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Tuesday, July 13, 2010

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**POWERED BY CHINA, CLEAN ENERGY INVESTMENT HOLDS STEADY IN Q2 2010**  
***Funding Stays Level Despite Dwindling Funding for European Projects and Growing Concerns Over Greece and the US Economic Recovery***

*London and New York, July 13* – New investment in clean energy technologies, companies, and projects held steady in the second quarter of 2010 at \$33.9bn as a drop in investment in European projects was offset by a continuing boom in China and a bounce-back in the US, according to new estimates from research firm Bloomberg New Energy Finance. The quarterly total represented just a 1.5% slip from first quarter 2010, a 3.0% fall from Q2 2009, and came despite the Greek credit crisis, poorly performing public markets, and a sluggish U.S. economic recovery.

“On a global level, the new numbers suggest that despite continuing worries about the macro-economy, investors remain relatively optimistic about clean energy’s longer term prospects,” said Bloomberg New Energy Finance chief executive Michael Liebreich. “However, where investors are placing their bets is changing rapidly. China continues its extraordinary surge and Europe has suffered a setback according to our figures for asset finance in the second quarter.”

Bloomberg New Energy Finance tracks third party investment on a quarterly basis in three main categories – Asset Finance (funds provided for the construction of electricity- or biofuels-generating projects), Public Markets (funds raised over the stock exchanges via IPO’s and other offerings), and Venture Capital / Private Equity. The company also takes other forms of clean energy investment into account in its annual figures.

Asset financing accounted for \$28.9bn of the \$33.9bn in new funds invested in Q2 2010, but was down 2.1% from Q1 2010 and off 3.7% from Q2 2009. China appears to be continuing its massive build-out of new clean energy capacity. The country, which installed 14,000MW of new wind last year, saw \$11.5bn in new asset financing in Q2 2010. That represented a 9.6% rise over the prior quarter and a 72.1% jump from Q2 2009. U.S. asset financing also rose to \$4.9bn, from \$3.5bn in the prior quarter and from \$4.3bn in Q2 2009.

The picture looked substantially different in Europe where asset financings totaled just \$4.5bn, down from \$6.6bn last quarter and far below the \$14.9bn in new investment in Q2 2009. Europe was first to embrace clean energy technologies at substantial scale but now appears to be falling behind China. Over the past four quarters, China has attracted \$40.3bn in asset financings, compared to \$29.3bn in Europe and European project finance has fallen consecutively in each of the last four quarters.

Asset financing typically accounts for just under two thirds of all new funds invested in clean energy in a given year. Through the first six months of 2010, it has totaled \$58.4bn, compared to \$48.1bn in the same period in 2009, representing a 21.4% gain.

New capital raised via the public stock exchanges remained anemic at \$2.6bn. While that represented a 29.2% jump from the \$2bn raised in the prior quarter, it pales in comparison to the \$5.9bn raised in Q4 2009. The industry had hoped to see key initial public offerings from U.S. cylindrical solar module maker Solyndra, U.S. project developer First Wind, and Italy's Enel Green Power. Between them, the three firms had hoped to net approximately \$6bn.

The markets did not cooperate, however. The S&P 500 Index fell 11.6% during the quarter as concerns grew over the credit situation in Greece. The WilderHill New Energy Global Innovation Index, or NEX, a composite of over 80 stocks selected by Bloomberg New Energy Finance to reflect the breadth and width of the clean energy sector, fell 19.5% in the period. Solyndra has pulled its IPO and instead raised funds privately. Enel now says it plans to IPO in October. First Wind has made no major new announcements about its planned offering.

One bright spot in public market activity was Tesla Motors' \$202m IPO in June on Nasdaq after pricing its shares above a previously announced price band. The company also collected \$50m in a new strategic investment from Toyota. The largest IPO of the quarter was from Hangzhou-based battery maker Zhejiang Narada Power Source, which successfully completed a \$300m float on the Shenzhen Stock Exchange.

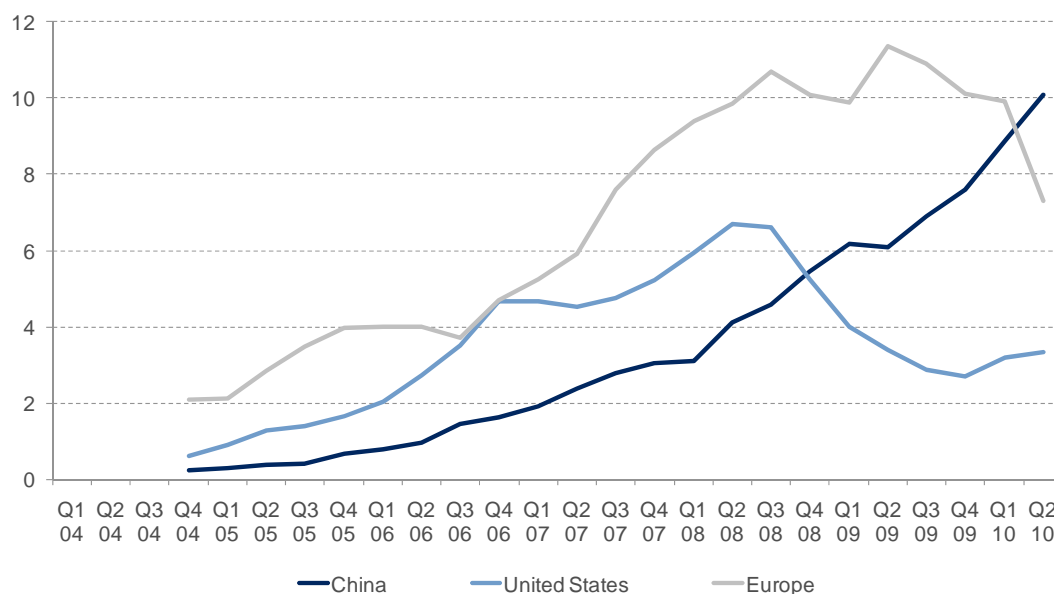
Venture capital and private equity financings remain a bright spot for clean energy in 2010 compared to last year. VC/PE activity for the quarter totaled \$2.4bn. While that is down from \$2.9bn in Q1 of the year, the total VC/PE investment through the first half of 2010 of \$5.2bn far surpasses the \$3.2bn raised over the same six-month period in 2009. Virtually all of Q2 2010's major VC/PE deals took place in the U.S. U.S. wind developer Pattern Energy raised \$400m; solar thermal electricity generation project and technology developer BrightSource collected \$150m; and electric vehicle maker Fisker Automotive brought in \$74m.

Bloomberg New Energy Finance has forecasted 2010 total new clean energy investment at \$180-\$200bn. The firm's macro annual figure takes into account not just Asset Finance, Public Markets, and Venture Capital/Private Equity fundings but other forms of investment as well, such as spending on corporate research & development and the financing of small-scale projects. The latter of these should result in substantially more dollars invested this year as the photovoltaic industry expands rapidly through the installation of thousands of tiny residential and commercial systems worldwide.

Note: Bloomberg New Energy Finance has also revised somewhat its previous Q1 2010 figures upward. The change is due to new Q1 project financings discovered in recent weeks, mostly in China.

## New build asset finance in China, United States and Europe: 4Q running average

\$bn



Source: Bloomberg New Energy Finance

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