

GAINESVILLE BIOMASS PLANT COMPLETES CONSTRUCTION FINANCING

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The Gainesville Renewable Energy Center (GREC), a 100-megawatt (MW) biomass power plant located in Gainesville, Florida, has successfully raised nearly \$500 million in construction financing. Construction of the plant began in March 2011; completion of this financing allows the project to remain on schedule, with operations expected to commence in late 2013. The successful development of GREC follows that of Nacogdoches Power, a nearly identical 100-MW biomass project located in east Texas, which was developed by the same sponsor team and sold to Southern Power late in 2009.

The non-recourse debt financing is being provided by the Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as Coordinating Lead Arranger, as well as Natixis, Rabobank Nederland, ING Capital, Crédit Agricole, and Société Générale. Equity is being provided by the parties involved in the development of GREC (Energy Management, Inc., BayCorp Holdings Ltd., and Tyr Energy Inc.), as well as by certain principals of Fagen, Inc., the contractor building the facility. Christopher Smith acted as financial advisor to the project; Cadwalader, Wickersham & Taft acted as counsel to the borrower; and Chadbourne & Parke acted as tax counsel to the borrower.

“Completion of construction financing allows GREC to move forward without delay, ensuring that the Gainesville community will receive the many environmental and economic benefits of this renewable energy facility,” said Jim Gordon, President of GREC LLC.

GREC LLC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell all of the electricity from the facility to the utility. Pursuant to the power purchase agreement, GREC LLC will provide notice to GRU that construction on the facility has officially begun. The 100-megawatt biomass plant will be fueled by clean wood waste that includes the tops and limbs from harvested trees, urban wood waste from landscaping contractors and power line/roadway clearance contractors and residue from lumber mill operations. Power generated from the biomass plant will provide electricity for 70,000 homes.

Fagen, Inc., one of the largest green energy design-builders in the U.S., is the EPC contractor responsible for all engineering, procurement and construction activities of the project. Fagen, Inc., is also the EPC contractor for the Nacogdoches Power project. Metso Power, a global leader in fluidized bed boilers, is providing and erecting the boiler island for GREC; NAES Corporation, the leading independent services provider for energy markets, will provide operations and maintenance services to the project; and BioResource Management,

Inc., a leading biomass management firm with offices in Gainesville, will oversee fuel procurement activities. In addition, Wood Resource Recovery, also located in Gainesville and one of the largest waste wood recyclers in Florida, will provide a significant portion of the facility's fuel supply.

Mr. Gordon concluded, "We greatly appreciate all of the tremendous support that GRU and the City of Gainesville have provided during the permitting and financing processes. In addition, we have a huge group of supporters to thank for helping us reach this significant milestone." Organizations that have endorsed the project include the Florida Municipal Electric Association, Florida Wildlife Federation, Southern Alliance for Clean Energy, Florida Forestry Association, Gainesville Area Chamber of Commerce, Florida Farm Bureau and the Alachua County legislative delegation.

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About the Gainesville Renewable Energy Center (GREC)

GREC is a 100-MW biomass power facility located in Gainesville, Florida, which when operational will supply enough renewable power for approximately 70,000 homes. GREC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell electricity to the utility. The biomass facility will bring significant benefits to GRU and its customers. Biomass energy supplements GRU's and the City of Gainesville's renewable energy portfolio, which includes solar power and an aggressive conservation program. GREC will also meet GRU's need for improved reliability, increased fuel diversity and long-term cost savings for customers. GREC will also bring numerous jobs to the community. More than 700 direct and indirect permanent jobs will be created throughout the region as a result of GREC.

(www.gainesvillebiomass.com)

About Gainesville Regional Utilities

GRU is a community-owned, multi-service utility located in Gainesville, Florida, providing electric, natural gas, water, wastewater and telecommunications services to approximately 93,000 retail and wholesale customers. GRU's combined services make it the most comprehensive utility service provider in the state. GRU is Florida's leading utility in establishing long-term energy efficiency goals and in helping its customers reduce energy consumption. GRU was recently named the top U.S. public utility by the American Public Power Association. (www.gru.com)