

Harris Williams & Co.
middle market

Energy & Power Industry Update
December 2010

Member FINRA/SIPC



What We've Been Reading

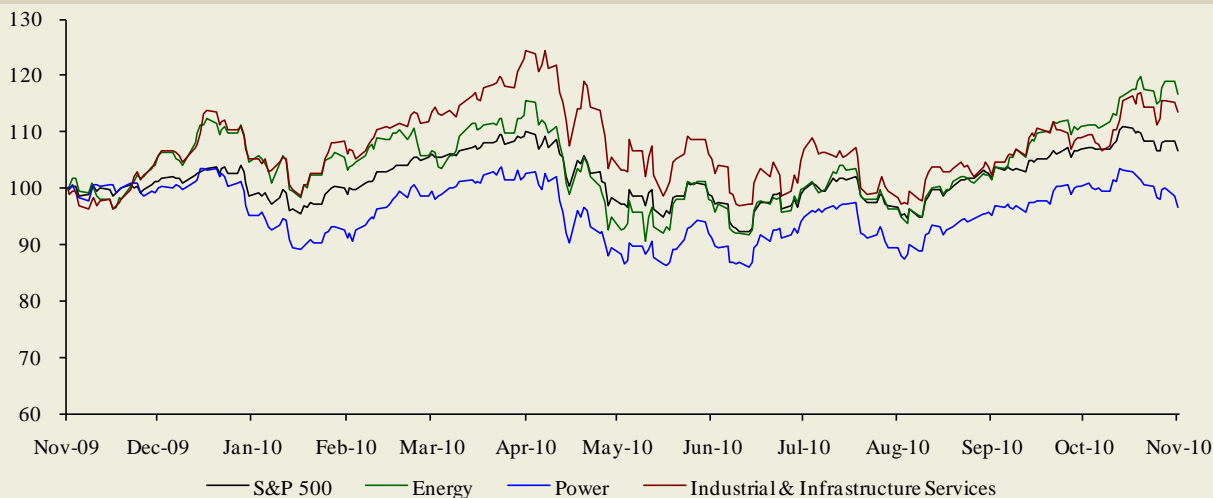
- In “Sensors and Sensibilities,” *The Economist* provides a lengthy overview of the challenges facing “smart grid” deployments. In addition to the technical issues, utilities face a range of institutional constraints, including fragmented IT infrastructure and local bureaucratic turf wars, as well as a host of potential legal issues. The article examines successes and failures to-date in cities in the U.S., Europe, and Asia. Read the article [here](#).
- *National Geographic* offers an in-depth account of the Deepwater Horizon spill and its potential consequences in “Is Another Deepwater Disaster Inevitable?” As drilling technologies increased at a rapid pace, methods for preventing blowouts and dealing with the aftermath of a spill did not keep up. Additionally, lax policy at the U.S. Minerals Management Service (“MMS”) opened the door for potential safety issues. BP’s plan for the Macondo well, rubber-stamped by the MMS, was a former plan for arctic drilling copied and pasted for the Gulf, including references to walruses, sea otters, and sea lions (none of which are in the Gulf); a deceased marine biologist as an “emergency responder;” and a web address for Japanese entertainment site listed as “an emergency source of spill-response equipment.” Read the article [here](#).
- In *The Atlantic*’s December cover story “Dirty Coal, Clean Future,” James Fallows details the inevitability of coal in the world’s energy future and what needs to be done by the world’s two largest consumers of energy, the United States and China, to use the resource sustainably. The article examines two accepted ideas by businesses, scientists, and government officials in China and the U.S. “One is that coal can be used in less damaging, more sustainable ways than it is now. The other is that it must be used in those ways, because there is no plausible other way to meet what will be, absent an economic or social cataclysm, the world’s unavoidable energy demands.” China’s pace of expansion and rapid deployment of new technologies have made it a clear leader in the area and created unexpected partnerships with companies and scientists in the U.S. hoping to piggyback on their experimentation by offering decades of sector and technological expertise. Read it [here](#).
- *Bloomberg Business Week* reviews the state of U.N. climate negotiations heading into meetings to address the issue in Cancún, Mexico. The goal to turn the Copenhagen Accord into a binding agreement is likely to be met with stiff headwinds given leadership changes in key supporting nations (Brazil and Great Britain) and the continued inability of the U.S. Congress to take action. Read their special report, “Focus on Climate Change,” [here](#).

Industry Observations

- The S&P outperformed the Power index, but underperformed the Energy and Infrastructure & Industrial Services indices.
- Commodity prices have stabilized after early 2010 volatility.
 - WTI crude is currently \$81.76 per barrel, a 18.9% increase from its one-year low on May 25, 2010.
 - Natural gas currently trades at \$4.43 per MMBtu, representing a 23.1% increase from its one-year low in late October 11, 2010 but a 25.7% decrease off its year one-year high on December 28, 2009.

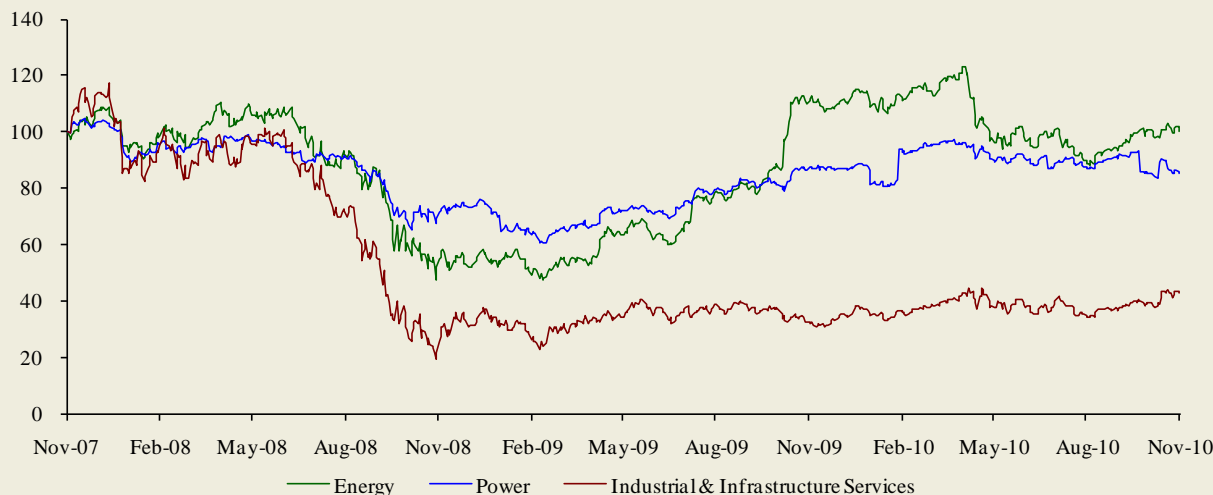
LTM Indexed Stock Performance¹

Index	% Change
S&P	6.7
Energy	16.7
Power	(3.4)
I & IS	13.4



Indexed LTM EBITDA Multiples¹

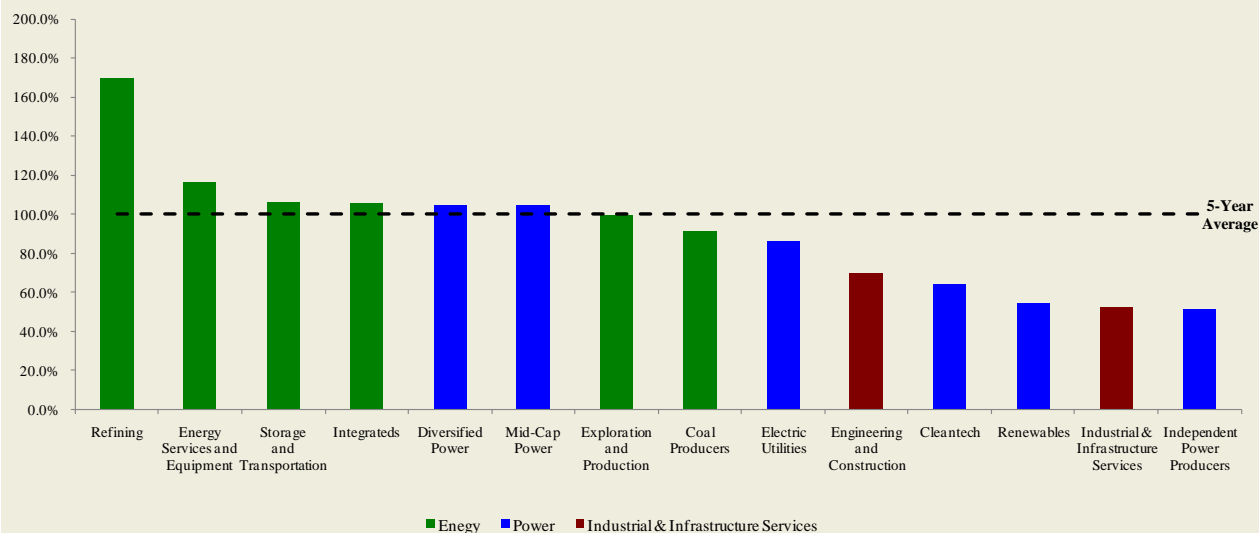
Index	% Change
Energy	0.15
Power	(14.8)
I & IS	(57.4)



Key Trading Statistics¹

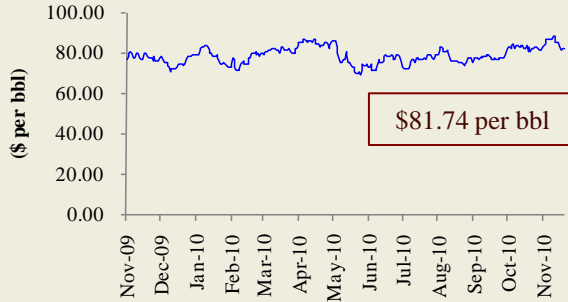
Industry Segment	Stock Price % Change		TEV / LTM EBITDA Multiple as of			TEV / 2011	P/E Ratio	
	1 Month	12 Month	11/23/09	5/23/10	Current	EBITDA	Current	2009
Energy								
Integrations	1.1%	5.5%	6.1x	5.2x	4.6x	4.0x	10.6x	10.6x
Energy Services and Equipment	7.7%	22.9%	6.7x	9.6x	10.1x	7.0x	22.4x	15.6x
Exploration and Production	5.8%	2.1%	6.9x	7.7x	7.1x	6.6x	19.6x	17.9x
Coal Producers	13.4%	26.7%	7.4x	6.6x	10.2x	6.4x	22.2x	12.7x
Refining	9.7%	24.9%	4.9x	16.7x	10.0x	5.5x	NM	13.2x
Storage & Transportation	1.9%	30.4%	12.0x	12.1x	14.1x	11.3x	21.5x	19.3x
Power								
Diversified Power	(1.0%)	18.3%	8.9x	9.6x	10.7x	8.6x	18.9x	14.2x
Mid-Cap Power	1.8%	16.6%	9.1x	8.1x	7.2x	6.4x	15.9x	13.5x
Independent Power Producers	1.1%	(28.9%)	4.0x	5.8x	5.5x	7.8x	7.2x	51.3x
Electric Utilities	(2.9%)	2.6%	8.0x	7.9x	7.5x	7.1x	13.1x	11.6x
			TEV /					
			LTM Revenue		2011 Revenue			
Renewables	(14.7%)	(42.6%)	2.3x	1.6x	1.1x	1.1x	17.8x	8.1x
Cleantech	(3.9%)	(4.5%)	2.0x	1.8x	1.4x	1.2x	27.0x	16.2x
Industrial & Infrastructure Services								
Engineering & Construction	2.7%	7.1%	5.0x	6.6x	5.9x	5.9x	17.5x	13.7x
Industrial & Infrastructure Services	(1.3%)	14.2%	6.4x	8.6x	6.8x	5.9x	73.5x	14.1x

Current Valuations Versus Historical 5-Year Average¹

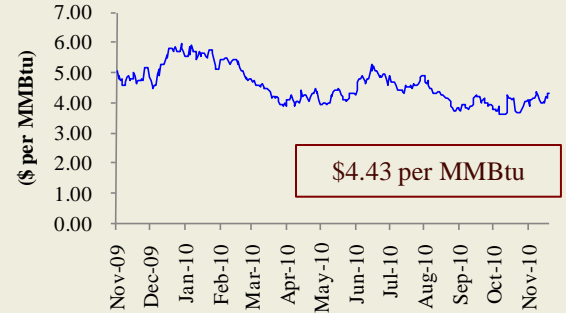


Note: Based upon current EV / LTM EBITDA versus 5-year historical average. For Cleantech and Renewables, valuation is based upon EV / LTM Sales.

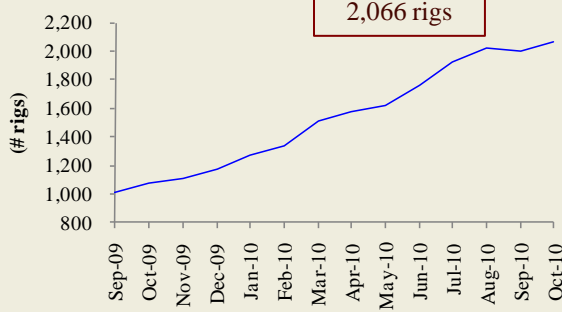
Oil¹



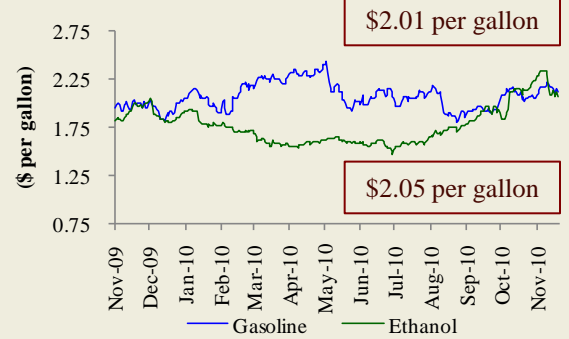
Natural Gas¹



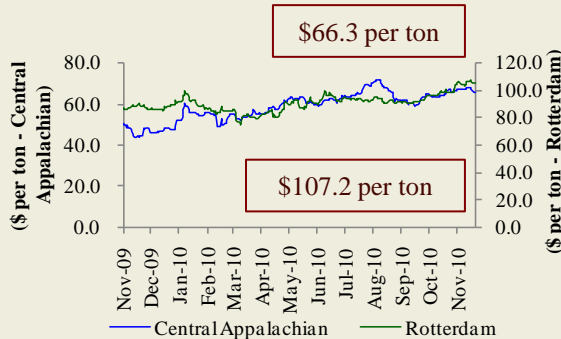
U.S. Rig Counts³



Gasoline and Ethanol¹



Coal¹



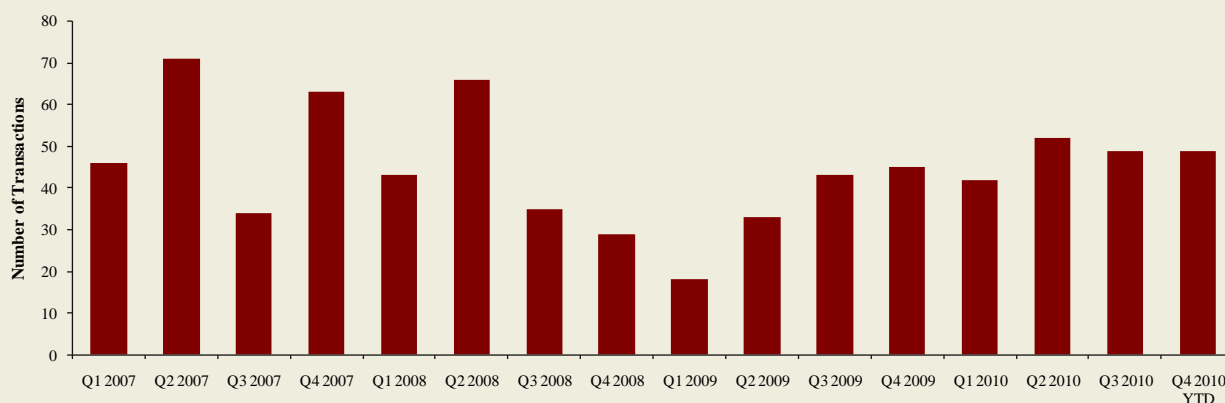
Electricity Prices¹



Select Recently Announced Energy & Power Transactions^{1,2}

Date	Target	Business Description	Acquiror
12/01/2010	Professional Directional Enterprises, Inc.	US based independent provider of directional and horizontal drilling services	Diamond Castle Holdings, LLC
12/01/2010	4Home, Inc.	US based provider of software and services for OEM networking hardware partners	Motorola SpinCo Holdings Corporation
12/01/2010	Energy Control Inc.	US based provider of building automation and environmental control solutions	OpTerra Energy Group, Inc.
11/30/2010	Mastervolt International BV	Netherlands based company engaged in the manufacture of marine, mobile, and solar products	Actuant Corporation
11/29/2010	Baldor Electric	US based manufacturer of industrial electric motors, drives, and generators	ABB Ltd.
11/29/2010	Bartlett Holdings Inc.	US based provider of radiation protection personnel, decontamination services, and maintenance services	Harvest Partners LLC
11/23/2010	GarretCom, Inc.	US based producer of industrial networking products	Belden, Inc.
11/22/2010	Aircon Energy	US based provider of energy conservation measures and HVAC solutions	OpTerra Energy Group, Inc.
11/19/2010	Lone Star Fasteners, LP	US based manufacturer of bolts, screws and rivets	AEA Investors
11/18/2010	American Hydro Corporation	US based company that supplies and installs equipment for the hydroelectric and water distribution industries	The Weir Group Plc
11/16/2010	Gulf Coast Seal, Ltd.	US based provider of seals and sealing components for equipment manufacturers	Parker Hannafin Corporation
11/14/2010	Bucyrus International Inc.	US based manufacturer of mining equipment for the extraction of copper, coal, oil sands, and other minerals	Caterpillar Inc.
11/11/2010	Strata Products Worldwide	US based manufacturer of roof support and ventilation systems	Graham Partners LP
11/11/2010	Coast Crane Company	US based distributor of large cranes and manlifts	Essex Rental Corp

Quarterly United States E&P M&A Activity¹



	TEV	Stock Performance				TEV / LTMEBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 11/23/10	Change from Prior Month	Change from Prior Year	% of LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA 5/23/2010	
Energy													
Integrates													
Exxon Mobil Corporation	\$359,439.6	\$68.98	4.0%	(8.9%)	90.1%	9.0x	6.6x	7.0x	5.1x	12.2x	11.3x	0.1x	
Chevron Corp.	\$161,323.0	\$81.75	(3.3%)	3.8%	94.8%	6.1x	4.8x	4.4x	3.5x	9.8x	8.8x	(0.1x)	
ConocoPhillips	\$107,390.5	\$60.52	(1.9%)	15.6%	95.7%	5.7x	5.6x	4.7x	4.1x	8.2x	9.8x	0.9x	
Occidental Petroleum Corporation	\$72,111.6	\$88.08	10.7%	7.2%	96.8%	9.3x	7.1x	6.7x	5.3x	16.8x	13.0x	0.0x	
Marathon Oil Corporation	\$29,953.3	\$33.32	(6.4%)	0.7%	91.5%	5.0x	4.9x	4.3x	3.2x	11.5x	8.1x	1.1x	
Hess Corporation	\$26,029.5	\$69.05	9.2%	17.6%	95.9%	6.2x	3.7x	3.8x	3.9x	9.3x	12.4x	0.6x	
Median			1.1%	5.5%	95.3%	6.1x	5.2x	4.6x	4.0x	10.6x	10.6x	0.4x	
Energy Services and Equipment													
<u>Large Cap Diversified</u>													
Schlumberger Limited	\$107,246.8	\$75.44	11.3%	16.7%	98.7%	11.1x	11.6x	16.4x	10.9x	22.8x	20.1x	0.7x	
Halliburton Company	\$34,993.6	\$36.46	6.7%	19.8%	95.8%	8.0x	9.2x	9.9x	6.9x	23.4x	13.9x	0.7x	
National Oilwell Varco, Inc.	\$23,461.2	\$60.87	25.3%	39.8%	96.5%	5.0x	4.8x	8.0x	8.4x	15.7x	16.4x	(0.8x)	
Baker Hughes Incorporated	\$23,290.6	\$49.39	6.1%	20.6%	90.1%	6.7x	12.4x	11.0x	6.4x	32.1x	15.6x	1.3x	
Weatherford International Ltd.	\$20,987.0	\$19.68	13.9%	20.7%	94.3%	9.6x	12.0x	13.0x	7.8x	NM	16.1x	4.3x	
Median			11.3%	20.6%	95.8%	8.0x	11.6x	11.0x	7.8x	23.1x	16.1x	0.7x	
<u>Mid and Small Cap Equipment and Service Providers</u>													
Cameron International Corporation	\$11,240.7	\$47.26	10.1%	23.6%	96.9%	8.9x	8.8x	11.2x	10.0x	23.3x	17.6x	(0.2x)	
Exterran Holdings, Inc.	\$3,633.5	\$22.97	(8.6%)	8.3%	75.9%	6.1x	7.1x	7.4x	7.1x	NM	NM	3.6x	
Oil States International Inc.	\$2,921.5	\$57.16	12.7%	57.4%	97.3%	4.8x	6.8x	7.9x	6.3x	18.1x	13.7x	0.1x	
Dril-Quip, Inc.	\$2,755.4	\$75.59	12.4%	38.3%	96.3%	12.5x	11.1x	15.8x	14.7x	27.5x	24.9x	(1.5x)	
Complete Production Services, Inc.	\$2,652.2	\$27.54	9.8%	181.9%	94.5%	5.4x	11.0x	9.2x	4.9x	NM	12.0x	3.6x	
Key Energy Services Inc.	\$1,926.5	\$9.95	(2.3%)	29.4%	86.2%	6.8x	18.6x	17.8x	6.2x	NM	18.1x	5.4x	
T-3 Energy Services Inc.	\$450.0	\$34.23	4.7%	39.2%	98.0%	7.0x	11.1x	16.4x	9.7x	34.2x	16.7x	(0.2x)	
Median			9.8%	38.3%	96.3%	6.8x	11.0x	11.2x	7.1x	25.4x	17.2x	0.1x	

Member FINRA/SIPC

	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011 P/E Ratio		Net Debt /	
		Current Price 11/23/10	Change from Prior Month	Change from Prior Year	% of LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA 5/23/2010
Construction and Equipment Contractors												
Transocean Ltd.	\$29,347.0	\$66.30	1.6%	(22.0%)	69.9%	6.1x	5.3x	6.2x	5.9x	8.6x	9.2x	1.5x
Noble Corp.	\$11,314.5	\$34.86	2.0%	(14.8%)	76.4%	4.4x	3.5x	6.3x	6.1x	8.0x	8.8x	1.0x
Nabors Industries Ltd.	\$10,220.4	\$21.33	10.2%	4.8%	78.9%	5.9x	7.9x	9.1x	6.1x	NM	14.2x	3.8x
Diamond Offshore Drilling Inc.	\$9,664.5	\$65.85	(5.3%)	(33.7%)	61.5%	6.5x	4.7x	5.1x	5.4x	9.3x	10.0x	0.2x
Technip	\$7,242.1	\$80.10	(7.1%)	9.7%	90.9%	4.2x	4.5x	7.6x	NA	42.5x	NA	(1.7x)
Pride International Inc.	\$6,781.4	\$31.58	1.6%	(1.2%)	91.9%	6.9x	9.8x	18.1x	8.2x	36.3x	11.7x	2.3x
Helmerich & Payne Inc.	\$5,044.9	\$44.87	7.9%	17.5%	91.3%	5.3x	6.3x	7.9x	5.7x	20.9x	13.6x	0.5x
Rowan Companies Inc.	\$4,638.6	\$30.48	(5.5%)	21.0%	91.0%	4.1x	5.3x	7.9x	7.4x	12.4x	14.5x	1.4x
Acergy SA	\$3,749.2	\$20.80	3.2%	43.1%	94.6%	5.1x	5.8x	8.6x	7.7x	18.3x	19.4x	(0.3x)
Oceaneering International, Inc.	\$3,607.3	\$69.40	29.9%	25.5%	96.5%	7.3x	6.7x	7.9x	7.9x	19.3x	19.1x	(0.4x)
Patterson-UTI Energy Inc.	\$3,022.3	\$19.44	(1.5%)	27.9%	92.1%	5.5x	7.9x	7.6x	4.4x	63.5x	16.0x	0.1x
Hercules Offshore, Inc.	\$1,030.5	\$2.49	9.7%	(51.7%)	42.6%	5.1x	9.9x	8.3x	6.8x	NM	NM	6.9x
Basic Energy Services, Inc.	\$965.2	\$13.29	16.6%	92.6%	94.6%	7.6x	24.6x	12.2x	5.5x	NM	NM	14.0x
Cal Dive International Inc	\$655.7	\$5.13	(4.5%)	(31.6%)	63.0%	3.8x	5.2x	12.3x	4.9x	NM	13.2x	1.3x
Pioneer Drilling Co.	\$638.2	\$6.87	9.4%	10.3%	69.4%	4.5x	10.1x	8.2x	4.1x	NM	NM	4.9x
eServGlobal Ltd.	\$126.9	\$0.63	(2.1%)	27.9%	90.8%	NM	NM	NM	NA	NM	NA	(0.1x)
Median			1.8%	10.0%	90.9%	5.3x	6.3x	7.9x	6.0x	18.8x	13.6x	1.2x
Exploration and Production												
Large Cap												
Apache Corp.	\$44,988.6	\$105.48	4.1%	7.9%	95.0%	7.1x	4.9x	5.5x	4.1x	12.5x	10.0x	0.8x
Anadarko Petroleum Corporation	\$41,640.9	\$63.09	0.9%	1.6%	84.0%	13.2x	7.5x	6.3x	5.7x	35.5x	31.4x	2.0x
Devon Energy Corporation	\$32,667.8	\$70.87	8.6%	4.3%	92.3%	10.3x	6.1x	5.3x	5.6x	13.0x	12.3x	0.4x
Chesapeake Energy Corporation	\$28,169.4	\$21.82	2.9%	(5.9%)	74.7%	5.9x	5.9x	5.9x	5.4x	14.5x	8.6x	2.5x
EOG Resources, Inc.	\$26,272.0	\$88.70	(8.8%)	0.6%	77.2%	8.6x	12.3x	9.3x	6.3x	44.4x	29.6x	1.6x
Noble Energy, Inc.	\$15,190.1	\$79.98	2.2%	22.4%	93.1%	7.7x	8.4x	7.3x	6.6x	20.8x	19.1x	0.8x
Southwestern Energy Co.	\$13,898.3	\$36.37	7.3%	(14.0%)	68.9%	12.5x	9.5x	8.7x	7.7x	20.7x	19.3x	0.9x
Murphy Oil Corporation	\$12,493.3	\$65.30	(0.1%)	13.1%	94.4%	5.7x	3.9x	4.1x	4.0x	13.3x	12.6x	(0.0x)
Pioneer Natural Resources Co.	\$11,567.3	\$77.45	6.7%	88.6%	96.7%	10.7x	9.0x	7.1x	7.4x	19.2x	28.0x	2.3x
Newfield Exploration Co.	\$10,996.0	\$66.89	13.2%	59.4%	98.3%	4.6x	6.8x	6.5x	6.3x	14.6x	14.5x	1.6x
Ultra Petroleum Corp.	\$8,515.9	\$47.20	13.2%	1.9%	87.6%	14.3x	11.8x	7.9x	8.1x	13.9x	15.7x	2.0x
Quicksilver Resources Inc.	\$4,885.8	\$14.33	(5.7%)	9.4%	86.4%	8.4x	8.2x	8.3x	10.2x	16.5x	37.6x	4.2x
Median			3.5%	6.1%	89.9%	8.5x	7.8x	6.8x	6.3x	15.5x	17.4x	1.6x

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	Stock Performance					TEV / LTM EBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
	TEV	Current Price	Change from	Change from	% of	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA	5/23/2010
		11/23/10	Prior Month	Prior Year	LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA	5/23/2010
Mid and Small Cap													
Petrohawk Energy Corporation	\$7,909.3	\$17.51	1.2%	(16.5%)	64.0%	10.5x	10.4x	7.5x	6.2x	17.3x	19.5x	3.2x	
Plains Exploration & Production Company	\$6,793.0	\$28.56	5.9%	5.0%	78.0%	3.0x	8.4x	7.2x	6.2x	23.7x	17.4x	4.0x	
Forest Oil Corp.	\$5,499.5	\$34.34	10.2%	93.2%	95.7%	5.1x	7.5x	7.2x	7.4x	15.1x	18.2x	2.7x	
SandRidge Energy, Inc.	\$5,126.5	\$5.23	(5.4%)	(44.6%)	47.2%	6.6x	15.7x	11.5x	7.4x	NM	NM	12.1x	
Cabot Oil & Gas Corporation	\$4,675.7	\$34.80	12.7%	(9.0%)	74.9%	8.5x	7.6x	8.6x	8.0x	40.4x	62.0x	1.9x	
Swift Energy Co.	\$1,981.5	\$36.20	12.6%	63.1%	93.7%	5.4x	6.0x	7.1x	5.3x	27.0x	18.5x	1.9x	
Delta Petroleum Corp.	\$747.1	\$0.76	(2.2%)	(17.9%)	38.7%	NM	NM	13.4x	24.4x	NM	NM	(24.5x)	
PetroQuest Energy Inc.	\$536.6	\$6.99	20.7%	21.1%	79.1%	3.3x	3.4x	4.1x	4.5x	NM	16.5x	0.6x	
Median			8.1%	(2.0%)	76.5%	5.4x	7.6x	7.3x	6.8x	23.7x	18.3x	2.3x	
Coal Producers													
Peabody Energy Corp.	\$16,877.5	\$57.35	12.4%	26.7%	95.7%	9.7x	8.9x	10.2x	7.1x	22.9x	12.8x	1.1x	
CONSOL Energy Inc.	\$12,992.0	\$41.57	6.5%	(8.2%)	71.7%	7.4x	6.6x	10.6x	7.4x	22.2x	14.4x	3.2x	
Arch Coal Inc.	\$6,344.3	\$29.05	16.6%	32.9%	94.6%	9.7x	10.7x	10.0x	6.2x	42.1x	11.9x	3.4x	
Alpha Natural Resources, Inc.	\$6,194.5	\$50.46	13.4%	29.7%	90.6%	13.8x	6.7x	6.9x	5.8x	57.7x	12.7x	0.2x	
Massey Energy Co.	\$5,871.6	\$49.58	24.5%	31.1%	90.5%	7.4x	6.4x	15.1x	6.5x	NM	14.9x	1.6x	
Alliance Resource Partners LP	\$2,332.9	\$60.46	0.0%	55.6%	96.1%	4.6x	4.8x	5.2x	4.4x	8.4x	8.8x	1.1x	
Patriot Coal Corporation	\$1,704.8	\$16.03	25.1%	21.4%	66.1%	3.6x	5.6x	17.0x	6.5x	NM	NM	0.9x	
James River Coal Co.	\$635.4	\$19.73	20.7%	1.0%	86.0%	6.0x	4.3x	4.4x	3.8x	11.1x	8.6x	0.7x	
Farmacol SA	\$360.5	\$13.64	(11.7%)	(10.8%)	84.6%	12.3x	8.3x	10.5x	NA	10.7x	NA	1.0x	
Median			13.4%	26.7%	90.5%	7.4x	6.6x	10.2x	6.4x	22.2x	12.7x	1.1x	
Refining													
Valero Energy Corp.	\$16,645.8	\$19.36	9.7%	19.3%	90.1%	4.6x	16.7x	6.1x	4.6x	20.2x	9.3x	5.7x	
Sunoco, Inc.	\$6,940.9	\$39.55	0.9%	54.1%	97.3%	5.6x	11.0x	7.6x	6.6x	25.8x	15.7x	2.8x	
Tesoro Corporation	\$3,747.0	\$15.64	18.5%	19.3%	97.4%	4.9x	NM	16.2x	4.4x	NM	11.8x	94.3x	
Holly Corporation	\$2,943.2	\$34.17	6.0%	31.7%	96.6%	7.6x	21.3x	10.5x	7.0x	51.4x	12.7x	4.3x	
Western Refining Inc.	\$1,836.4	\$9.29	41.2%	106.9%	100.4%	4.5x	24.2x	9.5x	5.1x	NM	15.4x	14.5x	
Frontier Oil Corp.	\$1,543.8	\$15.21	16.0%	24.9%	96.9%	6.4x	NM	25.4x	5.1x	NM	12.1x	0.4x	
Alon USA Energy, Inc.	\$1,229.1	\$5.53	(1.1%)	(27.7%)	68.4%	4.6x	NM	NM	7.3x	NM	NM	(7.9x)	
CVR Energy, Inc.	\$1,347.3	\$11.50	24.2%	50.3%	96.5%	3.6x	6.7x	8.0x	5.5x	46.4x	13.7x	2.1x	
Delek US Holdings Inc.	\$640.7	\$7.06	(2.9%)	4.9%	83.7%	14.4x	NM	23.5x	7.0x	NM	231.7x	855.7x	
Median			9.7%	24.9%	96.6%	4.9x	16.7x	10.0x	5.5x	NM	13.2x	4.3x	

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	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 11/23/10	Change from Prior Month	Change from Prior Year	% of LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA 5/23/2010	
Storage & Transportation													
Kinder Morgan Energy Partners LP	\$35,022.6	\$71.00	0.8%	25.4%	99.0%	12.1x	13.2x	14.5x	10.7x	57.0x	37.6x	5.4x	
Enterprise GP Holdings L.P.	\$32,092.4	\$63.99	2.6%	73.8%	96.5%	10.6x	10.0x	10.4x	8.9x	37.4x	28.7x	5.2x	
Plains All American Pipeline LP	\$14,557.8	\$62.28	(2.0%)	24.6%	95.5%	11.9x	13.3x	15.0x	12.6x	27.7x	19.8x	5.6x	
Enbridge Energy Partners LP	\$13,563.9	\$61.09	1.1%	25.5%	96.4%	10.9x	10.9x	25.7x	11.8x	NM	18.7x	5.5x	
Magellan Midstream Partners LP	\$8,140.9	\$56.12	5.9%	41.8%	97.7%	15.3x	14.5x	16.4x	14.5x	19.9x	18.8x	4.3x	
Buckeye Partners LP	\$5,125.1	\$66.34	5.5%	28.6%	92.6%	12.3x	12.1x	13.8x	12.5x	19.8x	18.0x	4.6x	
Sunoco Logistics Partners L.P.	\$4,109.0	\$80.37	0.1%	32.2%	98.3%	8.4x	10.8x	13.3x	10.2x	8.6x	14.5x	4.7x	
Holly Energy Partners L.P.	\$1,501.7	\$51.87	3.9%	41.4%	96.5%	12.8x	12.1x	13.7x	10.8x	21.5x	20.6x	4.9x	
Median			1.9%	30.4%	96.5%	12.0x	12.1x	14.1x	11.3x	21.5x	19.3x	5.0x	

Power

Diversified Power												
General Electric Co.	\$589,421.4	\$15.76	(1.8%)	(1.6%)	80.0%	38.6x	37.2x	30.2x	19.3x	14.6x	12.6x	24.6x
Siemens AG	\$102,803.4	\$112.50	(3.0%)	13.3%	97.6%	8.2x	7.1x	8.5x	6.4x	18.7x	11.6x	0.3x
Emerson Electric Co.	\$44,931.7	\$55.10	1.1%	30.3%	96.2%	8.9x	9.7x	10.4x	8.3x	21.1x	14.6x	0.9x
Schneider Electric S.A.	\$43,003.9	\$142.78	(0.2%)	24.9%	93.8%	8.5x	7.8x	11.8x	NA	22.1x	NA	1.3x
ABB Ltd.	\$40,094.7	\$19.61	(12.4%)	2.0%	81.1%	8.1x	7.1x	8.6x	7.6x	18.9x	14.2x	(1.1x)
Areva SA	\$23,320.4	\$432.56	(6.0%)	(20.0%)	80.8%	NM	NM	NM	NA	NM	NA	47.0x
Eaton Corporation	\$18,782.8	\$95.81	9.0%	48.5%	98.2%	11.3x	9.6x	11.1x	8.8x	18.9x	14.1x	1.7x
Cooper Industries plc	\$8,989.1	\$52.71	(0.1%)	23.3%	96.8%	10.1x	10.8x	10.7x	9.8x	20.7x	14.3x	0.8x
Median			(1.0%)	18.3%	95.0%	8.9x	9.6x	10.7x	8.6x	18.9x	14.2x	1.1x

Mid-Cap Power

Ametek Inc.	\$7,007.1	\$56.61	13.5%	52.3%	99.4%	10.5x	11.9x	13.9x	11.4x	23.9x	18.7x	2.3x
Thomas & Betts Corp.	\$2,489.1	\$43.59	(1.4%)	16.6%	95.0%	7.6x	7.9x	7.9x	6.4x	17.4x	13.5x	0.8x
Littelfuse Inc.	\$951.6	\$45.58	8.1%	60.8%	101.3%	19.9x	8.3x	6.6x	6.0x	14.4x	12.0x	(0.7x)
Powell Industries, Inc.	\$296.2	\$33.71	1.8%	(6.5%)	89.9%	4.7x	3.3x	3.9x	6.5x	9.9x	18.9x	(1.2x)
Chapmans Ltd.	\$2.2	\$0.01	(37.2%)	(9.9%)	54.6%	NM	NM	NM	0.0x	NM	0.0x	(2.1x)
Median			1.8%	16.6%	95.0%	9.1x	8.1x	7.2x	6.4x	15.9x	13.5x	(0.7x)

Independent Power Producers

NRG Energy, Inc.	\$12,298.1	\$19.40	(4.2%)	(19.2%)	74.2%	4.0x	4.1x	5.1x	6.2x	9.3x	15.4x	2.5x
Dynegy Inc.	\$4,755.4	\$5.00	5.0%	(45.9%)	48.3%	8.4x	7.5x	8.8x	9.8x	NM	NM	6.6x
RRI Energy, Inc.	\$2,434.0	\$3.58	1.7%	(29.1%)	57.6%	NM	10.6x	5.9x	9.5x	NM	NM	4.6x
Mirant Corporation	\$2,039.1	\$10.08	0.4%	(28.8%)	59.2%	1.8x	2.0x	2.3x	5.8x	5.0x	87.1x	0.5x
Median			1.1%	(28.9%)	58.4%	4.0x	5.8x	5.5x	7.8x	7.2x	51.3x	3.5x

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	Stock Performance					TEV / LTM EBITDA Multiple as of			TEV / 2011		Net Debt /	
	TEV	Current Price	Change from	Change from	% of	11/23/09	5/23/10	Current	EBITDA	P/E Ratio		EBITDA
		11/23/10	Prior Month	Prior Year	LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	5/23/2010
Electric Utilities												
Southern Company	\$51,881.9	\$37.96	(0.9%)	19.2%	98.3%	8.7x	8.9x	9.2x	8.9x	15.2x	15.1x	3.5x
NextEra Energy, Inc.	\$41,103.6	\$51.17	(7.7%)	(1.6%)	90.5%	8.3x	8.1x	7.6x	8.1x	10.3x	11.7x	4.0x
Duke Energy Corporation	\$39,914.3	\$17.57	(1.2%)	6.7%	94.5%	8.3x	8.0x	8.0x	7.6x	18.8x	13.1x	3.5x
Exelon Corp.	\$36,425.7	\$39.58	(5.8%)	(16.5%)	76.1%	6.0x	5.4x	5.3x	5.8x	10.0x	9.7x	1.5x
American Electric Power Co., Inc.	\$34,687.2	\$35.68	(2.8%)	12.0%	94.0%	7.3x	7.3x	7.3x	7.2x	13.4x	11.5x	3.9x
Progress Energy Inc.	\$24,992.6	\$43.81	(2.4%)	12.1%	96.1%	7.5x	7.7x	8.4x	8.1x	14.6x	14.0x	4.0x
FirstEnergy Corp.	\$24,827.2	\$35.40	(5.7%)	(15.9%)	74.1%	8.5x	8.9x	8.2x	6.9x	12.9x	11.2x	5.0x
Entergy Corporation	\$23,716.5	\$72.35	(3.0%)	(8.3%)	85.7%	7.6x	7.3x	6.5x	6.8x	10.3x	11.0x	3.0x
Edison International	\$23,260.9	\$37.15	3.2%	10.1%	97.2%	5.6x	5.6x	6.2x	5.8x	9.4x	12.5x	2.7x
PPL Corporation	\$16,787.9	\$25.56	(5.0%)	(16.7%)	77.3%	10.5x	9.7x	7.3x	5.4x	13.3x	9.8x	2.5x
Median			(2.9%)	2.6%	92.2%	8.0x	7.9x	7.5x	7.1x	13.1x	11.6x	3.5x
Renewables												
						TEV / LTM Revenue Multiple as of			TEV / 2011			
						11/23/09	5/23/10	Current	Revenue			
First Solar, Inc.	\$10,065.4	\$124.20	(14.7%)	2.3%	81.0%	5.4x	4.1x	3.9x	2.8x	16.5x	14.6x	(0.7x)
Vestas Wind Systems A/S	\$7,144.0	\$30.30	(19.4%)	(59.5%)	44.4%	1.6x	1.2x	0.9x	NA	19.2x	NA	0.8x
Suntech Power Holdings Co. Ltd.	\$2,077.4	\$7.12	(18.2%)	(54.1%)	37.9%	2.4x	1.3x	0.9x	0.7x	NM	8.1x	2.9x
SunPower Corporation	\$1,494.1	\$12.08	(10.1%)	(42.6%)	45.8%	1.6x	1.0x	0.8x	0.5x	44.7x	6.8x	1.6x
Clean Energy Fuels Corp.	\$968.8	\$13.53	(1.2%)	12.4%	57.1%	5.6x	5.9x	5.7x	3.2x	NM	125.5x	(1.8x)
GT Solar International, Inc.	\$820.0	\$7.15	(14.9%)	46.2%	71.5%	1.0x	1.0x	1.1x	1.0x	8.1x	6.3x	(1.7x)
Evergreen Solar Inc.	\$500.7	\$0.82	(16.1%)	(44.6%)	43.6%	2.3x	1.7x	1.5x	1.2x	NM	NM	16.6x
Rentech, Inc.	\$324.6	\$1.23	6.0%	(1.6%)	67.6%	1.6x	1.5x	2.7x	2.0x	NM	NM	1.8x
Energy Conversion Devices, Inc.	\$310.6	\$4.67	(0.2%)	(55.6%)	36.6%	2.0x	1.6x	1.1x	0.8x	NM	NM	(3.0x)
FuelCell Energy Inc.	\$164.5	\$1.21	3.0%	(63.1%)	30.1%	2.9x	2.8x	2.3x	1.6x	NM	NM	1.0x
Ballard Power Systems Inc.	\$61.0	\$1.42	(16.6%)	(39.2%)	44.3%	3.1x	2.0x	1.0x	0.8x	NM	NM	1.8x
Median			(14.7%)	(42.6%)	44.4%	2.3x	1.6x	1.1x	1.1x	17.8x	8.1x	1.0x
Cleantech												
Itron, Inc.	\$2,882.3	\$58.32	(3.9%)	(7.0%)	71.2%	2.0x	1.8x	1.4x	1.2x	27.0x	13.4x	2.4x
ESCO Technologies Inc.	\$1,053.8	\$34.98	1.2%	9.6%	89.7%	1.6x	1.5x	1.7x	1.4x	20.9x	14.9x	1.7x
Ameresco, Inc.	\$684.7	\$12.86	2.1%	NA	90.8%	0.0x	0.0x	1.2x	1.0x	15.2x	16.2x	4.2x
EnerNOC, Inc.	\$453.3	\$23.85	(21.7%)	(1.9%)	64.5%	2.5x	3.0x	1.6x	1.4x	37.5x	30.2x	(40.5x)
Echelon Corporation	\$319.0	\$8.82	3.0%	(26.2%)	70.9%	4.3x	2.7x	2.9x	2.4x	NM	NM	2.1x
PowerSecure International, Inc.	\$158.7	\$8.52	(13.2%)	6.1%	72.1%	1.3x	1.4x	1.3x	1.1x	33.7x	16.6x	(0.3x)
Comverge, Inc.	\$133.0	\$6.10	(23.3%)	(40.8%)	46.0%	2.7x	2.1x	1.1x	0.9x	NM	NM	5.0x
Median			(3.9%)	(4.5%)	71.2%	2.0x	1.8x	1.4x	1.2x	27.0x	16.2x	2.1x

Member FINRA/SIPC

	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011 P/E Ratio		Net Debt /	
		Current Price 11/23/10	Change from Prior Month	Change from Prior Year	% of LTM High	11/23/09	5/23/10	Current	EBITDA	Current	2011	EBITDA 5/23/2010
Industrial & Infrastructure Services												
Engineering & Construction												
Fluor Corporation	\$8,161.2	\$56.92	15.1%	28.8%	97.4%	4.7x	5.2x	8.5x	7.4x	26.9x	17.6x	(1.7x)
Jacobs Engineering Group Inc.	\$4,063.0	\$39.01	(0.5%)	7.1%	77.0%	5.0x	7.6x	8.2x	6.6x	19.7x	13.8x	(1.4x)
URS Corporation	\$3,616.4	\$39.71	1.0%	(8.6%)	74.6%	7.2x	7.8x	5.9x	5.0x	12.4x	10.9x	0.5x
McDermott International Inc.	\$3,556.8	\$17.49	12.0%	(20.1%)	60.4%	10.3x	7.5x	4.9x	7.6x	9.2x	13.7x	(1.0x)
Dresser-Rand Group Inc.	\$3,148.4	\$38.63	2.7%	31.9%	96.6%	5.8x	6.6x	9.5x	8.9x	23.2x	17.8x	0.1x
KBR, Inc.	\$3,059.7	\$27.23	8.1%	42.3%	97.5%	3.7x	4.8x	5.4x	5.1x	13.6x	13.9x	(2.0x)
Chicago Bridge & Iron Company N.V.	\$2,546.2	\$27.81	8.3%	44.0%	94.0%	4.6x	4.8x	NM	5.9x	15.3x	12.3x	(0.7x)
Shaw Group Inc.	\$1,776.3	\$30.63	(4.2%)	5.4%	75.6%	4.3x	5.6x	5.0x	4.1x	28.4x	11.7x	(2.4x)
ENGlobal Corp.	\$91.9	\$2.98	1.0%	(6.0%)	81.9%	6.1x	44.0x	NM	5.5x	NM	10.3x	7.1x
Median			2.7%	7.1%	81.9%	5.0x	6.6x	5.9x	5.9x	17.5x	13.7x	(1.0x)
Industrial & Infrastructure Services												
EMCOR Group Inc.	\$1,242.9	\$25.94	(2.6%)	3.9%	87.0%	3.4x	4.1x	4.7x	4.4x	NM	12.5x	(1.6x)
Cape plc	\$830.2	\$5.69	(1.4%)	47.0%	90.0%	5.1x	3.9x	6.0x	NA	NM	NA	1.1x
Team Inc.	\$401.1	\$19.98	7.9%	24.6%	91.3%	7.7x	8.6x	9.2x	6.6x	26.1x	14.6x	0.5x
Pike Electric Corporation	\$337.4	\$6.91	(6.7%)	(25.2%)	62.5%	6.4x	10.1x	10.6x	5.9x	NM	24.0x	2.5x
Furmanite Corporation	\$213.1	\$6.06	(1.1%)	83.1%	93.1%	8.3x	20.6x	4.8x	7.2x	146.1x	14.1x	(1.1x)
Matrix Service Co.	\$210.2	\$9.57	1.6%	2.7%	76.3%	6.3x	NM	7.6x	3.7x	73.5x	9.6x	NM
Median			(1.3%)	14.2%	88.5%	6.4x	8.6x	6.8x	5.9x	73.5x	14.1x	0.5x

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Tiff B. Armstrong
Managing Director
tarmstrong@harriswilliams.com
(804) 648-0072

Mr. Armstrong co-leads the Energy & Power Group and was Harris Williams & Co.'s second employee, joining the firm in 1993. In 1999, Mr. Armstrong founded the San Francisco office and has over 19 years of transactional experience focused in middle market mergers and acquisitions assignments. Having directed over 125 mergers and acquisitions transactions during his career, Mr. Armstrong has worked across industries including energy and power, consumer products, building products, business services, distribution, retailing, specialty chemicals, and technology. As Co-Head of the Energy & Power Group, Mr. Armstrong specializes on the Power segment. Prior to joining Harris Williams & Co., Mr. Armstrong was with Wheat First Butcher Singer (now Wells Fargo). He earned a B.S. with a concentration in Finance from the University of Virginia's McIntire School of Commerce and is also a Chartered Financial Analyst. Mr. Armstrong was past president and director of the San Francisco Chapter of ACG and is currently a director of the Greater Richmond YMCA.

Andrew G. Spitzer
Managing Director
aspitzer@harriswilliams.com
(804) 915-0174

Mr. Spitzer founded and co-leads the Energy & Power Group at Harris Williams & Co. Over his investment banking career, Mr. Spitzer has advised clients on a variety of merger and acquisition and strategic advisory assignments, as well as corporate financings. Mr. Spitzer has advised a diverse range of manufacturing and service businesses in the energy and power industries. Key niche focus areas have included demand response solutions, power quality equipment, infrastructure and industrial services, and oilfield products and services. Prior to focusing on energy and power companies, Mr. Spitzer developed experience in numerous industries including industrial manufacturing, chemicals, automotive, aerospace and defense, business services, and consumer products. Prior to joining Harris Williams & Co., Mr. Spitzer worked in the General Industrial Group at Banc of America Securities, LLC and in the Investment Banking Group at Goldman Sachs & Co. Mr. Spitzer earned an M.B.A. with Honors from Columbia Business School, where he served as the Caplan Fellow. Mr. Spitzer earned a B.A. in Economics from the University of Virginia.

Brian S. Lucas
Vice President
blucas@harriswilliams.com
(804) 932-1323

Mr. Lucas re-joined Harris Williams & Co. following the completion of an M.B.A. from The Wharton School at the University of Pennsylvania. Prior to business school, Mr. Lucas served as an Associate with Harris Williams & Co., working on mergers and acquisitions transactions in a broad range of industries, including general industrial, consumer products, plastics, and waste equipment/services. Before re-joining Harris Williams & Co., Mr. Lucas worked as an Associate with Graham Partners, a private equity group in Philadelphia. Previous experience also includes work as an Investment Banking Analyst with JP Morgan. Mr. Lucas earned a B.S. in Commerce, with a concentration in Finance from The McIntire School of Commerce at the University of Virginia.

Matthew G. White
Vice President
mwhite@harriswilliams.com
(804) 915-0131

Prior to joining Harris Williams & Co., Mr. White worked as an Associate in the Equity Capital Markets Group at SunTrust Robinson Humphrey. Previous experience also includes work in the Capital Finance Group at Wachovia Securities (now Wells Fargo) where he focused on acquisition financing, growth capital, and workout situations. Mr. White earned an M.B.A. from the Goizueta Business School at Emory University and a B.S. in Business Administration from the University of North Carolina at Chapel Hill.

Sources:

1. Capital IQ.
2. MergerMarket.
3. RigData.

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1001 Haxall Point
9th Floor
Richmond, VA 23219
P: (804) 648-0072
F: (804) 648-0073
www.harriswilliams.com

Two International Place
24th Floor
Boston, MA 02110
Phone: (617) 482-7501
Fax: (617) 482-7503

1900 East 9th Street
20th Floor
Cleveland, OH 44114
Phone: (216) 689-2400
Fax: (216) 689-2401

63 Brook Street
London, W1K 4HS
Phone: +44 20 7518 8900
Fax: +44 20 7526 2187

222 South Ninth Street
Suite 3350
Minneapolis, MN 55402
Phone: (612) 359-2700
Fax: (612) 359-2701

1600 Market Street
21st Floor
Philadelphia, PA 19103
Phone: (267) 675-5900
Fax: (267) 675-5901

575 Market Street
31st Floor
San Francisco, CA 94105
Phone: (415) 288-4260
Fax: (415) 288-4269