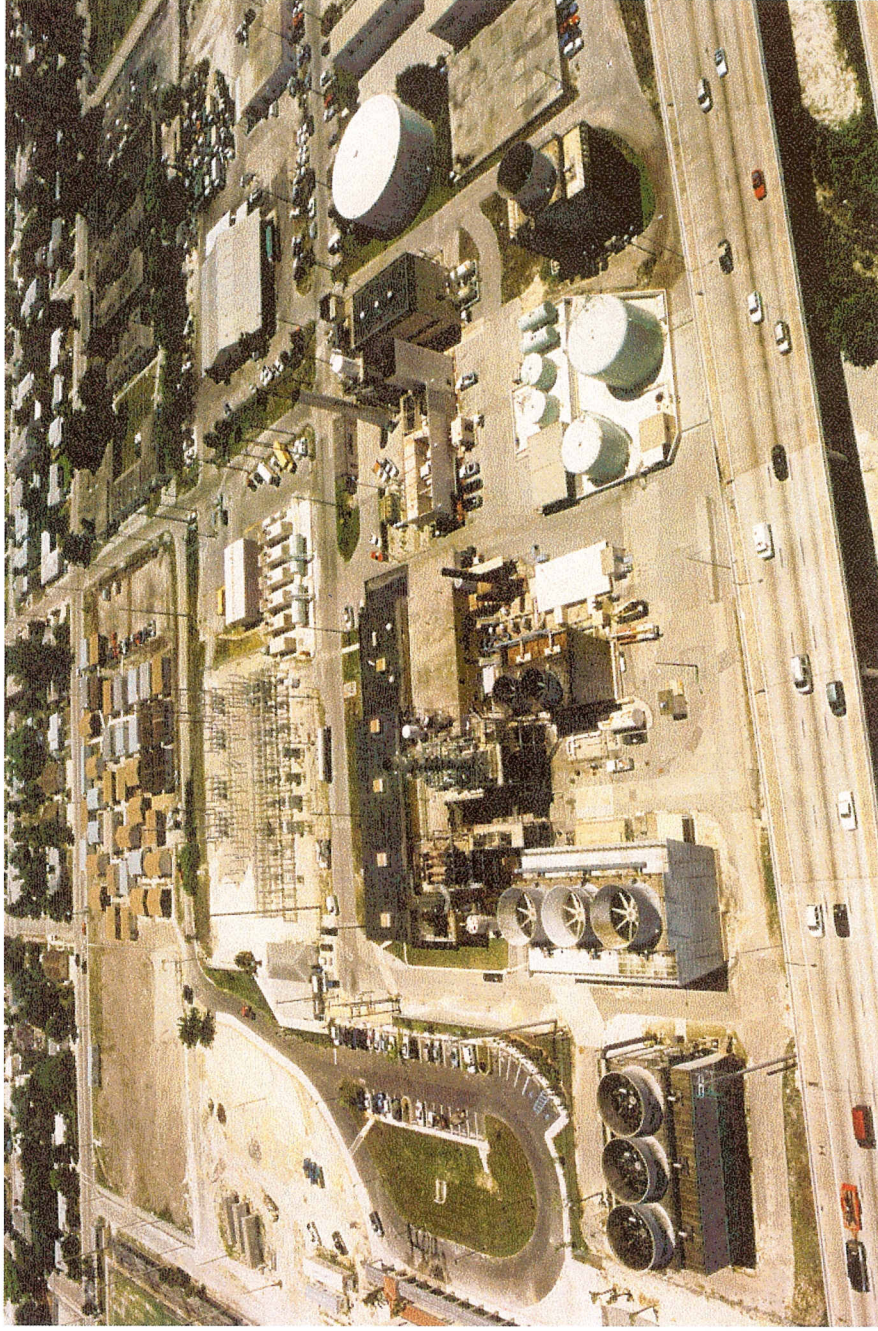


Lake Worth Generation, LLC

Lake Worth, Florida

240 MW Combined Cycle Plant/Phase 1

260 MW Combined Cycle Plant /Phase 2



**Initiated Project Development Contracts & Currently Managing Development for Owner
Expected Financial Closing: 2001**

**Energy Services Agreement with City of Lake Worth utilizing one (1) new
General Electric 7FA CTG to repower existing steam turbine power plant.**



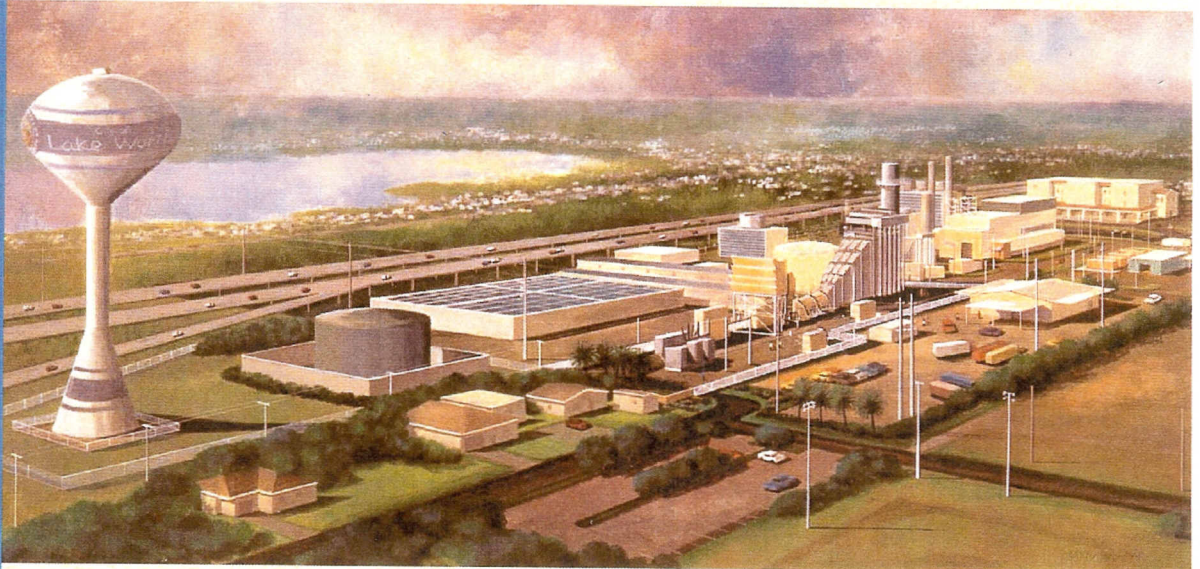
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The AES Lake Worth Generation Project



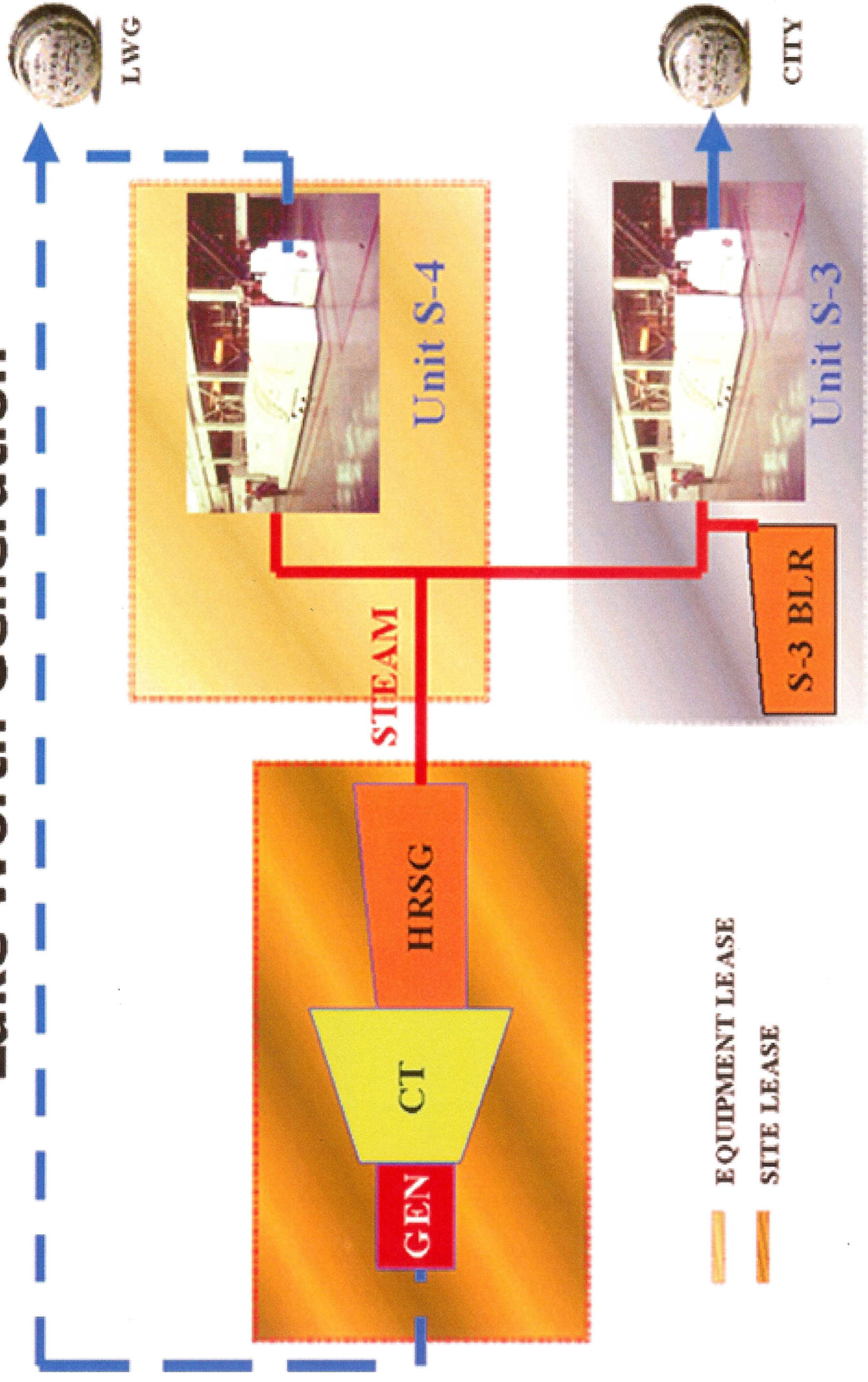
A Public/Private Cooperative Venture



AT THE CITY OF LAKE WORTH
TOM G. SMITH GENERATING STATION

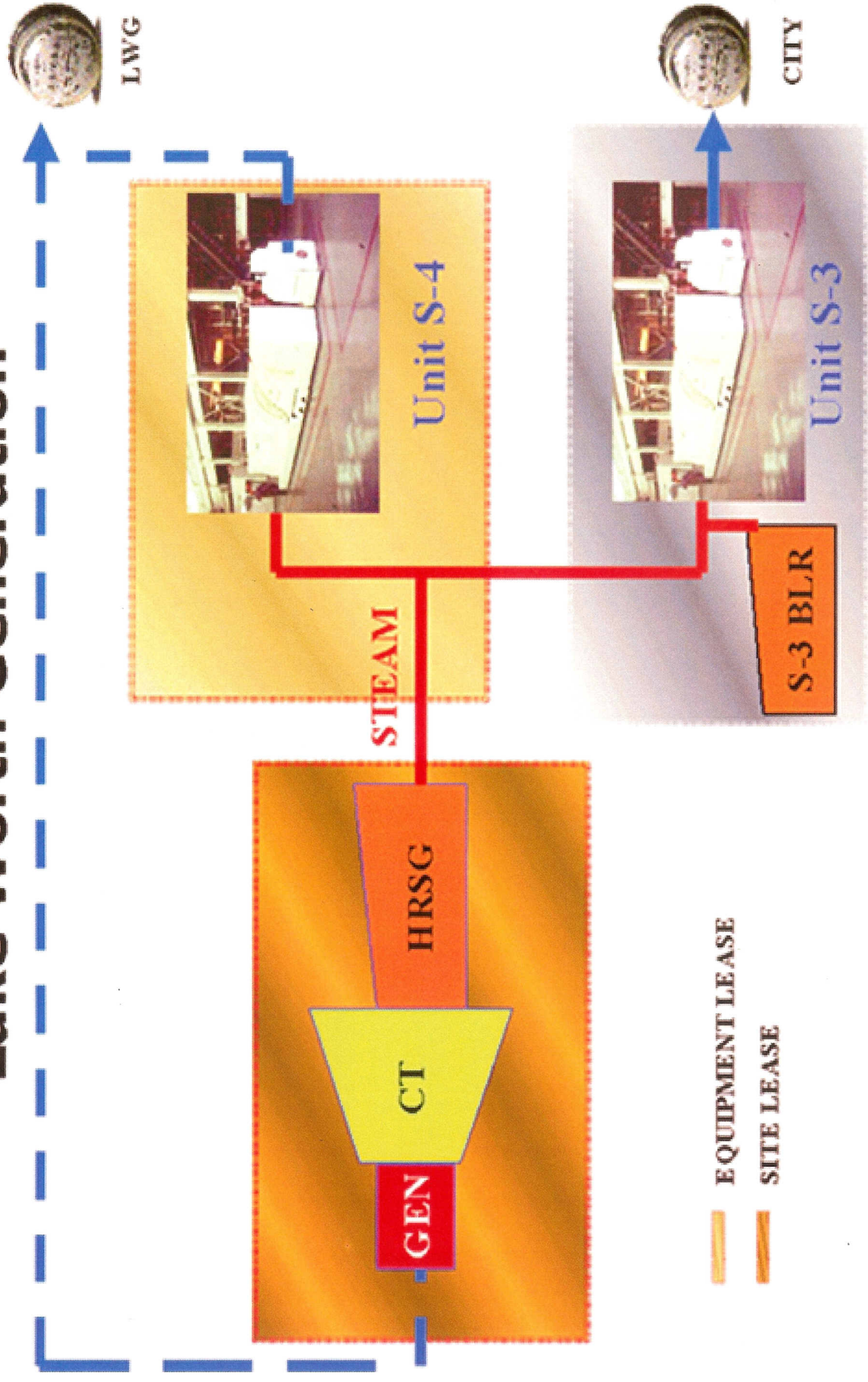


Lake Worth Generation



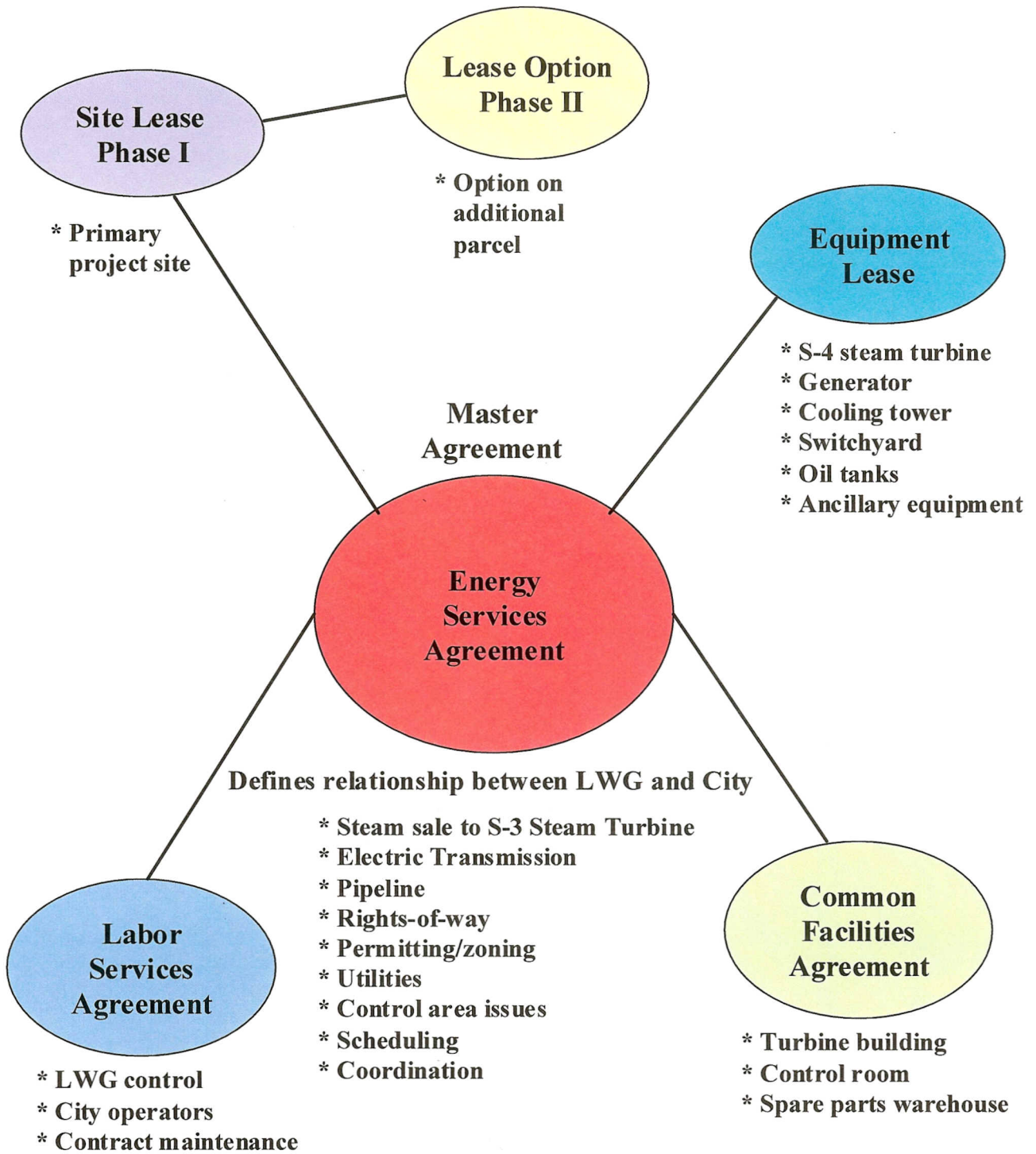
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Lake Worth Generation



ERG

LWG Project Agreements



Lake Worth Generation, LLC

Project Development Team

- | | |
|--|---|
| * Sargent & Lundy LLC
Chicago, Illinois | Owners Engineer (EPC Bid Specifications) |
| * Golder Associates Inc
Gainesville, Florida | Environmental Consultants |
| * R.W. Beck
Orlando, Florida | Electrical Transmission Consultants |
| * Energy Resources Group
Boca Raton, Florida | Project Development |
| * Florida Public Utilities Company
West Palm Beach, Florida | New Natural Gas Lateral Pipeline |
| * Greenberg • Traurig
West Palm Beach, Florida | Local Counsel |
| * McWhirter, Reeves, & McGlothlin
Tallahassee, Florida | State Legal & Regulatory Counsel |
| * Skadden, Arps, Slate
Washington, DC | Federal Legal & Regulatory Counsel |



SOUTHEAST POWER REPORT - JULY 12, 1996

FROM: © 1996 The McGraw Hill Companies, Inc

INDEPENDENT POWER

FLORIDA APPROVES \$39 - MILLION BUYOUT OF 74-MW CYPRESS ENERGY NUG BY FP&L

The Florida Public Service Commission has approved Florida Power & Light's buyout of a standard offer contract with Cypress Energy, developed by South Florida Cogeneration Associates, for \$39 million.

FP&L and SFCA jointly notified the Federal Energy Regulatory Commission about the buyout and said they would request permission to withdraw all related petitions in the case.

Cypress Energy, originally a wholly owned subsidiary of Mission Energy, was awarded a 30-year standard-offer contract to supply 65 MW to FP&L in 1990, when payments were based on a state-wide need for 500-MW project. The unit was scheduled to go on line Jan. 1, 1996.

Stewart & Stevenson Services later acquired full equity interest in Cypress Energy. S&S, which was seeking a means of providing the power required under the contract by Jan. 1, 1996, entered into an agreement with SFCA and formed Cypress Acquisition.

SFCA owned and underutilized 32-MW cogeneration plant at the Dade County Downtown Government Center in Miami. Cypress planned to add 42 MW of generation at

SFCA's facility, which would have brought the total to 74 MW and would have met the necessary 70% capacity factor required under the standard offer.

FP&L said the power was too expensive, would not be needed until at least 2004, and agreed to buy out the contract to reduce its loss. FP&L said the 39-million buyout would/will save ratepayers \$50-million in net present value, and asked to be allowed to recover the cost (SPR, 8 March, 9).

In its dispute with FP&L, SFCA sought to wheel power to other government facilities and had lawsuits filed against FP&L in an effort to do so. With the backing of the county government, it sought to become a municipal utility, which would have required FP&L to wheel SFCA's power, but voters rejected that in a referendum.

The agreement gives FP&L the option of buying the existing Downtown plant. If it does so, the PSC said FP&L would have to file a separate petition seeking cost recovery.



Power Generation Projects

Contracts obtained by Len Shapiro on behalf of Stewart & Stevenson / General Electric

1996 YPF, SA - Neuquen Power Plant

Neuquen, Argentina

40 MW Simple Cycle Plant

Secured S&S/ GE Turnkey Construction/ O&M /Financing Contracts

1995 Tampa Electric Company

Escuintla, Guatemala

75 MW Simple Cycle Plant

Initiated & Secured S&S/GE Turnkey Construction Contract

1994 Florida Power Corporation /University of Florida

Gainesville, Florida

40 MW Utility / Cogeneration Plant

Assisted FPC Project Team Development

Initiated & Secured S&S/GE Turbine Generator Contract

1994 CSW Energy / Tennaco Energy

Bartow, Florida

110 MW Cogeneration Plant

Arranged Project Development Bridge Loan & GE Capital Project Financing

**Assisted Original Owner w/Development, Initiated & Secured S&S/GE Turbine Generator
O&M Contracts**

1994 Kissimmee Utility Authority

Kissimmee, Florida

40 MW Utility Peaking Plant

Initiated & Secured S&S/GE Turbine Generator Contract

1993 Peoples Gas/ GPU International

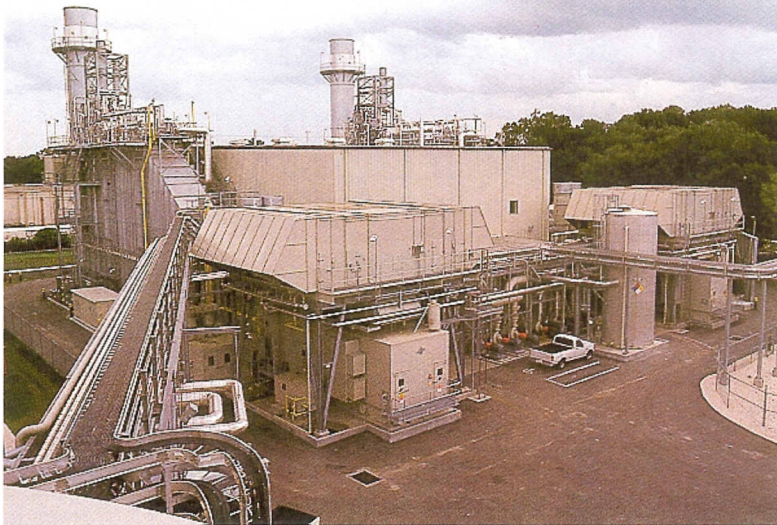
Umatilla, Florida

110 MW Cogeneration Plant

Assisted Peoples Development Team including Financing with GE Capital

Initiated & Secured S&S/GE Turbine Generator / O&M Contracts





**Peoples Gas /
GPU International**
Dade City, Florida
110 MW Cogeneration Plant

**Peoples Gas /
GPU International**
Umatilla, Florida
110 MW Cogeneration Plant

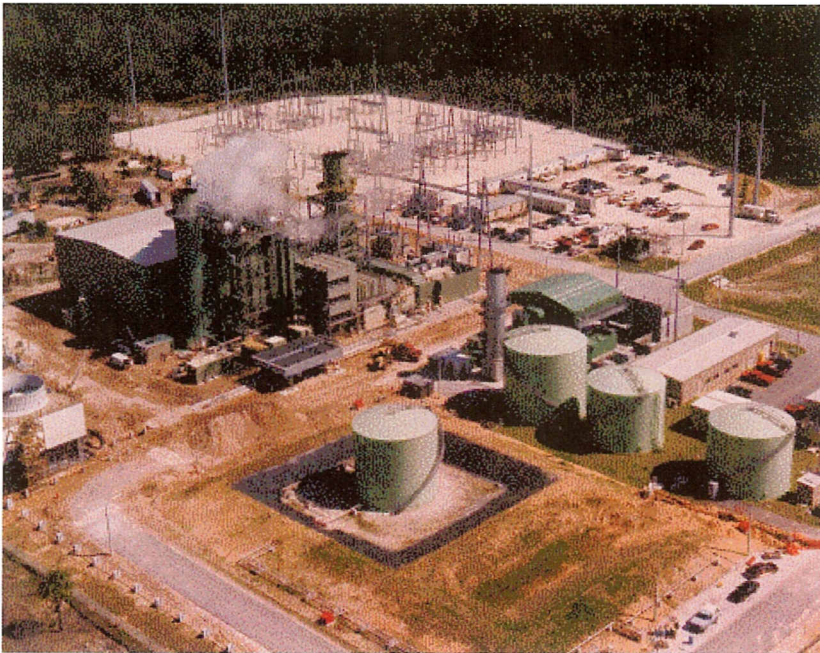


**GPU International /
Syracuse University**
Syracuse, New York
80 MW Cogeneration Plant



Cogeneration at the University of Florida

Florida Power Corporation
University of Florida
Gainesville, Florida
40MW Cogeneration Plant



Kissimmee Utility Authority
Kissimmee, Florida
40 MW Utility Peaking Plant
Initiated & Secured S&S/
GE Turbine Generator Contract



Power Generation Projects

Contracts obtained by Len Shapiro on behalf of Stewart & Stevenson / General Electric

**1993 Peoples Gas / GPU International
Dade City, Florida
110 MW Cogeneration Plant**

**Assisted Peoples Development Team; Initiated & Secured S&S/GE Turbine Generator /
O&M Contracts**

**1992 GPU International / Syracuse University
Syracuse, New York
80 MW Cogeneration Plant**

Arranged Project Development Bridge Loan ; Initiated & Secured S&S/GE Turbine Generator /O&M Contracts

**1991 Peabody Municipal Electric
Peabody, Massachusetts
35 MW Utility Peaking Plant**

Secured S&S/GE Turbine Generator Contract

**1990 J. F. Kennedy International Airport
NYC, New York
110 MW Cogeneration Plant**

Initiated Business Development for S&S/GE Turbine Generator Contract

**1989 Tropicana Products
Bradenton, Florida
50 MW Cogeneration Plant**

Initiated & Secured S&S/GE Turbine Generator Contract



Power Generation Projects

Contracts obtained by Len Shapiro on behalf of Williams & Lane / General Motors Allison Division

All Projects involved initiating and securing contracts to furnish

GM Allison Gas Turbine Generator Set(s);

Most Cogeneration Projects involved turnkey equipment and installation.

1983 Los Angeles International Airport

Los Angeles, California

6.0 MW Cogeneration Plant

1982 Transworld Airlines

Kansas City, Missouri

6.0 MW Standby Power Plant

1982 Manufacturers Hanover Trust

NYC, New York

6.0 MW Cogeneration Power Plant

1982 Security Pacific Bank

Brea, California

12.5 MW Cogeneration Power Plant

1982 Ewing Lawrence Sewerage Authority

Trenton, New Jersey

3.0 MW Standby Power Plant

1981 International Revenue Service

Martinsburg, West Virginia

3.0 MW Standby Power Plant

1981 Petroleos Mexicanos

Campeche Bay, Mexico

(3) 10 MW Offshore Power Plants

1980 Westinghouse Hanford

Richland, Virginia

3.0 MW Standby Power Plant



Excerpt From

REPRINTED FROM JUNE 1982

DIESEL & GAS TURBINE

WORLDWIDE

Gas Turbine Application

Turbine Gen-Sets Meet Variety of Requirements

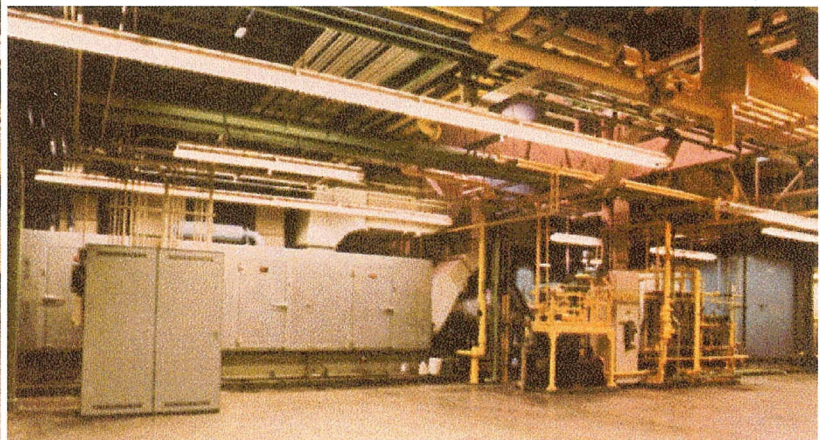
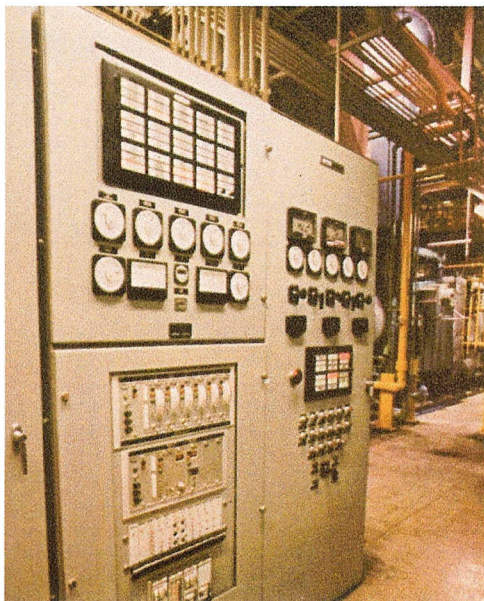
Although each major drive train uses an Allison 501 gas turbine, reduction gearbox and generator, these gas turbine gen-set projects have significantly different requirements.

Williams & Lane's Energy Systems Division in San Leandro, California, U.S.A., has been an authorized General Motors Detroit Diesel Allison Division distributor for over 25 years. In 1979, **under the direction of Len Shapiro**, ESD established a Southern California office in Mission Viejo to headquarter its gas turbine marketing and sales operations. Shapiro notes that ESD

of California Davis cogeneration; United States Department of Energy, engineered by Bechtel, Inc.; Pemex total energy, engineered by Brown & Root; City of Santa Clara cogeneration, engineered by Burns & Roe; Internal Revenue Service, engineered by Sverup & Parcel & Assoc. Inc; Ewing Lawrence Sewerage Authority, engineered by Buck, Seifert & Jost, Inc; Security Pacific Bank cogeneration/combined

stallation, and service and maintenance of Allison turbine generator sets. Following is a brief summary of some of the most recent projects of interest.

U.S. Department of Energy. This contract was engineered by Bechtel Corp. in conjunction with Westinghouse Hanford Nuclear Works. The 3000 kW gas turbine unit utilizes an Ideal Electric 13 800 V generator and Western reduction gear. Design standards are in

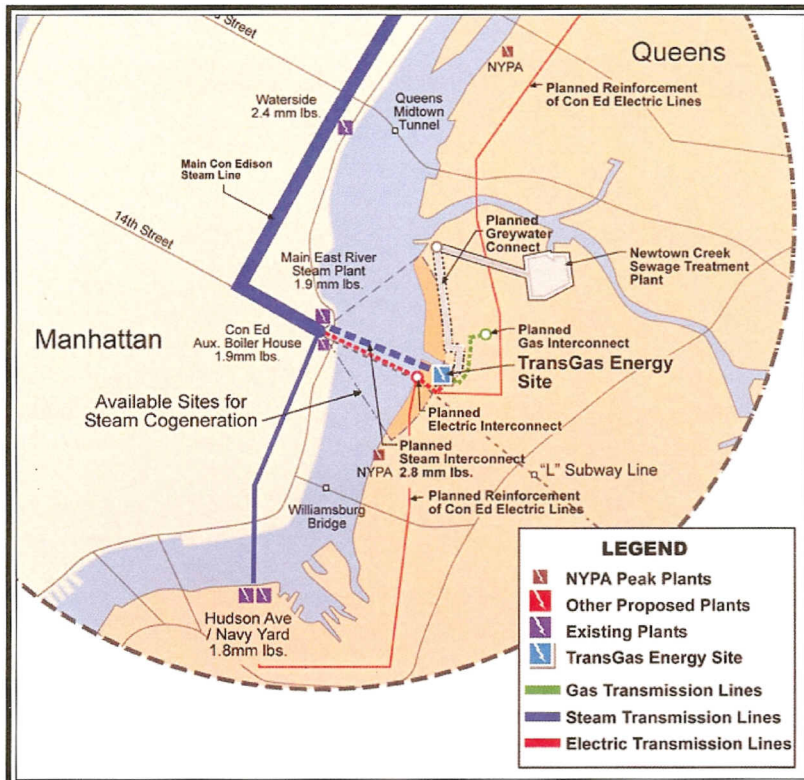


TransGas Energy Systems Project

Brooklyn, New York

1100 MW Combined Cycle Plant

Currently Under Development - Artist Rendition - 2001



ERG

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