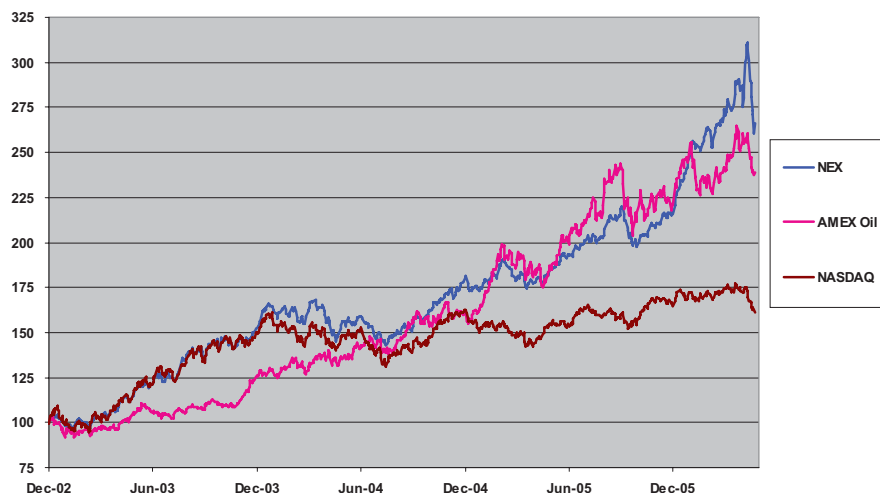


NEX UPDATE: 09 MAY - 23 MAY 2006

NEX v's AMEX Oil and NASDAQ (Dec 02 to date)



Source: New Energy Finance

Between 9 May and 23 May 2006, the NEX slid 14.2% or 43.9 points to close at 265.89, its largest two-week fall since the start of 2003. The AMEX Oil and NASDAQ indices also fell, by 7.5% and 7.7%, respectively. NEX's recent drop can be attributed to a combination of several factors. Firstly, global public markets suffered a collective downturn. On 17 May 2006, the Dow Jones Industrial Average suffered its biggest one-day fall in more than three years while the NASDAQ wiped out all gains for 2006. Second, recent falls in the price of carbon on the European Union Emissions Trading Scheme are not likely to have boosted investor appetite for clean energy stocks. Third, the price of commodities, including crude oil, also fell. The combination of these factors helped to fuel investors' fears and persuaded many to cash in on solid gains in 2006.

All nine NEX sectors were down. Hydrogen & Fuel Cells stocks bore the brunt of the sell-off, dropping by an average of 21.4%. Solar stocks, which have outperformed other sectors in recent months, suffered an average loss of 18.6%, while the 11 Biofuels, Biomass and Waste-to-Energy constituents dropped 15.6%. Wind companies, largest sector in terms of NEX weightings, were off 15.0%, followed by Services & Suppliers, which were down by an average of 12.7%. The remaining four sectors all brought the NEX lower: Generation Efficiency & Smart Distribution gave back 11.2%, Demand-Side Energy Saving weakened 11.1%, and Power Storage and Renewables - Other (Hydroelectric and Geothermal) were off

10.6% and 5.6%, respectively.

The worst performer was Frankfurt-listed wind turbine manufacturer, Nordex, which fell back 43.7% after several core shareholders, including Capital Management Partners, Goldman Sachs, HypoVereinsbank, HSH Nordbank and Morgan Stanley made exits in a secondary placement. German solar players Sunways and SolarWorld, also listed on Frankfurt, were also among the top five fallers, sliding 32.7% and 29.4%, respectively. Investors ignored Sunways' upbeat Q1 2006 results announcement in which it stated that sales doubled to EUR 36.3m (USD 46.4m) and earnings before interest and taxes more than tripled to EUR 0.9m (USD 1.2m). The news that SolarWorld will more than double its capacity for the assembly of solar modules to 120MW, excluding the capacity it recently acquired from Shell Solar, also failed to inspire traders. Across the Atlantic, NASDAQ-quoted direct methanol fuel cell developer, Medis Technologies, fell 27.5% after posting increased losses for Q1 2006.

On the upside, only eight companies bucked the negative trend with price rises. Shanghai-traded solar holding company, Baoding Tianwei Baobian Electric, performed most strongly, rising 10.2% after it announced that construction of its new solar wafer, cell and module production facilities has commenced. In addition, the company recently increased the share capital of its subsidiary, Tianwei Yingli New Energy Resources, which is likely to seek a listing on NYSE within the year.

cont'd on page 21

NEX : 265.89
CHANGE SINCE
09/05/06: -14.2%

BIG MOVERS UP

Baoding Tianwei Baobian Electric	+ 10.2%
Intermagnetics General	+ 4.4%
Maxwell Technologies	+ 3.0%
Babcock & Brown Wind Partners	+ 2.8%
Oxford Instruments	+ 2.7%

BIG MOVERS DOWN

Distributed Energy Systems	- 27.2%
SolarWorld	- 29.4%
Medis Technologies	- 30.6%
Sunways	- 32.7%
Nordex	- 43.7%

NEX UPDATE

The WilderHill New Energy Global Innovation Index (NEX) is comprised of companies worldwide whose technologies and services focus on the generation and use of cleaner energy, energy conservation and efficiency, and advancement of renewable energy. For sector definitions please see <http://www.newenergyfinance.com/NEF/HTML/Press/NEX.pdf>. The NEX is calculated by AMEX every 15 seconds. The WilderHill New Energy Global Innovation Index will be rebalanced each quarter by the addition of new qualifying companies and the removal of companies that no longer qualify. Index Construction. The rules for the construction of the index are as follows: (1) The Index will be quoted in dollars. Some of the underlying equities being non-dollar denominated, the Index will bear an element of currency exposure. (2) The Index uses a double-modified equal-weighting methodology. The modifications consist of (i) weighting by sector, to ensure an appropriate representation across different technologies and business models within the clean energy industry; and (ii) separation into two market capitalisation bands within each sector, to reflect the mix of larger and smaller companies in the sector. (3) Sector weightings will be set at the sole discretion of the Index Provider and updated from time to time. Weightings will take into account the relative scale of the sectors; judgment regarding sectors which are over- or under-represented among quoted companies; and smoothing, so that weightings do not change too rapidly over time. The Index Provider will also take into account the need to achieve an appropriate international balance to reflect the industry as a whole. (4) No single stock may exceed 5.0% of the total Index weight after each quarterly rebalancing. (5) For a stock to be included in the selection universe, the company must be identified as one that has a meaningful exposure to clean energy, either as a technology, equipment, service or finance provider, such that profitable growth of the industry can be expected to have a positive impact on that company's performance. Generally, meaningful exposure is taken to mean that the company derives at least 10.0% of its market value from activities in clean energy, in the judgment of the Index Provider. (6) The Index will not include the stocks of funds investing in quoted equities, as these can themselves qualify for direct inclusion in the Index. The Index may, however, include the stocks of companies or funds whose main activity is investing in or holding portfolios of renewable energy generating capacity or other infrastructure, as long as they meet the other criteria for inclusion. It may also include companies or quoted funds that invest in privately held equity of qualifying companies. (7) Stocks in the Index will generally meet the following criteria relating to liquidity: • They will have three-month average market capitalisation of at least USD 150m. Market capitalisation for a majority of Index stocks is typically USD 250m and above. To account for the notable but smaller companies sometimes significant to the clean energy field, a minority of Index stocks may have market capitalisations between USD 150m and USD 250m. • We do not guarantee that calculation of the NEX does not contain errors and we accept no liability for investment decisions taken as a result of the information we provide. If you have further questions or are interested in involvement in our Index Committee please contact New Energy Finance Limited.



NEX UPDATE: 09 MAY - 23 MAY 2006

cont'd from page 20

On NASDAQ, Intermagnetics General rebounded 4.4% after recent losses, on news that its subsidiary, Superpower, has set new world records for second-generation, high-temperature superconducting wire. US-based ultracapacitor manufacturer, Maxwell Technologies, was also in demand, edging 3.0% higher as it introduced new high-performance 'D-Cell' ultracapacitors for automotive power network stabilization and industrial applications.

NEX's sharp fall, while highlighting the sector's inherent volatility, should not necessarily be seen in a negative light. Michael Liebreich, founder and CEO of New Energy Finance, commented, "A month ago I wrote in Environmental Finance magazine and in the New Energy Finance Briefing that the market was due for a correction. I guess it happened more quickly than I expected. I am not unhappy to see it, though, because the market was getting

overheated, with a lot of investors piling in on momentum alone, not fundamentals."

The price correction, if that is what the fall turns out to be, is likely to act as a reality check. It will likely lead to a slight dip in investor interest and more realistic expectations, which, ultimately, will ensure sustainable support for clean energy company development over the longer term.

The clean energy sector's broad range of different exposures, including the price of energy, energy security, environmental awareness and technology developments, means the NEX is well placed to survive market volatility. In spite of recent falls, the NEX has performed very strongly in the year-to-date, up 23.1% since January 2006, while the AMEX Oil rose 8.1% and the NASDAQ fell 2.1%.

TABLE 1: PERCENTAGE CHANGE IN MARKET CAP OF NEX CONSTITUENTS BY MAIN MARKETS AND BY KYOTO VS NON-KYOTO MARKETS (9 MAY - 23 MAY 2006)	
Shanghai (1)	10.0%
NZX (1)	- 1.3%
EN Paris(1)	- 2.7%
Helsinki (1)	- 5.7%
London (4)	- 6.1%
Tokyo (11)	- 11.2%
Milan (3)	- 11.3%
Madrid (4)	- 13.0%
Copenhagen (2)	- 14.2%
Hong Kong (1)	- 14.3%
Toronto (6)	- 14.5%
EN Brussels (1)	- 16.2%
Mumbai (2)	- 18.0%
XETRA (2)	- 27.2%
Sao Paulo (1)	- 28.2%
AVERAGE CHANGE ON EXCHANGES IN KYOTO SIGNATORY COUNTRIES (48)	
ASX (2)	- 1.5%
New York (10)	- 10.6%
NASDAQ N-Mkt (27)	- 15.8%
AVERAGE CHANGE ON EXCHANGES IN NON-KYOTO SIGNATORY COUNTRIES (39)	
Overall (87)	- 14.2%
NOTE: NUMBER OF NEX COMPANIES PER EXCHANGES SHOWN IN BRACKETS.	



FORTHCOMING

New Energy Finance Briefings

- 14 June (Issue 11, 2006): Funds Round-up. Analysis of Q1 2006 activity.
- 28 June (Issue 12, 2006): H1 2006 Round-up.
- 12 July (Issue 13, 2006): Public Markets Round-up.

RECENT

New Energy Finance Briefings

- 17 May (Issue 9, 2006): M&A Round-up.
- 26 April (Issue 8, 2006): VC/ PE Round-up.
- 12 April (Issue 7, 2006): Public Markets Round-up.

NEX UPDATE



WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX (NEX) - 23 MAY 2006

Company	Sector	Bloomberg ticker	Primary Market	Market Cap (USD m)	Change since 09/05/06
Baoding Tianwei Baobian Electric	Renewable - Solar	600550 CH Equity	Shanghai	1057.0	+ 10.2%
Intermagnetics General	Generation Efficiency	IMGC US Equity	NASDAQ	937.3	+ 4.4%
Maxwell Technologies	Power Storage	MXWL US Equity	NASDAQ	338.8	+ 3.0%
Babcock & Brown Wind Partners	Renewable - Wind	BBW AU Equity	ASX	603.6	+ 2.8%
Oxford Instruments	Generation Efficiency	OXIG LN Equity	LSE	192.3	+ 2.7%
Contact Energy	Renewables - Other	CEN NZ Equity	NZX	2853.5	+ 1.9%
Zoltek Cos	Services & Suppliers	ZOLT US Equity	NASDAQ	613.7	+ 0.6%
Applied Films	Renewable - Solar	AFCO US Equity	NASDAQ	443.2	+ 0.6%
Torishima Pump Manufacturing Co	Renewable - Wind	6363 JP Equity	TSE	246.1	+ 0.0%
Ormat Technologies	Renewables - Other	ORA US Equity	NYSE	1152.3	- 0.4%
RailPower Technologies	Demand-Side Saving	P CN Equity	TSX	212.1	- 1.8%
Energy Developments	Renewables - Biomass/Fuel	ENE AU Equity	ASX	455.3	- 2.2%
Puget Energy	Renewables - Other	PSD US Equity	NYSE	2372.3	- 2.8%
Saft Groupe	Power Storage	SAFT FP Equity	EN Paris	546.5	- 3.0%
Hera	Renewables - Biomass/Fuel	HRA IM Equity	Borsa Italiana	2694.2	- 4.2%
MGP Ingredients	Renewables - Biomass/Fuel	MGPI US Equity	NASDAQ	466.5	- 4.3%
Avista	Demand-Side Saving	AVA US Equity	NYSE	1053.1	- 4.7%
Scottish & Southern Energy	Renewable - Wind	SSE LN Equity	LSE	17536.0	- 5.8%
Canadian Hydro Developers	Renewables - Other	KHD CN Equity	TSX	562.2	- 6.0%
Fortum	Renewables - Other	FUM1V FH Equity	OMX	21183.5	- 6.0%
Linear Technology	Demand-Side Saving	LLTC US Equity	NASDAQ	10106.4	- 6.1%
Sharp	Renewable - Solar	6753 JP Equity	TSE	18462.4	- 6.5%
Iberdrola	Renewable - Wind	IBE SM Equity	BME	28523.4	- 7.9%
Aisin Seiki Co	Services & Suppliers	7259 JP Equity	TSE	9780.6	- 8.3%
AgCert International	Services & Suppliers	AGC LN Equity	LSE	595.2	- 8.7%
Sekisui Chemical Co	Services & Suppliers	4204 JP Equity	TSE	4481.1	- 8.9%
GS Yuasa	Power Storage	6674 JP Equity	TSE	915.9	- 9.0%
Maxim Power	Renewables - Biomass/Fuel	MXG CN Equity	TSX	202.2	- 9.3%
Echelon	Demand-Side Saving	ELON US Equity	NASDAQ	324.0	- 10.1%
Ultralife Batteries	Power Storage	ULBI US Equity	NASDAQ	151.4	- 10.8%
Meidensha	Generation Efficiency	6508 JP Equity	TSE	848.3	- 10.8%
Power Integrations	Demand-Side Saving	POWI US Equity	NASDAQ	512.7	- 11.0%
Toho Tenax Co	Services & Suppliers	3403 JP Equity	TSE	1226.5	- 11.1%
Archer-Daniels-Midland	Renewables - Biomass/Fuel	ADM US Equity	NYSE	26185.1	- 11.4%
Johnson Matthey	Hydrogen & Fuel Cells	JMAT LN Equity	LSE	5321.3	- 11.5%
Novozymes	Renewables - Biomass/Fuel	NZYMB DC Equity	CSE	4482.4	- 11.6%
Harris & Harris Group	Services & Suppliers	TINY US Equity	NASDAQ	221.1	- 11.6%
Sanyo Electric	Power Storage	6764 JP Equity	TSE	4348.3	- 11.6%
International Rectifier	Demand-Side Saving	IRF US Equity	NYSE	3023.0	- 11.7%
Acciona	Renewable - Wind	ANA SM Equity	BME	10253.3	- 12.1%
ATS Automation Tooling Systems	Renewable - Solar	ATA CN Equity	TSX	813.3	- 12.2%
Gamesa Corp Tecnologica	Renewable - Wind	GAM SM Equity	BME	5256.2	- 12.2%
Hexcel	Services & Suppliers	HXL US Equity	NYSE	1890.6	- 12.8%
Baldor Electric Co	Generation Efficiency	BEZ US Equity	NYSE	973.0	- 13.1%

NEX UPDATE

Source: New Energy Finance

WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX (NEX) - 23 MAY 2006

Company	Sector	Bloomberg Ticker	Primary Market	Market Cap (USD m)	Change since 09/05/06
EnerTAD	Renewables - Biomass/Fuel	ENR IM Equity	Borsa Italiana	304.1	- 13.3%
Marubeni	Renewable - Wind	8002 JP Equity	TSE	7802.6	- 13.7%
Byd Co	Power Storage	1211 HK Equity	HKSE	963.5	- 14.3%
Bharat Heavy Electricals	Renewables - Other	BHEL IN Equity	BSE	10984.5	- 14.6%
Itron	Demand-Side Saving	ITRI US Equity	NASDAQ	1514.0	- 15.3%
American Superconductor	Generation Efficiency	AMSC US Equity	NASDAQ	291.0	- 15.4%
Vestas Wind Systems	Renewable - Wind	VWS DC Equity	CSE	4636.0	- 15.8%
Umicore	Services & Suppliers	UMC BB Equity	EN Brussels	3477.9	- 16.5%
Ersol Solar Energy	Renewable - Solar	ES6 GR Equity	XETRA	693.9	- 16.7%
Q-Cells	Renewable - Solar	QCE GR Equity	XETRA	2439.0	- 16.9%
GrafTech International	Services & Suppliers	GTI US Equity	NYSE	615.7	- 17.0%
Cree	Demand-Side Saving	CREE US Equity	NASDAQ	1907.1	- 17.2%
Energy Conversion Devices	Renewable - Solar	ENER US Equity	NASDAQ	1580.7	- 17.3%
Actelios	Renewables - Biomass/Fuel	ACT IM Equity	Borsa Italiana	808.7	- 17.6%
Entegris	Services & Suppliers	ENTG US Equity	NASDAQ	1336.3	- 17.7%
Plug Power	Hydrogen & Fuel Cells	PLUG US Equity	NASDAQ	437.7	- 18.0%
SGL Carbon	Services & Suppliers	SGL GR Equity	XETRA	1166.6	- 18.1%
Suntech Power Holdings Co	Renewable - Solar	STP US Equity	NYSE	4070.7	- 18.5%
Solon	Renewable - Solar	SOO1 GR Equity	XETRA	423.7	- 18.5%
Suzlon Energy	Renewable - Wind	SUEL IN Equity	BSE	6744.4	- 18.8%
Active Power	Power Storage	ACPW US Equity	NASDAQ	204.3	- 20.0%
Cosan SA Industria e Comercio	Renewables - Biomass/Fuel	CSAN3 BZ Equity	Sao Paulo	3838.2	- 21.5%
Ballard Power Systems	Hydrogen & Fuel Cells	BLD CN Equity	TSX	821.9	- 21.9%
Chugai Ro Co	Generation Efficiency	1964 JP Equity	TSE	355.1	- 22.2%
Power-One	Demand-Side Saving	PWER US Equity	NASDAQ	482.2	- 22.2%
Sunpower	Renewable - Solar	SPWR US Equity	NASDAQ	1875.5	- 22.6%
Conergy	Renewable - Solar	CGY GR Equity	XETRA	1877.0	- 22.8%
Capstone Turbine	Generation Efficiency	CPST US Equity	NASDAQ	302.1	- 22.8%
FuelCell Energy	Hydrogen & Fuel Cells	FCEL US Equity	NASDAQ	498.4	- 23.3%
Ebara	Hydrogen & Fuel Cells	6361 JP Equity	TSE	1544.6	- 23.4%
Hydrogenics	Hydrogen & Fuel Cells	HYG CN Equity	TSX	275.3	- 23.6%
Quantum Fuel Systems Technologies Worldwide	Hydrogen & Fuel Cells	QTWW US Equity	NASDAQ	203.6	- 23.6%
Pacific Ethanol	Renewables - Biomass/Fuel	PEIX US Equity	NASDAQ	856.9	- 24.7%
Emcore	Renewable - Solar	EMKR US Equity	NASDAQ	459.8	- 24.8%
Abengoa	Renewables - Biomass/Fuel	ABG SM Equity	BME	2431.8	- 25.0%
REpower Systems	Renewable - Wind	RPW GR Equity	XETRA	334.0	- 25.2%
MEMC Electronic Materials	Renewable - Solar	WFR US Equity	NYSE	7494.4	- 25.3%
Evergreen Solar	Renewable - Solar	ESLR US Equity	NASDAQ	694.4	- 25.4%
Distributed Energy Systems	Generation Efficiency	DESC US Equity	NASDAQ	191.1	- 27.2%
SolarWorld	Renewable - Solar	SWV GR Equity	XETRA	3200.2	- 29.4%
Medis Technologies	Hydrogen & Fuel Cells	MDTL US Equity	NASDAQ	676.5	- 30.6%
Sunways	Renewable - Solar	SWW GR Equity	XETRA	155.4	- 32.7%
Nordex	Renewable - Wind	NDX1 FR Equity	XETRA	860.7	- 43.7%
OVERALL INDEX VALUE: 23 MAY 2006: 265.89				276248.5	- 14.2%

NEX UPDATE

Note: Two-week change column refers to changes since close of market on 09 May 2006

Source: New Energy Finance