



JASPER CLEAN ENERGY CENTER

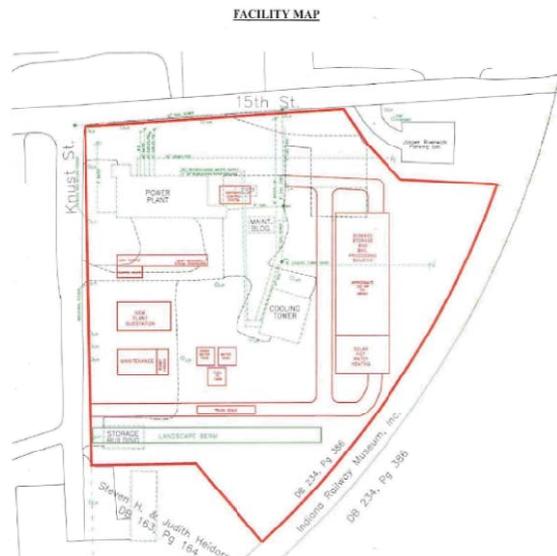
Phase I Activity Report (Development Period)

Dated March 6, 2012 covering the Period February 2012

1. Project Description – (No Change from last Report)

The Jasper Clean Energy Center (JCEC) will produce nominally 75 MW of electricity by the installation of a new highly efficient natural gas fueled combustion gas turbine generator (CTG) and a new condensing steam turbine generator (STG). The steam supply for the STG will be supplied from a new waste heat recovery steam generator (HRSG) (which will produce steam by capturing the waste heat energy in the CTG exhaust) and from the existing Jasper Power Plant coal fueled stoker boiler (SB) which will be converted from burning coal to burn the renewable biomass fuel miscanthus, a locally grown sustainable energy crop (biomass). The SB environmental controls will be upgraded to improve the control SB emissions. The electric generated by the CTG and the STG will be combined in a new JCEC substation and transmitted to the Jasper North Substation by a new 69 kV generator interconnection line for sale to a third party under a long term power purchase agreement (PPPA). The CTG will require the construction of a new natural gas supply pipeline and the biomass supply for the SB will require the construction of an onsite biomass supply center (biomass receiving, storage, processing and fuel handling systems) (BSC). The BSC will have roof mounted solar PV and thermal collection modules. Prior to commencement of construction of the JCEC a number of permits must be obtained from the Indiana Department of Environmental Management (IDEM) and local construction permits from the City of Jasper, IN. (Permits).

2. Site Plan (Lease Exhibit 3) – (No Change from last Report)

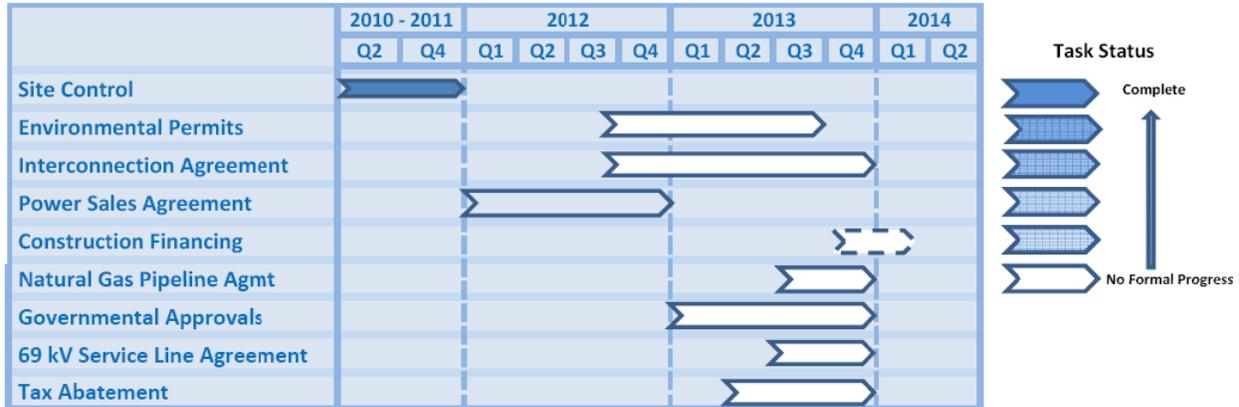




3. Planned changes to the Facility from that described in Exhibit 3 to the Lease.

No changes to the Facility are planned at this time.

4. Status of Progress towards achieving Conditions Precedent specified in Section 3.03 of the Lease. – (No Change from last Report)



a. Environmental Permits – (No Change from last Report)

Efforts expected to commence Q3 2012 to allow better definition of operating characteristics to match Power Purchaser requirements and to support Interconnection Study requirements.

b. Interconnection Agreement – (No Change from last Report)

Efforts expected to commence Q3 2012 to allow for changes in operating characteristics to match Power Purchaser requirements.

c. Power Sales Agreement – (No Change from last Report)

Efforts continue to have initial introductory meetings with possible power purchaser candidates.

d. Construction Funding – (No Change from last Report)

Efforts are not scheduled to take place until Q4 2013.

e. Natural Gas Pipeline Agreement – (No Change from last Report)

Efforts are not scheduled to take place until Q3 2013



f. Governmental Approvals – (No Change from last Report)

Efforts will commence upon the execution of a Power Sales Agreement.

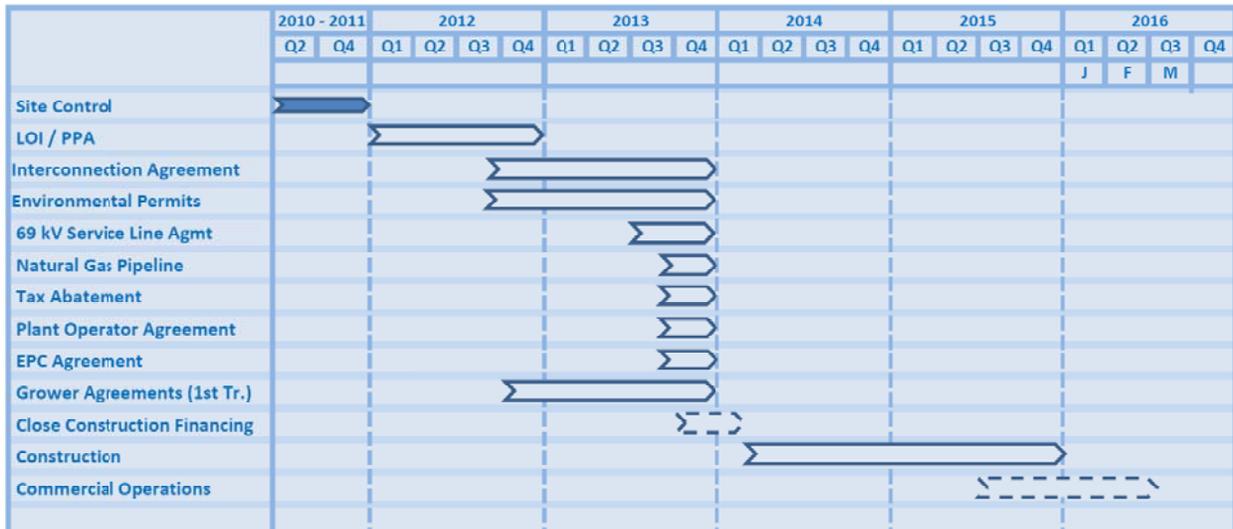
g. 69 kV Service Line Agreement – (No Change from last Report)

Efforts are not scheduled to take place until Q3 2013

h. Tax Abatement – (No Change from last Report)

Efforts will commence upon the execution of a Power Sales Agreement.

5. Project Schedule – (No Change from last Report)



No changes to current schedule.

6. Material Activities during February 2012

Work continues to market the power output from the Project with follow up continuing in support of prior meetings. Efforts continue on the refinement of the cost of Miscanthus production. Participated in a Miscanthus Harvest Field Day.

7. Material Activities to take place during March 2012

- a. Power Sales Agreement – Alliant Energy IL and Duke Energy IN both have issued RFP’s for intermediate generating capacity. Proposals are due the end of March.
- b. Biomass Supply – Continued work with Biomass Logistics Partners to refine delivered biomass cost estimates.



- c. Cost Estimates – Continued efforts in refreshing Jasper Clean Energy Center Construction Cost Estimates in support of responding to power company RFPs.
 - d. Project Operating Performance Characteristics – Confirming the Jasper Clean Energy Center Operating Performance Characteristics in support of responding to power company RFPs.
8. Enumeration and Schedule of support or actions required of Lessor during the upcoming Period(s) – (No Change from last Report)

No extraordinary support is expected to be required during the upcoming Period(s).